

INITIATING COVERAGE REPORT

Symphony Ltd.

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Shraddha Kapadia

Sector Lead – Consumer Durables

9987038082 / 022 42005565

shraddha.kapadia@smifs.com

Pratik Talvatkar

Research Associate

9321787343 / 022 42005567

pratik.talvatkar@smifs.com

Symphony
Limited

Symphony Ltd

Cooling Leader: Unlocking Value

Symphony Ltd is India's undisputed leader in the organised air cooler market with a 50% value share. Company has continued to follow its successful approach — focusing on an asset-light model supported by strong innovation, smart marketing and solid brand strategy. By partnering with OEMs for manufacturing, Symphony has maintained a light balance sheet and a clear strategic focus — a move that has helped it stay ahead in the rapidly changing consumer market. Indian air cooler market is currently valued at ~Rs 50 billion with 35% market share of organized players. In next 5–7 years, the market is expected to grow to ~Rs 100 billion, with the organized segment to reach ~40%. This growth will be driven by rising incomes, frequent heatwaves, increasing rural penetration, product innovation and wider distribution. Supportive domestic demand, boosted by income tax reforms, also adds to growth outlook. Management is actively taking steps to streamline its portfolio by monetising its subsidiaries IMPCO and CT (Australia) but company will continue to service those markets. These actions are focused on improving ROCE, channelising management bandwidth and increasing focus on high-growth markets. Post recent correction, Symphony offers an attractive entry point, trading at 27x FY27E EPS. We forecast a 17% earnings CAGR over FY25–27E, led by shift toward the organized air cooler segment and market expansion. Assigning a 36x FY27E EPS multiple (~25% discount from 5 year mean PE), we arrive at a target price of Rs 1,500, implying a 33% upside. We initiate coverage with BUY rating for leadership, resilience and growth.

Leveraging Brand Equity and Asset-Light Model to Sustain Leadership

- Worldwide, Symphony has sold 25 million+ coolers, which highlights its market strength and global reach. It has a leadership position in India's air cooler market, holding a 50% value share in organised market by combining smart strategy with brand strength. Its asset-light approach — 100% outsourcing through 13 OEMs — allows it to stay nimble, focusing efforts on innovation, brand building and market expansion.
- Symphony continues to invest in brand building with high-impact campaigns across TV and digital platforms. A&P spends is ~6.3% of sales in FY25 (one of the highest in peers), cementing its "India ka No.1 Cooler" positioning. This focus has translated into real pricing power with Symphony commanding a premium over competitors like Voltas and Havells. Even more notable is that it sells mostly on advance payment terms, which reflects the strong brand loyalty and trust it has built with its channel partners.

Innovating Beyond Air Coolers for Sustainable Growth

- Innovation is a core part of Symphony's identity. In FY25, it introduced 17 new products and is the first company to launch BLDC air cooler globally, demonstrating its commitment to staying ahead of the curve.
- Symphony is also expanding its portfolio beyond air coolers into related categories like 1) large space ventilation cooling (for commercial use), 2) tabletop cooling range which include portable fans and kitchen cooling fans 3) tower fans and 4) water heaters. These new segments align well with Symphony's strengths in manufacturing and distribution while having similar profit margins.
- This combination of innovation and diversification is expected to drive ~7% CAGR growth in topline for FY25–27E, setting the stage for Symphony's next phase of expansion.

Strategic Subsidiary Exits to Boost Return Ratios and Strengthen Core Focus

- IMPCO and CT: Monetization in Motion:** Symphony has begun the process of selling its stakes in IMPCO (Mexico) and CT (Australia), whose combined ROCE is just 1%, weighing down overall group performance. Investment bankers have been appointed to evaluate strategic partners.
- IPR Monetization:** Management confirmed the ~\$5.1 million sale of 9 IPRs to IMPCO which will fund GSK's loan repayment to Symphony India. GSK to retain 50+ IPRs; remains a tech and sourcing hub for Asia and exports. Tax-neutral structure aligned with transfer pricing laws-net proceeds to be used to fully repay Symphony India loan, making GSK debt-free.
- Strategic Rationale:** These monetization steps are aimed at improving group level ROCE, enhancing capital efficiency and freeing up management capacity. The focus will shift to high growth opportunities in India and export markets like the US, Brazil, Europe, Mexico and Australia.

Valuation

- Symphony stands out as a market leader, driven by ongoing innovation and strong customer relationships. It is well-placed to benefit from the growing shift toward the organized air cooler segment, while also expanding its presence in rural markets. The planned exit from subsidiaries and increased focus on high-growth regions further support its long-term growth potential.
- We expect Symphony to report a CAGR of 7%/7%/17% at Revenue/EBITDA/reported PAT level over FY25–27E. Also, long term contracts with OEMs, robust cash conversion cycle (less than 2 months) & sustainable 25%+ return ratios, strong balance sheet deserves rerating in multiple.
- The stock is trading at P/E of ~27x on FY27E EPS. We assign 36x (25% discount from 5 year mean PE ratio) as the target multiple and arrive at target price of Rs 1,500 per share which is upside of ~33% from current valuations. We assign **BUY** rating on the stock for leadership, resilience and growth.

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	Adj EPS	RoE (%)	RoCE (%)	Adj P/E (x)	EV/EBITDA (x)
FY22	10,390	15.5	1,608	15.5	1,215	13.1	17.4	15.2	12.5	59.9	44.3
FY23	11,876	14.3	1,384	11.7	1,153	(5.1)	16.5	13.4	11.2	58.4	48.3
FY24	11,560	(2.7)	1,680	14.5	1,369	18.7	19.6	16.8	14.3	45.7	36.6
FY25	15,760	36.3	3,110	19.7	2,438	78.1	34.8	32.3	27.6	37.1	28.4
FY26E	15,295	(2.9)	2,830	18.5	2,299	(5.7)	32.8	27.3	24.1	34.5	27.2
FY27E	18,063	18.1	3,533	19.6	2,908	26.5	41.5	28.3	25.8	27.2	21.3

Source: Company, SMIFS Research Estimates



Rating: **BUY** Return: ~33%
Current Price: **Rs 1,132** Target Price: **Rs 1,500**

| Market data

Bloomberg:	SYML:IN
52-week H/L (Rs):	1,879/954
Mcap (Rs bn/USD bn):	77.8/0.91
Shares outstanding (mn):	68.7
Free float:	26.6%
Daily vol. (3M Avg.):	0.19mn
Face Value (Rs):	2

Source: Bloomberg, SMIFS Research

| Shareholding pattern (%)

	Jun-24	Sep-24	Dec-24	Mar-25
Promoter	73.4	73.4	73.4	73.4
FIIIs	4.8	6.1	6.8	6.2
DIIIs	10	8.9	8.5	8.7
Public/others	11.8	11.6	11.3	11.7

Pro. Pledging

Pledging	0.0	0.0	0.0	0.0
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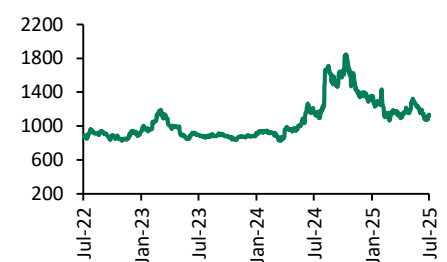
Source: BSE

| Price performance (%)*

	1M	3M	12M	36M
NIFTY 50	3.4	11.2	4.8	60.8
NIFTY 500	3.3	13.3	2.8	74.9
Symphony	-3.5	3.6	-1.8	29.8

*as on 4th Jul 2025; Source: AceEquity, SMIFS Research

| Price Performance Chart



Source: NSE

Shraddha Kapadia

Sector Lead- Consumer Durables
+91 9987038082 / 022 42005565
shraddha.kapadia@smifs.com

Pratik Talvatkar

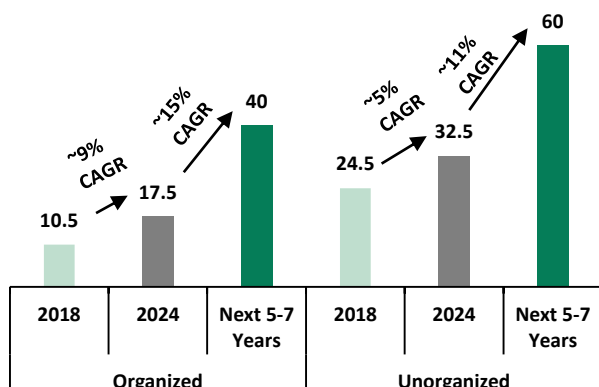
Research Associate
9321787343 / 022 42005567
pratik.talvatkar@smifs.com

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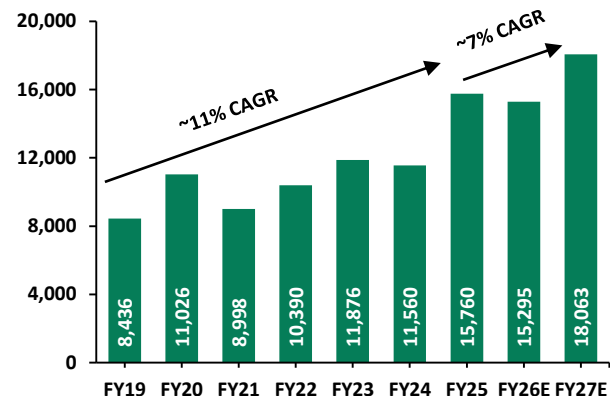
Story In Charts

Fig 1: Domestic Air Cooler Industry to become 2x in next 5-7 years
(Rs in Bn)



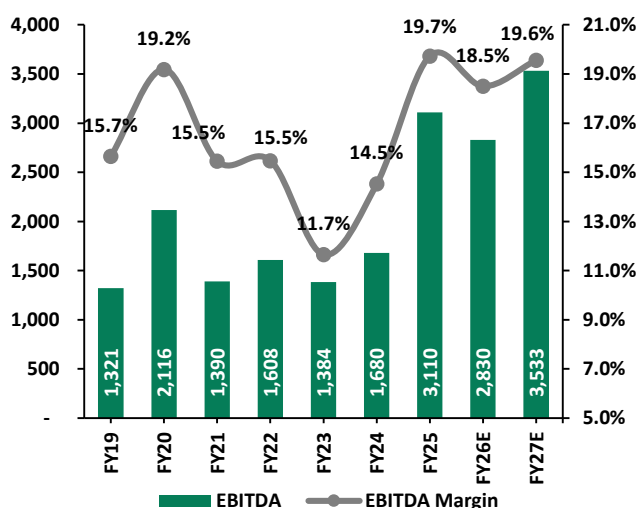
Source: Company, SMIFS Research

Fig 2: Revenue to grow at CAGR of 7% over FY25-27E
(Rs in Mn)



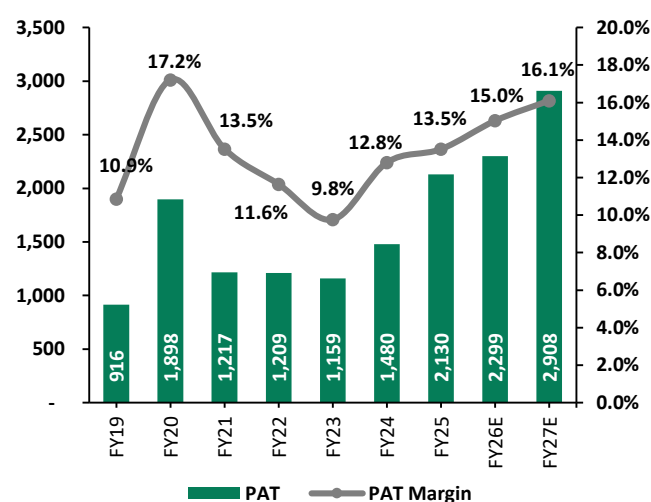
Source: Company, SMIFS Research Estimates

Fig 3: After a Dip, a Surge: EBITDA Margin to Reach 19.6% in FY27E
(Rs in Mn and % of Sales)



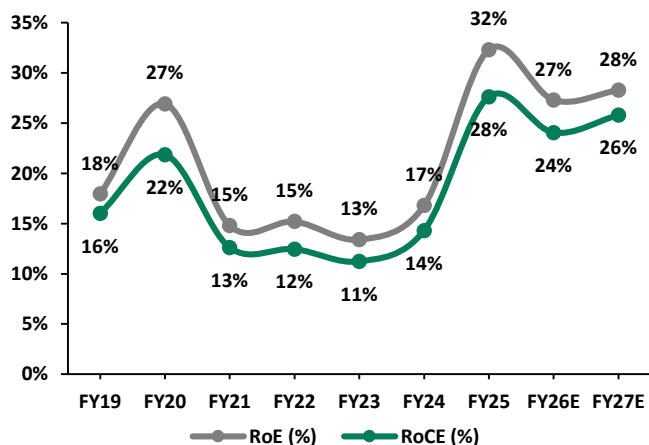
Source: Company, SMIFS Research Estimates

Fig 4: Reported PAT margins to reach at ~16% by FY27E
(Rs in Mn and % of Sales)



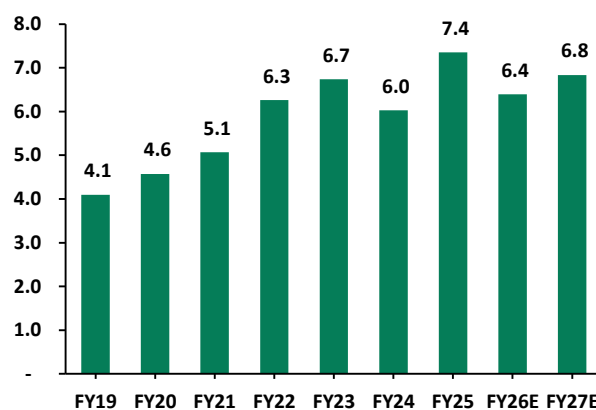
Source: Company, SMIFS Research Estimates

Fig 5: Healthy Return ratios of 25%+ by FY27E (In %)



Source: Company, SMIFS Research Estimates

Fig 6: Gross ATO to reach ~7x by FY27E (In times)



Source: Company, SMIFS Research Estimates

Investment Rationale

Asset-Light Business Model: Light on Assets, Heavy on Impact

Symphony is one of the few consumers durable companies that operates entirely on an asset-light model by outsourcing 100% of its domestic production to 13 OEM partners, without owning any manufacturing facility. Despite outsourcing, Symphony retains complete control over product design, materials, costs, and other key aspects of manufacturing. All designs are exclusive to Symphony, giving it a competitive advantage. This model allows the management to concentrate on core areas like R&D, marketing, and brand building — helping the company maintain its leadership in the air cooler market.

Key Features of Symphony's Outsourcing Model:

- **Complete Outsourcing:** Symphony outsources 100% of its domestic air cooler production to 13 OEM partners, reducing capital expenditure and operational risks.
- **Quality Assurance:** Symphony supplies moulds to its OEMs and deploys its technical personnel at manufacturing sites to maintain consistent product quality.
- **Raw Material Control:** While OEMs handle raw material procurement, Symphony retains control over supplier selection and specifications, ensuring cost-effectiveness and quality standards.
- **Flexible Agreements:** Monthly purchase orders with OEMs provide Symphony with the flexibility to adjust production volumes based on market demand, mitigating inventory risks during off-peak seasons.
- **Diversified Partnerships:** No single OEM contributes more than 15% to Symphony's production, minimizing dependency risks and enhancing supply chain resilience.

What if Symphony opted for in-house manufacturing instead of outsourcing?

Switching from its current outsourced model to in-house manufacturing would require Symphony to make significant investments in infrastructure, machinery, and manpower. Below is an indicative cost estimate to set up a small-scale factory capable of producing 600 air cooler units:

Fig 7: Initial investments to setup a new air cooler plant

Component	Estimated Cost (Rs lakhs)	Function
Land and Building	6	Land acquisition to construct factory
Machinery	36.4	Production and assembly equipment
Equipment and Furniture	1.2	Office setup, testing tools, electrical fittings
Total	43.6	Initial cost of setting up a unit

Source: GOI, SMIFS Research

A standard manufacturing unit with an annual capacity of 100,000 units would require an investment of ~Rs 725 million. To match Symphony's current scale of ~2.5 million units annually, 25 such units would be needed.

Estimated Capital Expenditure:

- **Per Unit Investment:** Rs 725 million for producing 100,000 units annually
- **Number of Units Required:** 25 for production volume of ~2.5 million units p.a
- **Total Capital Expenditure:** Rs 725 million × 25 = **Rs 18,125 million**

Operational Challenges of In-House Model:

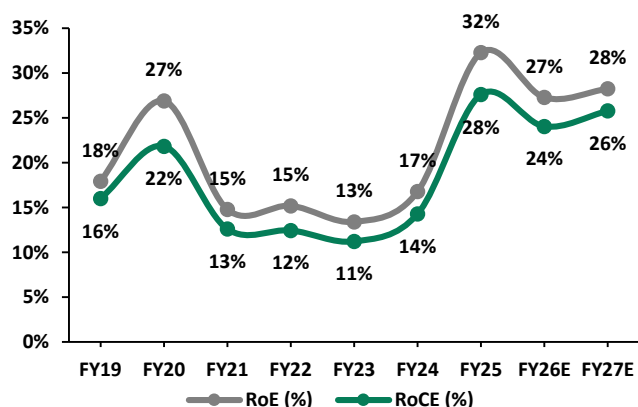
- **High Fixed Costs:** Higher operating leverage increases financial stress in off-season.
- **Limited Scalability:** Adjusting capacity is more difficult than with OEM partnerships.
- **Compliance Burden:** Managing labor, safety and environmental regulations increase costs and complexity.

Fig 8: OEM Delivers High Returns with Low Investment

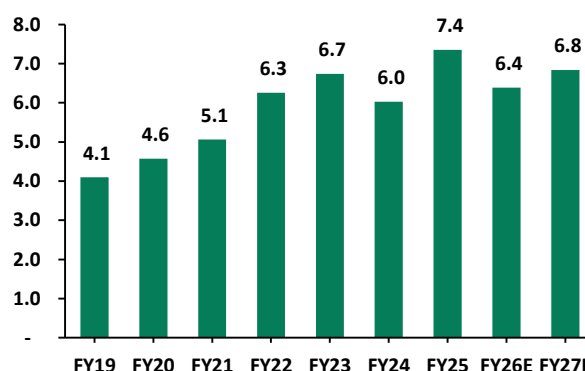
Metric	OEM Model	In-House
Capital Investment	Low	Very High
RoCE	>40%	Substantially Lower (initial years)
Operational Flexibility	High	Low
Cost Structure	Variable	Largely Fixed
Quality Control	Moderate	High

Symphony has strategically adopted a **100% outsourced manufacturing model in India**, collaborating with **13 OEM partners**. This asset-light approach allows Symphony to have several advantages:

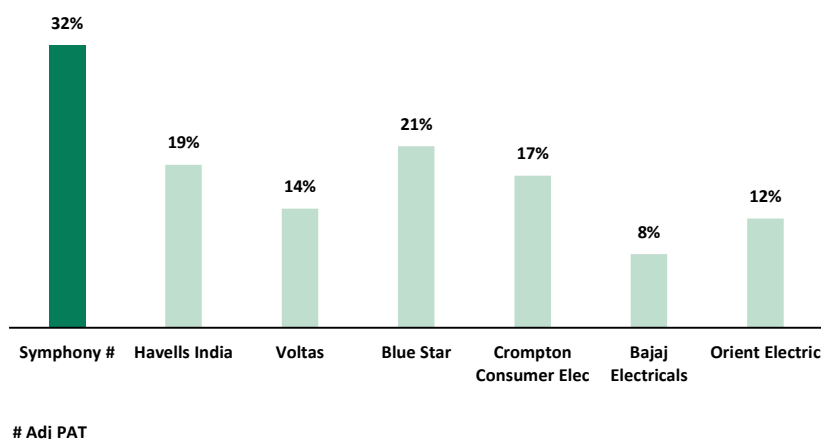
- **Low capital intensity:** No major investments in factories or machinery, which allows Symphony to deploy capital towards innovation, marketing and R&D.
- **High operational flexibility:** The company can quickly scale up or scale down production based on seasonal demand, helping manage working capital efficiently.
- **Enhanced return ratios:** Due to this lean structure, Symphony consistently generates strong return on equity (RoE of ~32% in FY25) and return on capital employed (RoCE of 28% in FY25), significantly higher than many consumer durables peers.

Fig 9: Return ratios are expected to be 25%+ (In %)


Source: Company, SMIFS Research Estimates

Fig 10: Gross ATO to reach ~7x by FY27E (In Times)


Source: Company, SMIFS Research Estimates

Fig 11: ROE is highest amongst peers for FY25 (in %)


Source: Company, SMIFS Research

Air Cooler Industry to Double in 5-7 years

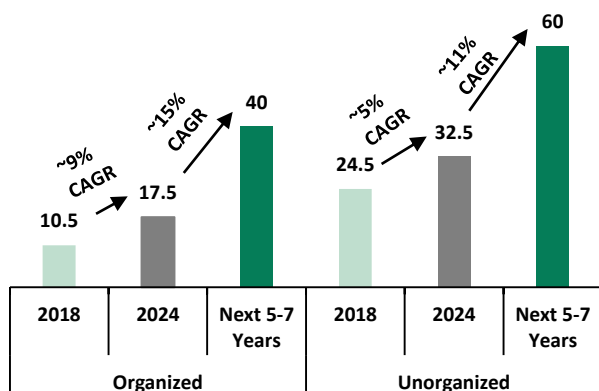
The Indian air cooler industry is currently **valued at ~Rs 50 billion**, with the organized segment accounting for ~35% of the market (*Source: Symphony Ltd. Corporate Presentation, May'25*). Within this space, Symphony holds a dominant position, capturing nearly 50% market share—making it the clear leader in the organized segment.

Looking ahead, the market is expected to double over the **next 5–7 years to ~Rs 100 billion**. The organized segment's share is projected to rise to ~40%, driven by multiple structural tailwinds including:

- Rising per capita income
- Increasing frequency and intensity of heatwaves
- Better electrification and rural reach
- Continued innovation in cooling technology
- Expansion of distribution networks across urban and rural markets

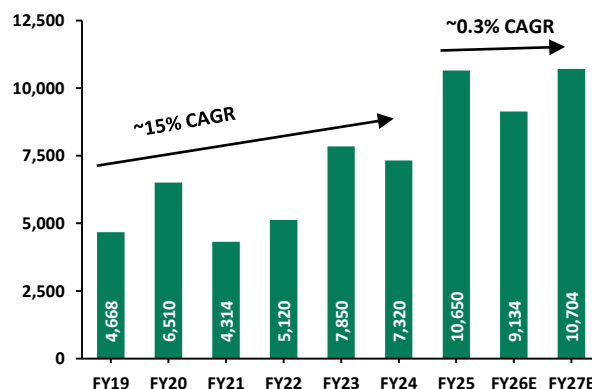
Symphony with its strong brand equity, innovation-led approach and deep market presence, is well-positioned to benefit from these long-term growth drivers. But for short term, its domestic revenue is expected to grow ~0.3% for FY25-FY27E, as FY26 is expected to decline from unseasonal rains and on back of high base of FY25.

Fig 12: Domestic Air Cooler Market to become 2x in next 5-7 years
(Rs in Bn)



Source: Company, SMIFS Research

Fig 13: India business to witness decline in FY26, growth momentum to continue from FY27 onwards (Rs in Mn)



Source: Company, SMIFS Research Estimates

Channel Checks – Coolers face weather-driven headwinds, smart features & after sales service emerge as key differentiators

We interacted with distributors and retailers across India to understand evolving consumer preferences and the dynamics of the air-cooling market. The category is witnessing mixed trends, with air cooler demand impacted by **region-specific weather patterns**, while **smart features and strong service networks** are helping some brands stand out.

Summer 2025 Season: Weather-Led Volatility Hurts Demand

While regions like Haryana reported above-average demand, others such as Telangana witnessed muted offtake due to persistent cloud cover, despite high temperatures (~38–40°C). Feedback from Madhya Pradesh and Udaipur also indicated that early monsoon and patchy summer weather disrupted peak-season sales in several parts of India.

Retailers and distributors in the cooler segment noted:

- **Strong inventory stocking in Jan–Apr**, anticipating summer demand.
- **Sharp slowdown in sales during May–June**, from unseasonal rains.
- Seasonal demand remained sensitive to weather volatility and increasingly unpredictable patterns.

Brand Landscape: Performance & Positioning

- **Symphony** is the most preferred brand of consumers, followed by **Kenstar**.
- **Bajaj Electrical** and **Havells** saw highest decline, **Kenstar** also has seen less demand, as it does not have its own service center.
- All brands offer 1 year warranty, except Bajaj Electrical which offers 1 plus 2 years warranty (this additional 2-years warranty is valid only through their own app, and service is provided directly from them)
- Bajaj Electricals, Havells and Symphony have good **EMI options, zero down payments**; other brands don't have zero down payment options.
- In **tier1 cities like Mumbai**, people are preferring Acs due to lowering of prices, and easy credit facility, also the lower income group people even in slums they are opting for Acs due to easy EMI options. Whereas, on air coolers, no cashback offers are available also there is no decline in prices which is impacting the sales as compared to AC.

Symphony Leads in Brand Recall & Service

Among cooler brands, Symphony continues to enjoy high customer stickiness due to:

- Longer product lifecycle (8-10 years).
- Strong after-sales support.
- Continuous focus on technology upgrades (e.g., smart controls, BLDC motors).

However, competition from regional brands is rising, especially in price-sensitive Tier 2/3 regions where value offerings with larger tank sizes (up to 200L) are seeing traction.

Key Consumer Trends: Innovation, Portability and Efficiency

The air-cooling category is undergoing a shift, with consumer preferences evolving toward smart, sustainable and compact appliances:

- **Smart features** (app/timer control, touch panels) are gaining popularity.
- **Energy-efficient motors** (BLDC) and even **solar-powered coolers** are in demand.
- Demand for **air purification** features (e.g., Bacto-Shield pads) is on the rise.
- Design and aesthetics are increasingly influencing purchase decisions.

Interestingly, many urban households are adopting a hybrid use strategy—cooler by day, AC by night—to balance cost and comfort.

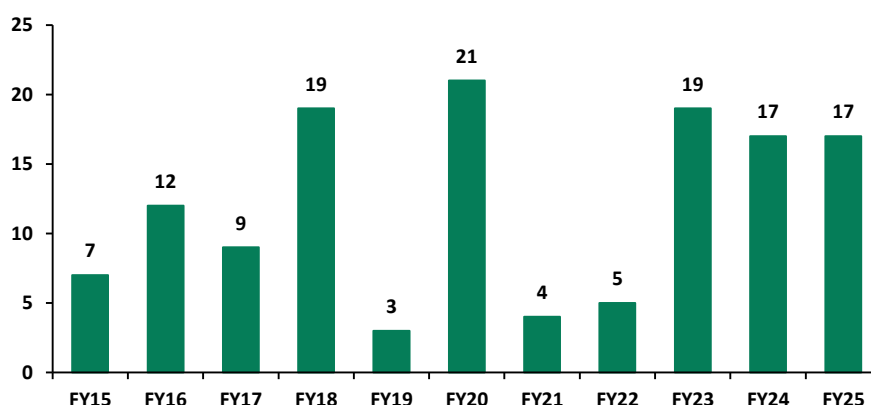
While the **current season for air coolers has been challenging** due to unseasonal rains during the peak summer of CY2025, from a low base created this season, demand can start seeing a **recovery on the back of better summers in the subsequent years, better festive season** demand this year and **higher discretionary spend** driven by salary tax cuts given in this year's budget and 8th pay commission spend.

Leading the Way with Innovation

- Symphony's **asset-light business model** allows management to dedicate significant focus and resources toward research and development. Approximately **10% of its workforce** is engaged in R&D, enabling continuous product innovation. The company **launched 17 new models** in both FY24 and FY25, reinforcing its leadership in cutting-edge cooling solutions.

Fig 14: New Product Launches

(In Nos)



Source: Company, SMIFS Research

- The R&D strategy is deeply **consumer-centric**, aimed at addressing evolving lifestyle needs and enhancing user comfort. This approach has yielded several **industry-first innovations**, including:
 - **i-Pure Technology:** A multistage air purification system that filters dust, allergens and odours, ensuring cleaner air output.
 - **BLDC Motor Technology:** Symphony introduced the world's first air coolers powered by Brushless Direct Current (BLDC) motors, achieving up to 60% energy savings compared to conventional coolers.
 - **Magic Fill:** An automatic water-filling feature that alerts users when the water tank is full, enhancing convenience.
 - **Voice Assist and Touchscreen Controls:** Integration of smart features for intuitive user interaction.

Fig 15: Air cooler with BLDC Technology



Source: Company, SMIFS Research

Fig 16: Double Decker Air cooler



Source: Company, SMIFS Research

- **India's First Double Decker Air Cooler:** Symphony introduced India's first Double Decker air cooler with a dual-fan design, delivering uniform cooling at two levels—ideal for large or shared spaces. It combines high performance with space-saving innovation, reinforcing Symphony's market leadership in air cooling technology.
- **Duet:** It is a portable solution, combining the functionalities of an air cooler and a fan. It is marketed as a kitchen fan and offers versatility and convenience.

Fig 17: Duet: India's First Kitchen Cooling Fan Range


Source: Company, SMIFS Research

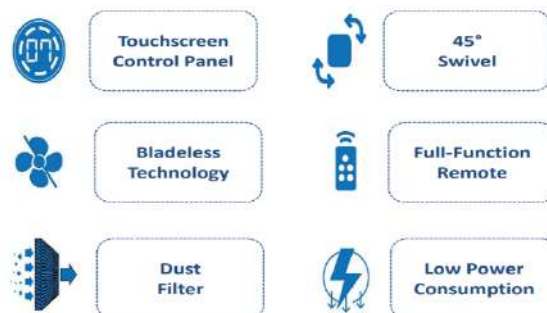
Fig 18: Personal Cooling Fan Range


Source: Company, SMIFS Research

- **Surround:** A tower fan designed specifically for the Indian climate, featuring a 45-degree rotation. This product addresses the specific needs of Indian consumers, distinguishing it from the plethora of products imported from China.

Fig 19: Surround: Tower Fan Range

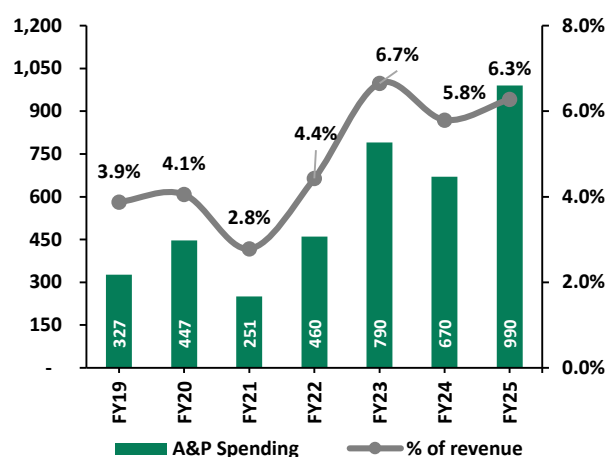

Source: Company, SMIFS Research

Fig 20: Features of Surround


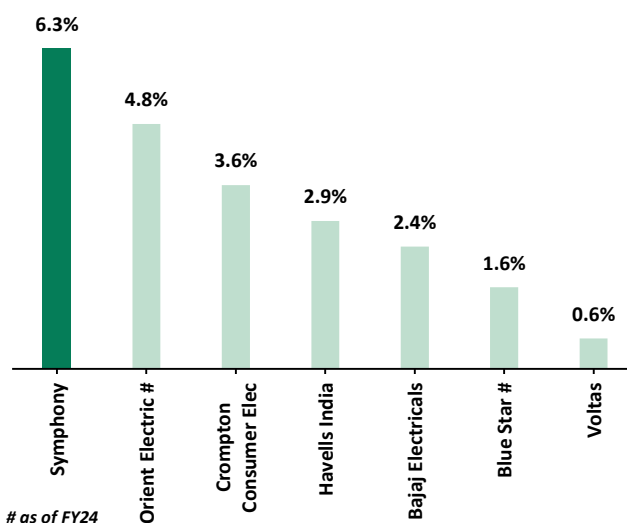
Source: Company, SMIFS Research

Comprehensive Brand Investment aids Strong Recall

- Symphony has **shifted from traditional TV** to a digital-first, social media and influencer-led approach, earning recognition for innovative campaigns like the mobile cool bus stop and AI-driven customized videos for dealers.
- Symphony has steadily **increased its marketing spend to 6.3% highest amongst the peers** to reinforce brand visibility and loyalty. A recent campaign emphasized its leadership in air cooling and positioned the brand as an innovator in sustainable and energy-efficient products. These efforts have helped Symphony expand into Tier 2 and Tier 3 cities, deepening its market reach.
- Symphony enjoys exceptional brand recall, emerging as the **preferred choice for two out of three air cooler customers** who are looking for air cooler. It is consistently recommended by dealers, reinforcing the brand's market leadership. Management's aim is to strengthen the Symphony brand and establish it as synonymous with Air Coolers, akin to **Colgate for toothpaste or Fevicol for adhesives**.

Fig 21: Step-up in A&P spend
(Rs in Mn)


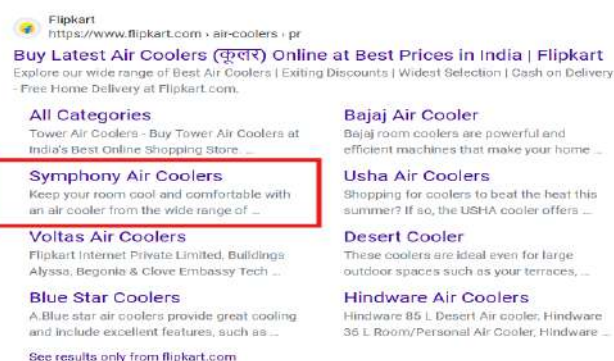
Source: Company, SMIFS Research

Fig 22: A&P spend is highest amongst peers (% of Sales)


Source: Company, SMIFS Research

Fig 23: Brand building activities aids recall


Source: Company, SMIFS Research

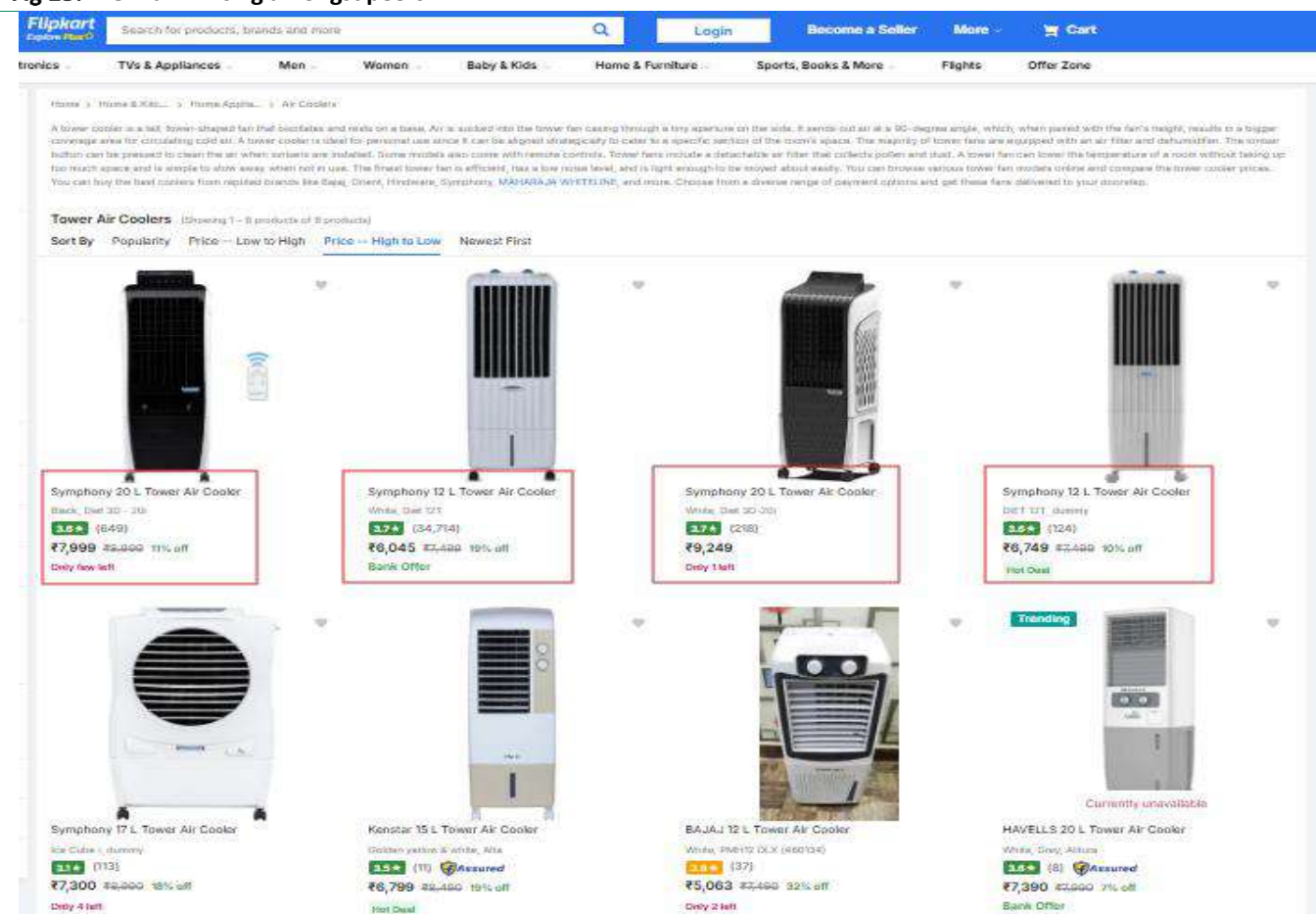
Fig 24: First brand to pop-up when searched for air coolers for home


Source: Company, SMIFS Research

Premium Pricing as compared to the peers

Symphony's strong consumer trust allows it to maintain premium pricing compared to peers. This pricing power is underpinned by its focus on product quality, innovation, and brand equity. Notably, Symphony sells mostly on advance payment terms (except for e-commerce) —highlighting deep channel confidence and loyalty, which is rare in the consumer durables space.

Fig 25: Premium Pricing amongst peers

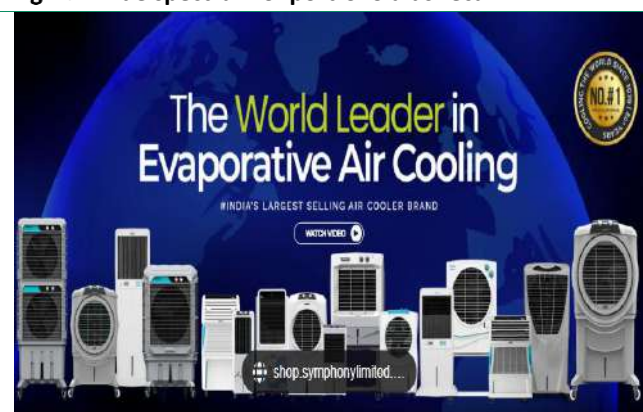


Source: Company, SMIFS Research

Symphony's Wide Portfolio of Global Brands: Driving Global Growth

Symphony has expanded its global footprint through a well-curated portfolio of premium international brands. These strategic acquisitions across multiple geographies allow Symphony to cater to a wide range of cooling needs—**residential, commercial, and industrial**—tailored to local climate conditions. This global brand portfolio not only enhances its product offerings but also positions the company to capitalize on diverse regional opportunities, supporting long-term international growth.

Fig 26: Wide spectrum of portfolio aids recall



Source: Company, SMIFS Research

Fig 27: Highest SKUs among peers

Brand	No of SKUs	Product Categories
Symphony	~89	Personal, Tower, Desert, Window, Commercial & Industrial (e.g. Movicool series)
Bajaj Electricals	~38	Personal, Tower, Window and Desert
Kenstar	~32	Personal, Desert and Personal Desert
Voltas	~45	Personal, Tower, Desert and Window
Blue Star	~23	Personal, Tower, Desert and Window
Havells India	~23	Personal, Tower, Desert and Commercial
Orient Electric	~31	Personal, Tower, Desert, Commercial and Window
Crompton Consumer	~39	Personal, Tower, Desert and Window

Source: Company, SMIFS Research

Fig 28: SKU Breakdown for Symphony

Category	Sub-Category	Typical Models	Key Features / Examples
Usage Type	Residential	Diet 12T, Touch 20, HiCool i	For homes, aesthetic, low noise
	Commercial	Sumo 75XL, Jumbo 70 DB	Medium size, good airflow, durable build
	Industrial	MoviCool XL, MoviCool L125	High-capacity, large coverage, rugged
Cooling Type	Personal Cooler	Touch 20, Duet i-Personal	Compact, easy to move, under 30L tank
	Desert Cooler	Sumo 75XL, Winter 80 XL	Large tank, strong airflow, for dry climates
	Tower Cooler	Diet 3D 30i, Diet 50i	Sleek vertical design, narrow footprint
	Window Cooler	Window 41, Window 70 XL	Installed in window, efficient cooling
Tank Capacity	< 20 Litres	Diet 12T, Duet	Compact size, for small rooms
	20–40 Litres	Touch 35, HiCool i	Ideal for medium-size bedrooms
	40–70 Litres	Sumo 70, Winter 80 XL	Powerful air throw, suitable for larger areas
	> 70 Litres	MoviCool XL, Jumbo 95XL	Industrial usage, large halls
Smart Features	i-Pure Technology	Present in most models	Multi-stage filtration (dust, bacteria, smell)
	Remote Control	HiCool I, Touch 35	Touch control, digital display
	Inverter Compatible	Most models	Runs on inverter power
	Smart Connectivity	Select models (premium SKUs)	Voice or app control (newer models)
Channel Focus	Retail (B2C)	Diet, Touch, HiCool series	Wide design variety, sold online/offline
	Institutional (B2B)	MoviCool, Jumbo, Industrial XL	Focus on performance and volume

Source: Company, SMIFS Research

The portfolio includes globally recognized names such as **MasterCool**, **Arctic Circle**, **Bonaire**, **Celair**, **Durango**, **Airizona**, **TravelAire**, **Dadanco**, and **Ki**, each with a legacy of innovation and trust. These brands operate under Symphony’s leadership while retaining their unique value propositions and regional strengths. For instance:

- **MasterCool and Arctic Circle** are known for high-performance evaporative coolers in North America.
- **Bonaire and Celair**, based in Australia, specialize in energy-efficient air management systems for residential and industrial applications.
- **TravelAire and Durango** deliver dependable cooling solutions for commercial spaces.
- **Airizona, Dadanco**, and **Ki** offer advanced air distribution technologies tailored to building management and HVAC integration.

These brands, each with a strong regional presence, have enabled Symphony to cater to varied climatic conditions and consumer preferences across **60+ countries**.

Fig 29: Wide portfolio of Different Brands


Source: Company, SMIFS Research

Fig 30: Global Brand Portfolio and Regional Presence

Brand	Region	Key Focus	Strategic Value
IMPCO	North & Latin America	Commercial & Industrial Cooling	Access to Americas large-scale projects
Keruilai	China & Southeast Asia	Industrial & Evaporative Coolers	Entry into premium category in Chinese market with extensive R&D facility.
Climate Technologies	Australia & New Zealand	HVAC systems & Air Coolers	Diversification into heating & access to mature market
Bonaire	USA	Residential & light commercial cooling	Penetration into north American retail channels

Source: Company, SMIFS Research

Fig 31: SKUs of Different Brands as per Price Range

Company	Up to Rs 10K	Rs 10K - Rs 15K	Rs 15K - Rs 20K	Rs 20K - Rs 25K	Rs 25K above
Symphony	18	28	29	7	7
Voltas	8	11	19	7	-
Crompton Consumer	9	7	15	7	1
Bajaj Electricals	8	12	15	1	2
Kenstar	4	15	5	6	2
Orient	2	11	12	6	-
Blue star	6	6	9	1	1
Havells	-	4	4	7	8

Source: Company, SMIFS Research

Fig 32: SKUs as per Capacity Wise Distribution

Company	Up to 50L	50L to 100L	Above 100L
Symphony	28	33	23
Voltas	15	27	3
Crompton Consumer	12	24	3
Bajaj Electricals	16	17	4
Kenstar	10	16	6
Orient	9	18	4
Blue star	8	13	2
Havells	7	13	3

Source: Company, SMIFS Research

Symphony aims to further strengthen its global brand synergies through:

- Cross-market product deployment to leverage best-sellers across geographies.
- Localization of manufacturing for cost competitiveness.
- R&D alignment to drive innovation across geographies.

By integrating strong regional brands into its global ecosystem, Symphony has not only extended its reach but also enhanced its profitability and risk diversification. This positions the company well for future growth across multiple climates, industries and economic cycles.

Exports Outlook for Symphony amid Tariff Uncertainty

Symphony, with its **global presence with 60+ countries** and subsidiaries in Mexico, China, Australia, and the US, is relatively well-hedged against regional tariff shocks. However, ongoing geopolitical shifts and trade policy volatility present both risks and opportunities.

Key Considerations

- **Selling IPRs:** The company plans to sell nine IPRs from GSK to IMPCO to enable smoother technology transfers, especially as a safeguard in case tariffs are introduced.
- **Geographical Diversification:** Symphony's exports are well diversified, with strong traction in LATAM, Middle East and Australia, where tariff-related risks remain limited.
- **In-Market Presence:** The company operates via local subsidiaries and leverages asset-light distribution and license-based models, reducing direct exposure to tariffs on finished goods.
- **China Exposure:** While Symphony has a manufacturing base in China (through the MKE acquisition), any incremental tariffs on China-origin products in the US or Europe could lead to re-routing of exports via Indian manufacturing or in-market assembly.

We expect Symphony's export revenues to grow at ~20% CAGR over FY25–27E, aided by:

- Favourable macro (climate-driven demand) in emerging markets.
- Low import duties in key markets (Africa, Middle East, LATAM).
- Strategic levers like Completely Knocked Down / Semi-Knocked Down models, which help mitigate tariff impact.

However, short-term volatility in the US/EU—especially due to rising protectionism or compliance costs—could weigh on demand in those geographies.

Risks to Watch

- Trade policy tightening in developed markets (especially for Chinese-sourced products).
- Currency volatility, especially in Africa and LATAM, which affects pricing and affordability.
- Increasing non-tariff barriers (NTBs) such as energy norms in the EU.

Fig 33: Key Customers for Symphony



Source: Company, SMIFS Research

Symphony caters to a wide range of industries including automotive, FMCG, logistics, banking, manufacturing, and retail. Its customer portfolio features global names like **Walmart, Ford, General Motors, Coca-Cola, Nestlé** and **DHL**, alongside top Indian corporates such as **Maruti Suzuki, HDFC Bank, Asian Paints, Hero Cycles, Bisleri** and **Parle**.

Extensive Distribution Network and Modern Trade to Aid growth

Symphony has a robust distribution network that ensures its products reach customers efficiently across domestic and international markets. It employs a multi-channel distribution network to maximize market penetration.

The key distribution channels include:

Direct Distribution

- **E-commerce Platforms:** Direct sales via its official website and partnerships with fast-growing digital and **quick commerce platforms** like **Blinkit** (with 10min delivery for air cooler) and plans to expand to Zepto—further widening its digital reach and ensuring faster product delivery. Symphony was the **title sponsor for the ‘Cooling Days’** events on both, Amazon and Flipkart. This robust omnichannel presence positions Symphony well for sustained growth in an increasingly digital and convenience-driven market.
- Symphony is also scaling its **Direct-to-Consumer (D2C)** channel, enabling more personalized customer engagement. The D2C platform operates on a fully prepaid model, helping minimize cancellations and returns, driven by faster delivery and greater customer stickiness. In FY25, the D2C segment saw remarkable growth, with the average order value increasing by ~52% and order volume rising by ~130%, resulting in a significant **~250% jump in D2C revenue**.
- **Alternate Channels** including **large format stores (LFS)** such as Reliance Digital, Vijay Sales and Croma, **retail chains (RCS)** and **D2C**, which contributed ~30% to sales in FY25, up from ~21% in FY20.
- **Experience zone:** Symphony’s products are displayed in dealer-owned outlets, which function as experience zones enabled by strong dealer partnerships to boost brand presence and engagement.

Indirect Distribution

Symphony has built a wide-reaching indirect distribution model, enhancing its presence across urban and rural markets. Key components include:

- **Wholesalers & Distributors:**
Symphony has partnered with **~1,000 distributors** and more than **25,000 touchpoints** across India, with a focus on expanding into Tier 2 and Tier 3 cities. The company has **same-day dispatch capabilities in 300+ districts** and operates through **100+ dark warehouses** in rural market to ensure quick and efficient delivery and to penetrate

deeper into rural market. Distributors are onboarded based on reach, infrastructure and financial strength.

Fig 34: Diversification reduces concentration risk

Concentration of Sales	FY24
Sales to dealers / distributors as % of total sales	69%
Number of dealers / distributors to whom sales are made	~1,000
Sales to top 10 dealers / distributors as % of total dealer sales	11%

Source: Company, SMIFS Research

Institutional Sales: Symphony also caters to institutional clients, supplying products in bulk to **corporate customers, government agencies** and the **hospitality sector**.

Driving Deeper Reach Through Rural Differentiation

Symphony is actively expanding its presence in rural India, where air cooler penetration remains significantly lower at **16% compared to 25% in urban areas**. To support this expansion, Symphony has **scaled its retail dealer base**, enabling **3–5 days delivery across India**. In the rural market, same-day dispatches now cover 300 districts. Additionally, the company has expanded its network by onboarding 5,000 new retailers and establishing over 100 dark warehouses. The company is shifting from a census-based dealer model to a **pin code–level approach**, already covering **~18,000 pin codes**, with further expansion underway.

Complementing this effort, Symphony has launched the **Bharat range**—a budget-friendly product line designed for semi-urban and rural markets, distributed through a **dedicated rural channel**. With **25 strategically located supply depots**, Symphony ensures efficient and timely product availability across its extensive distributor and retailer network.

To further tap this underserved market, the company introduced the **‘Wind Blast’ series**—a competitively priced product line supported by **same-day delivery**. This strategy is gaining strong traction, with **triple-digit YoY growth in rural sales during FY25**. Structural enablers like better electrification, rising incomes, and growing demand for affordable comfort solutions will continue to help sustain the growth momentum over next few years.

Fig 35: Peer comparison for dealer/distributors

Company	Dealer/Distributor Network	Retailers	Exclusive Brand Stores	Strategy Highlights
Symphony	1,000+ distributors	25,000+ Touchpoints	N/A	Expanding in Tier 2/3 cities; exploring franchising and Innovation and premium offering
Voltas	3,174 Dealers	More than 30,000 Customer Touchpoints	330+ EBOs	Strengthening presence in Tier 2/3 cities
Blue Star	More than 2,200 dealers	N/A	N/A	Enhancing E-commerce presence and Innovative Offering
Havells	~19,400 dealers	~268,000 Retailers	1000+ EBOs	Providing high-quality electrical solutions nationwide with strong Channel Presence
Orient Electric	More than 4,000 dealers	135,000+ Retail Outlets	Direct-To-Market (DTM) Model	Strengthening Direct-to-Market Strategy and Intensifying efforts in modern trade and large format retail
Kenstar	NA	More than 450 Service Centres and Franchisees	N/A	Strengthening dealer network and investing in brand building
Crompton	6,100+ Dealers	236,000+ Retailers and 860+ service centers	N/A	Drive synergy across core business segments and Expand portfolio with new categories and exclusive models for broader market reach.
Bajaj Electricals	More than 700 distributors	More than 200,000 retailers and more than 600 customer care centers	N/A	Investing in brand building and Innovative and premium offerings

Source: Company, SMIFS Research

International Distribution

Symphony has built a strong international presence, **exporting to 60+ countries** across both developed and emerging markets, including the U.S., Mexico, Brazil, China, Australia, and Northern Europe.

Key Regional Markets:

- **Middle East:** UAE, Saudi Arabia, Qatar
- **Africa:** South Africa, Nigeria, Egypt
- **Asia-Pacific:** Indonesia, Philippines, Bangladesh

To drive global growth, Symphony follows a strategic mix of local partnerships, joint ventures, and digital expansion:

- **Local Distributors & JVs** help the company navigate regulatory environments and adapt to regional market needs.
- **E-commerce** channels like Amazon Global, Alibaba, and local online platforms help broaden reach and boost visibility in international markets.

This multi-channel strategy has helped Symphony strengthen brand recognition and gain meaningful market share across diverse geographies.

Future Strategy to Gain Market Share

Symphony is focused on accelerating its market share gains through a blend of geographic expansion, channel diversification and digital transformation. Key strategic priorities include:

- **Cold Chain Enablement:**
India is witnessing substantial investments in cold chain infrastructure, driving the need for efficient and reliable centralized cooling solutions. This growing demand makes

Symphony's air-cooling systems a strong fit, providing scalable and eco-friendly alternatives to traditional HVAC systems. With a focus on innovation and low energy use, Symphony is well-positioned to tap into this expanding market.

■ **Automation and AI Integration:**

Symphony aims to **enhance supply chain agility** by deploying AI-led automation in warehousing and logistics. This is expected to reduce lead times, improve inventory management, and drive operational efficiency.

■ **Global Expansion:**

The company is sharpening its focus on key growth markets such as **Africa and Northern Europe**, leveraging localized manufacturing, distributor alliances, and e-commerce platforms to expand international sales.

■ **New Channel Development:**

Symphony is actively expanding into kitchen cooling fans and water geysers; this also supports the company's broader product diversification into industrial and large-space cooling.

In addition to driving product innovation, Symphony places **strong emphasis on after-sales service**—a critical pillar of its customer engagement strategy. The company has developed a **robust and expanding service network** that ensures **timely support across India**, leveraging a widespread base of franchisee service partners and a dedicated national customer care number. **It has 1,000+ service centres, reflecting its wide reach.**

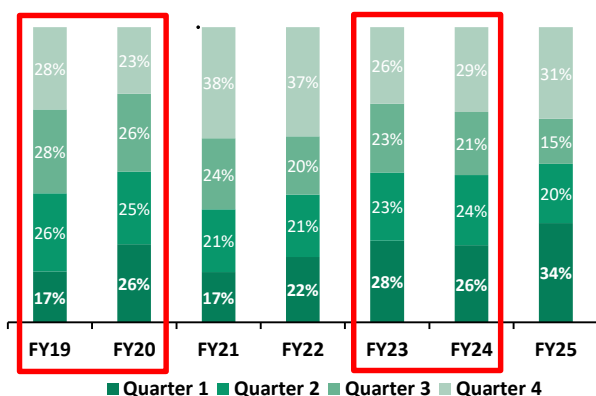
Multi-channel support, including call, chat, and email, ensures **seamless service delivery and faster resolution**, reinforcing customer trust. Symphony's consumer-centric approach to service enhances satisfaction, promotes repeat purchases, and drives **positive word-of-mouth referrals**.

Symphony's **distribution network and after sales service** are key drivers of its market leadership in the air-cooling industry. By leveraging a mix of direct and indirect channels, advanced logistics, and global partnerships, the company ensures efficient product availability across diverse markets. Future growth will depend on deeper rural penetration, digital transformation and agile supply chain management.

Cash and Carry Model helps Reduce Seasonality and Manage Working Capital

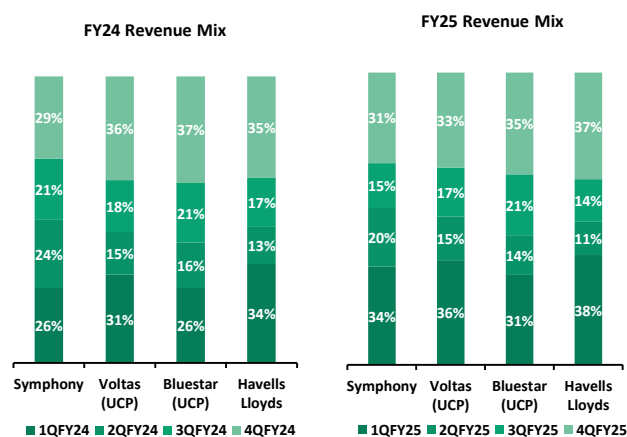
- Air cooler sales are highly seasonal, with **strong demand typically concentrated between March and June**—just before the onset of the monsoon. Recognizing this, Symphony has implemented strategies to mitigate the impact of seasonality on its sales cycle. One key initiative involves offering cash discounts to dealers and distributors, with **steeper discounts during the off-season (monsoon period)** and a gradual reduction as the peak season approaches. This approach helps distribute sales more evenly throughout the year.
- **Shift in Seasonality Trends:** Compared to peers, Symphony's revenue distribution across quarters is far more even. Symphony's model has helped company to balance its sales in the normalized years viz. in FY23 and FY24. For FY24, Q1 and Q4 contributed 55% to revenue vs 67% for Voltas and 69% for Havells. However, revenue gets skewed to Q1/Q4 in high growth year due to strong demand on back of heat wave as the case in FY25. **Key drivers for managing seasonality include:**
 - Export growth to the southern hemisphere, where peak demand occurs during India's off-season
 - Diversified product portfolio with less season-dependent offerings
 - Improved inventory and demand planning

Fig 36: Symphony Revenue Mix: Reduced seasonality



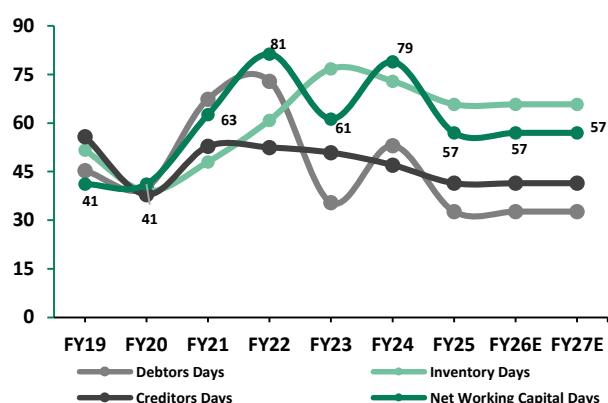
Source: Company, SMIFS Research

Fig 37: Peer Revenue Mix

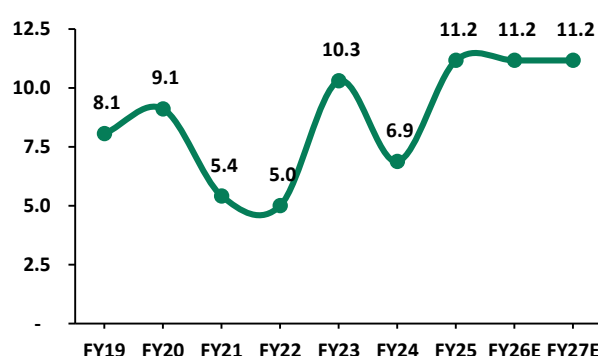


Source: Company, SMIFS Research

- In addition to mitigating seasonality, Symphony's cash-and-carry model **strengthens working capital efficiency**. Distributors are encouraged to place **advance orders—often months ahead of peak season**—by offering attractive early-bird discounts and locked-in pricing. This ensures upfront capital inflow and supports a strong cash position for the company.
- What sets this model apart is its **win-win proposition**. Despite paying in advance, Symphony's channel partners continue to realize **healthy ROIs of ~28–32%**, underscoring both the model's attractiveness and sustainability. This helps reinforce Symphony's reputation as a preferred and profitable brand for dealers.
- The model also **minimizes receivables risk**. With sales largely on advance or cash terms, Symphony operates with **negligible accounts receivable**, resulting in a **high Receivables Turnover Ratio**. This contributes to robust cash flows, reduces credit exposure, and adds to Symphony's financial resilience—particularly valuable in a seasonal business-like air cooler.

Fig 38: WC days are managed well (In Days)


Source: Company, SMIFS Research Estimates

Fig 39: Receivable turnover ratio (In Times)


Source: Company, SMIFS Research Estimates

Leveraging Adjacencies for Enhanced Value

Traditionally known for its residential air coolers, Symphony has made significant strides toward expanding its presence in the industrial and commercial cooling segment. The company enters in adjacencies where it can secure a position among the top 3 players. A key component of this diversification strategy is the introduction of its Large Space Venti Cooling (LSV) range.

Large Space Venti Cooling (LSV): A Strategic Diversification

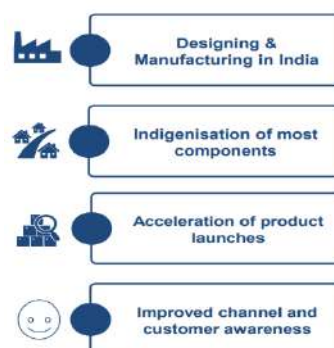
The LSV product line represents Symphony's strategic move to **mitigate the risks of seasonal** residential air-cooling market. Residential cooler demand typically peaks during the summer months, making Symphony's revenue vulnerable to fluctuations in seasonal weather patterns. To address this, the company has broadened its focus to include year-round **industrial and commercial cooling** products through the LSV range.

LSV systems are engineered to provide efficient, large-scale cooling solutions for expansive areas such as factories, warehouses, auditoriums, workshops and large commercial facilities. These products not only serve a wider range of customers across various sectors but also ensure a more consistent revenue stream for Symphony throughout the year.

Initially, these products were imported from manufacturing units in Mexico and China. However, **production has now shifted to Indian OEM partners**, enabling greater efficiency and localization.

Fig 40: Wide portfolio of LSV products


Source: Company, SMIFS Research

Fig 41: How LSV works


Source: Company, SMIFS Research

Symphony's LSV solutions have been implemented in a variety of settings, including:

- **Industrial Facilities:** Textile factories, manufacturing plants, and warehouses
- **Commercial Spaces:** Shopping malls, showrooms, and banquet halls
- **Healthcare Institutions:** Hospitals and clinics

- **Educational Establishments:** Schools and training centers
- **Hospitality Venues:** Hotels, restaurants, and cloud kitchens
- **Religious Centres:** Places of worship

Notable clients include **Walmart, GE, Ford, Coca-Cola, Nestlé, Asian Paints, Marico, Reliance Petroleum, Patanjali, Flipkart, and Indian Railways.**

Case Example – Delhivery

To combat extreme heat at its 80,000 sq. ft. Delhi sorting center, Delhivery partnered with Symphony to install 18 Venticool 20U units. This LSV solution significantly improved air quality and comfort, reducing absenteeism and boosting productivity. Following its success, Delhivery deployed 70 additional LSV units across other facilities nationwide.

Fig 42: LSV Gaining Momentum



Source: Company, SMIFS Research

Fig 43: LSV to solve heat conditions at Delhivery



Source: Company, SMIFS Research

By capitalizing on its first-mover advantage in India, Symphony is investing in product innovation, experienced leadership, strategic marketing, and key partnerships. The company has identified over 1,800 Industrial Development Corporations (IDCs) as potential installation sites and plans to cover 90% of them by FY26.

Symphony's foray into LSV Cooling is a significant step toward **transforming its business from a season-dependent** residential cooler manufacturer to a more diversified climate control solutions provider. By tapping into industrial markets and enhancing its distribution reach through strategic retail partnerships, Symphony is well-positioned for sustainable long-term growth.

In addition, the rise of dark stores from quick commerce players is contributing significantly to growth in the LSV segment. LSV currently accounts for ~10% of Symphony's revenue, with an **EBITDA margin of 23–24%**. Looking ahead, **the company aims for this segment to grow at a robust 20% CAGR.**

Storage Water heaters

In August 2024, Symphony announced its **entry into the Water Heaters category**, a market valued at ~Rs 30–40 billion, with an organized market share of around 80%. Of this, storage water heaters account for 75%, while instant water heaters make up the remaining 25%. The industry is projected to grow at a steady 8–10% annually.

With no dominant large player currently in this space, Symphony sees a strong opportunity to capture market share and aims to be among the **top three players within the next 5–7 years**. While current margins in the segment are low, they are expected to **improve over time to a range of 23–25%**.

Symphony has developed a patented technology specifically designed to address the widespread hard water issue across India, demonstrating its commitment to innovation. Before entering any new category, Symphony evaluates three key factors: **(i) potential for innovation, (ii) opportunities for premiumization or feature enhancement, and (iii) feasibility of becoming a top three market leader.**

Symphony's latest range of storage water heaters exemplifies these principles by combining durability, safety, and energy efficiency. Tailored for modern homes, these water heaters incorporate advanced insulation, corrosion-resistant tanks, and smart temperature controls to ensure quick and consistent heating. By extending its innovation from cooling to heating solutions, Symphony aims to provide reliable, year-round comfort to its customers.

Fig 44: Storage Water Heaters



Source: Company, SMIFS Research

Fig 45: Patented Technology



Source: Company, SMIFS Research

Sharpening Focus: Divesting Non-Core Assets to Drive ROCE and Core Market Growth

During the **Board meeting on April 12, 2025**, Symphony decided to (i) divest its shareholding and monetize stakes in Symphony AU Pty (Australia) and IMPCO Mexico, and (ii) approve the sale of technology and nine Intellectual Property Rights (IPRs) by GSK China to IMPCO for \$5.1 million (Rs 435 million), with GSK authorized to use the proceeds to repay loans to Symphony India. This strategic move will reduce the company's overall operational footprint abroad.

However, Symphony clarified that it is not exiting these markets entirely. Instead, it plans to serve these regions through exports from India and/or China, a model it is already successfully implementing in Brazil. To facilitate the divestment process, the company has appointed two investment bankers: one to explore interest from China-based buyers and another to seek potential buyers from the rest of the world.

IMPCO Technologies – Strategic Acquisition and Divestiture

Background and History

IMPCO Technologies Inc., a Mexico based became known for its large-scale evaporative air coolers catering to **industrial and commercial** applications. Over the decades, it developed a **solid customer base in North America** and had a steady presence in sectors requiring climate control solutions for large spaces, including warehouses, factories and institutional settings.

Rationale Behind Acquisition (2009)

Symphony acquired IMPCO in 2009 for approximately Rs 430 million (~\$9 million). This acquisition served multiple strategic purposes:

- **Geographical Diversification:** Provided Symphony with an immediate presence in North America, helping reduce its dependency on the Indian market.
- **Product Portfolio Expansion:** While Symphony had a stronghold in residential and small commercial air coolers, IMPCO's industrial focus helped Symphony enter the large-space cooling segment.
- **Technology and Branding:** IMPCO's R&D capabilities and brand equity in North America enhanced Symphony's technical capabilities and brand positioning globally.

The acquisition was also a synergistic fit, with Symphony aiming to integrate IMPCO's deep industrial cooling expertise and operational culture, while IMPCO would benefit from Symphony's efficient operating model.

Operational Transformation and Margin Expansion

Following the acquisition, Symphony implemented a strategic shift in IMPCO's operations. It moved away from in-house manufacturing toward an outsourced, asset-light model, similar to Symphony's core operations in India. Key outcomes included, 1) IMPCO's gross margins improved from ~30-35% to ~50-55% post transition led by outsourcing, lean

operations, and better inventory control, 2) improved operating leverage as manufacturing-related fixed costs were reduced by over 40% by 2013 and 3) IMPCO contributed ~8-10% in total revenue.

However, revenue growth from **IMPCO remained low single-digit CAGR (~3–5%)** over the decade, significantly underperforming Symphony's other international ventures like China-based Guangdong Symphony Keruilai.

Fig 46: SWOT analysis for IMPCO

Strengths	Weaknesses
Established industrial customer base in North America	Limited revenue growth (<5% CAGR post-acquisition)
Proven product technology in large-space cooling	Low scalability due to industrial focus
Asset-light model post-transition	Declining strategic fit with Symphony's B2C direction
EBITDA accretive and ROCE-positive	Smaller size meant limited strategic weight
Opportunities	Threats
Cross-leveraging Symphony products via IMPCO network	Subdued demand in North American industrial sector
Leveraging brand for adjacent B2B categories	Currency volatility and margin pressures
	Competition from HVAC giants (e.g., Carrier, Trane)

After a period of flat revenues and declining profits, management initiated a turnaround strategy post-2022, focusing on expanding digital sales channels, geographic reach, and pricing adjustments. This strategy has shown promising results, with profits increasing from Rs 20 million in FY21 to Rs 180 million in the FY25. Notably, the Mexican business has performed well overall, despite a Rs 72 million write-off in Q2FY21 due to the bankruptcy of a major dealer accounting for about 10% of FY20 revenue.

Symphony plans to divest its entire stake in IMPCO. The rationale included:

Strategic Refocus and Capital Reallocation: Symphony wants to concentrate on higher-growth, B2C-dominated emerging markets (India, Latin America), where it has stronger brand control, scale benefits and pricing power. The IMPCO business even though capital-efficient post-restructuring, but divesting will allow Symphony to reallocate capital and management bandwidth towards markets with high revenue growth potential.

Fig 47: Financials of IMPCO

	IMPCO Mexico				
Particulars (Rs Mn)	FY21	FY22	FY23	FY24	FY25
Revenue	750	1,030	1,170	1,780	2,160
EBITDA	70	130	80	270	290
EBITDA Margin (%)	9%	13%	7%	15%	13%
PAT	20	80	20	110	180
PAT Margin (%)	3%	8%	2%	6%	8%

Source: Company, SMIFS Research

CT Australia

Background and History

Climate Technologies Pty Ltd, based in Adelaide, Australia, is leading manufacturers of evaporative air coolers and heating products in Australia. CT Australia owns well-established brands such as Braemar, Bonaire and Celair, serving both residential and commercial segments. Symphony Ltd. acquired a 95% stake in CT Australia in **2018 for AUD 40 million (~Rs2billion)**.

Rationale for Acquisition (2018)

The acquisition was aligned with Symphony's international expansion strategy, driven by:

- **Geographic Diversification:** Entry into a developed market with high seasonal demand for heating and cooling, particularly with seasonal counter-cyclicity to India (Australia's peak summer = India's winter).

- **Brand and Channel Strength:** CT had entrenched B2B and retail relationships, offering Symphony immediate market access with installed base, service networks, and B2C distribution.
- **Complementary Product Range:** Unlike Symphony's cooling-only focus, CT brought in heating appliances, opening new verticals. It helped Symphony to diversify product range into gas heaters, wall furnaces and ducted evaporative coolers — a step up in technological complexity.
- **Technology Transfer:** Opportunity for cross-border innovation and platform integration. Provided Symphony with CT's R&D and compliance expertise to raise global product standards.

Strategic Changes and Performance

Post-acquisition, Symphony attempted to replicate its asset-light, margin-efficient business model. Key strategic shifts included:

- Transition toward **outsourcing** non-core manufacturing, while maintaining R&D and QA in-house.
- Enhanced **inventory and dealer management** to reduce working capital cycles.
- Integration of Symphony **India's supply chain efficiencies** into procurement.

However, CT Australia faced several operational and structural challenges:

- **Margin Pressure:** Rising freight, wage inflation, and subdued housing market activity in Australia led to operating margin erosion.
- **COVID-19 Impact:** Sales cycles for heating and cooling were disrupted, weakening dealer sentiment and liquidity.
- **Structural Rigidity:** Unlike Symphony's Indian operations, CT Australia retained a manufacturing-heavy model with legacy systems, reducing flexibility.
- **Currency Depreciation:** AUD-INR exchange rate volatility further dented consolidated returns.

Despite efficiency efforts, CT Australia's contribution to consolidated profitability turned negative by FY23.

Rationale for Planned Divestiture (2025)

On April 12, 2025, Symphony's Board granted in-principal approval to explore monetization or divestiture of CT Australia. Key reasons include:

- **Strategic Focus Shift:** Symphony is refocusing on emerging markets (India, Mexico, and other Asian countries), where volume growth and brand recall are stronger.
- **Capital Efficiency:** CT Australia is asset-heavy compared to Symphony's preferred asset-light model. Divestment would free up capital to pursue higher-ROCE opportunities.
- **Market Complexity:** The regulated Australian HVAC space demands high compliance and certification costs, diluting operational agility.
- **Limited Synergy Realization:** Expected synergies (tech transfer, product crossover, shared sourcing) were limited in practice due to structural market differences.
- **Currency & Volatility Risk:** Revenue in AUD, expenses partially in USD and RMB, exposed the business to FX risk amid economic headwinds.

Fig 48: SWOT analysis

Strengths	Weaknesses
Trusted legacy brands (Bonaire, Celair)	Asset-heavy manufacturing and logistics base
Established dealer and after-sales network	Low-to-moderate revenue growth (CAGR <3%)
Strong R&D, safety & compliance systems	High fixed cost structure for a relatively small scale
Opportunities	Threats
Product innovation for off-grid and solar HVAC	HVAC market saturation in developed regions
Potential to license brands or tech in Asia	Regulatory burdens and rising labour costs in Australia
Cross-leverage Symphony's sourcing and components	Global OEM competitors with cost and brand advantages

While CT Australia offered Symphony an entry into a premium HVAC market with reputable brands, but the long-term strategic and financial fit weakened over time. The potential

divestment aligns with Symphony's evolving focus on capital-light, scalable and margin-accretive businesses in emerging markets. The planned exit is part of a portfolio optimization strategy to unlock value and concentrate resources on faster-growing geographies and products.

Fig 49: Financials of CT Australia

Climate Technologies Australia					
Particulars (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	3,380	3,710	2,250	1,850	1,720
EBITDA	150	380	(430)	(230)	(180)
EBITDA Margin (%)	4%	10%	(19%)	(12%)	(10%)
PAT	10	110	(430)	(250)	(280)
PAT Margin (%)	0%	3%	(19%)	(14%)	(16%)

Source: Company, SMIFS Research

IPR Monetization: GSK Transfers 9 Patents to IMPCO for \$5.1 million

Company has confirmed the monetization of a portion of intellectual property rights (IPRs) held by its Chinese subsidiary Guangdong Symphony Keruilai (GSK) through a structured transaction with IMPCO (Mexico). As per management commentary, GSK has sold 9 IPRs to IMPCO for ~\$5.1 million, enabling immediate debt reduction and intra-group balance sheet optimization.

Transaction Overview

Seller: GSK (China)

Buyer: IMPCO (Mexico)

Transaction Value: ~\$5.1 million (~Rs 420 million)

Assets Transferred: 9 patents/IPRs related to industrial evaporative cooling

Proceeds Usage: 100% applied toward repayment of outstanding inter-company loan from Symphony India

Strategic Implications

- **Balance Sheet Improvement:** Post repayment, GSK becomes debt-free, strengthening its financial position and reducing interest obligations.
- **Retention of Core IP:** GSK will continue to hold 50+ IPRs, ensuring it remains a key R&D, sourcing, and export hub for Symphony across Asia and global OEM customers.
- **Improved Capital Allocation:** By monetizing non-core or overlapping IPs, Symphony unlocks trapped value without operational disruption.

Compliance and Tax Impact

The structure of the transaction is tax-neutral and adheres to OECD-aligned transfer pricing principles, as confirmed by management. This ensures smooth cross-border execution with minimal regulatory risk.

This IPR monetization is a positive strategic move to unlock asset value, optimize internal capital flows, and deleverage GSK without equity dilution or external borrowing. It reflects Symphony's ongoing efforts to streamline its global IP and capital structure, especially as the group evaluates monetization or restructuring of other international assets.

Rational for Divestment

- IMPCO is largely in the metal coolers due to geopolitical turmoil the exports from the GSK China by IMPCO is not sustainable in long run so by acquiring this IPRs from GSK China, the opportunity open ups for IMPCO to manufacture plastic air coolers and cater Mexican, North American and central American markets.
- This is most efficient way to take out the cash from IMPCO Mexico and GSK China will use these proceeds from the selling of IPRs to repay internal loans taken from Symphony India.
- The proceeds from the divestment will flow through symphony India and mostly the company will distribute the cash between shareholders, in terms of buyback and special dividends.

Fig 50: Aiming substantial enhancement of capital efficiency and ROCE (%)

TTM Dec'24 (₹ Cr.)

Particulars	Symphony (Standalone)	CT, Australia	IMPCO, Mexico	Sub – Total I [CT + IMPCO]	GSK, China	Symphony, Brazil	Sub – Total II [Symphony Standalone + GSK + Symphony Brazil]
Revenue	1,065	167	187	354	86	39	1,164
YoY Change (%)	+36%	(-14%)	+15%	(-1%)	+124%	+66%	
EBITDA	250	(-21)	24	3	15	3	264
YoY Change (%)	+72%	+48%	+3%	vs. (-17)	+391%	+49%	
PAT	179*	(-26)	14	(-12)	10	(-3) [^]	195
YoY Change (%)	+20%	+43%	+49%	vs. (-36)	vs. (-1)	vs. 2	

*After providing for ₹53.7 cr. towards exceptional items i.e. provision for doubtful debts + ECL; [^]After providing for ₹4.8 cr. towards forex loss

TTM Dec'24 (₹ Cr.)

Particulars	Symphony (Standalone)	CT, Australia	IMPCO, Mexico	Sub – Total I [CT + IMPCO]	GSK, China	Symphony, Brazil	Sub – Total II [Symphony Standalone + GSK + Symphony Brazil]
Capital Employed (As on 31/12/24)	(-19)	351**	86	437	54**	11	46
ROCE % (EBITDA / Capital Employed)	Infinite	(-6%)	28%	1%	28%	28%	583%

**Equity Investments + Total Borrowings including loan from Symphony

Source: Company, SMIFS Research

Fig 51: Actual v/s Proforma* Consol. Financials: FY25

Particulars	Actual Consol.	Proforma* Consol.
Revenue from operations	1,576	1,290
EBITDA	316	305
PAT	213	222
Capital Employed in Core Business (Monthly Avg.)	248	33

*Note: Proforma Consol.:

- Excludes CT, Australia and IMPCO, Mexico, intended to be monetized
- Includes Symphony (Standalone) + GSK, China + Symphony, Brazil

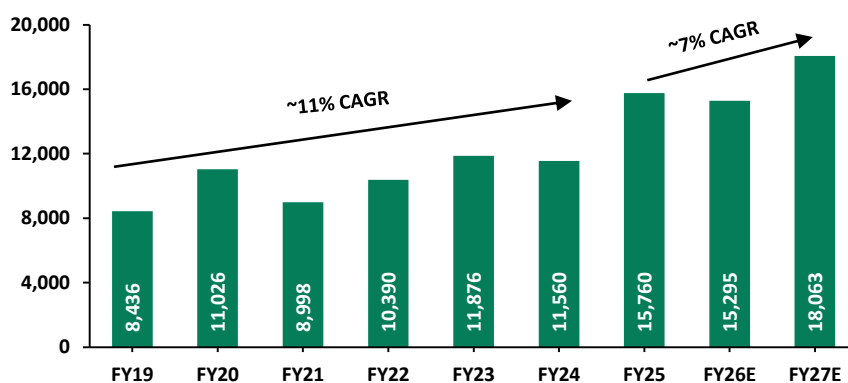
Source: Company, SMIFS Research

Financial Performance

Revenue to grow at a 7% CAGR to Rs 18 billion over FY25-27E

- Symphony reported revenue growth CAGR of 15% from FY21-25 because of strategic market expansion, successful international operations, product diversification and favourable industry dynamics.
- Symphony's standalone revenue surpassed Rs 10 billion in FY25, with 49% YoY increase. This surge was driven by i) Expansion into semi-urban and rural markets ii) Diversification of sales channels, including modern trade and direct-to-consumer (D2C) platforms iii) Introduction of 17 new air cooler models, enhancing product offerings and iv) Favourable weather conditions, such as intense heatwaves, boosting demand for cooling solutions.
- International operations significantly contributed to revenue growth: i) IMPCO Mexico achieved record annual Revenue, EBITDA, and PAT, with year-on-year growth of 21%, 7%, and 64% respectively. ii) GSK China reported strong top-line and bottom-line performance, leading to the reversal of previous impairment provisions. iii) The Australian subsidiary, CT, reversed an 11-quarter trend of declining revenue, indicating a positive turnaround.
- We expect Symphony's revenue to grow at a 7% CAGR to Rs 18 billion during FY25-27E, mainly driven by: (i) introduction of innovative and adjacencies products and (ii) recovery in the international market. The domestic residential air cooler market is expected to grow at mid double-digit over next 5-7 years; but we expect Symphony domestic revenue to grow ~0.3% in FY25-FY27E with volume growth of ~0.5% and value growth of ~0.3% in same period as FY26 is expected to decline due to unseasonal rains and on back of high base of FY25.
- We built in growth of ~20% over FY25-27E for the rest of the world (ROW) as the company's focus remains on improving its geographic presence. The growth will be driven by demand recovery in the Australia/US, network expansion in Brazil and new launches across geographies.
- Overall, revenue growth is expected to remain healthy growing at ~7% CAGR from FY25-27E because of incremental revenues from adjacencies & continued focus on exports market.
- We feel Symphony is at an inflection point having macro in its favour, increasing heatwaves, penetration & rising share of adjacencies will be the key triggers for long term growth.

Fig 52: Revenue to grow at ~7% CAGR growth from FY25-27E despite high base of FY25 (Rs in Mn)

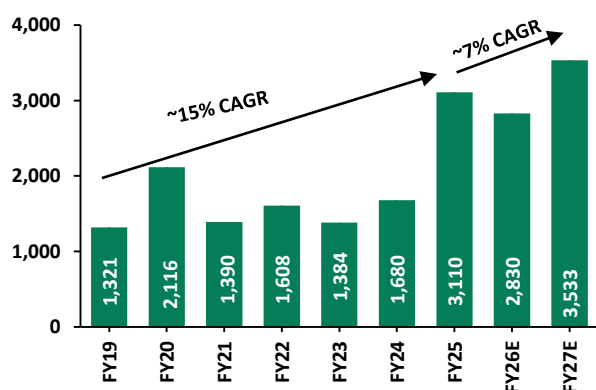


Source: Company, SMIFS Research Estimates

After a Dip, a Surge: EBITDA Margin to Reach 19.6% in FY27E

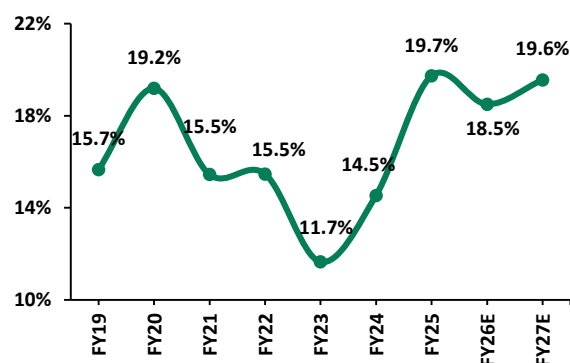
- Symphony reported EBITDA CAGR of 22% from FY21-25, the EBITDA margins have expanded by 429bps from 15.5% in FY21 to 19.7% in FY25, largely driven by 1) positive operating leverage, 2) improved gross margins 3) improved product mix and 4) subsidiaries turning profitable.
- Symphony's standalone EBITDA stood at Rs 2,860 million in FY25, delivered a robust growth of 78.8% YoY. The growth was driven by improved gross margins and positive operating leverage. The standalone EBITDA margins have returned to the previous level in FY25 after a deterioration in last 3 years, the EBITDA margins stood at 24.2% for FY25 vs 23.9% in FY21 up by 29bps over FY21 to FY25.
- The international subsidiaries turning profitable has played major role in the EBITDA margin expansion of the company. i) IMPCO, Mexico EBITDA grew at CAGR of 43% during FY21-25 and the margins expanded by 410bps from 9% in FY21 to 13% in FY25. ii) GSK, China has recorded EBITDA of Rs 200 million in FY25 vs negative EBITDA in FY21 of Rs 30 million and the margins stood at 20% in FY25 and 3) Symphony, Brazil reported positive EBITDA of Rs 10 million in FY25, however the profitability was offset by subsidiaries in the USA and Australia.
- The launch of new innovative high margin products and operating leverage at standalone operations to support the margin improvement. We expect Symphony EBITDA margin to improve to 19.6% in FY27E from 18.5% in FY26E.

Fig 53: EBITDA to grow at CAGR of ~7% from FY25-27E
(Rs in Mn)



Source: Company, SMIFS Research Estimates

Fig 54: EBITDA Margins to remain flat over FY25-27E
(In %)

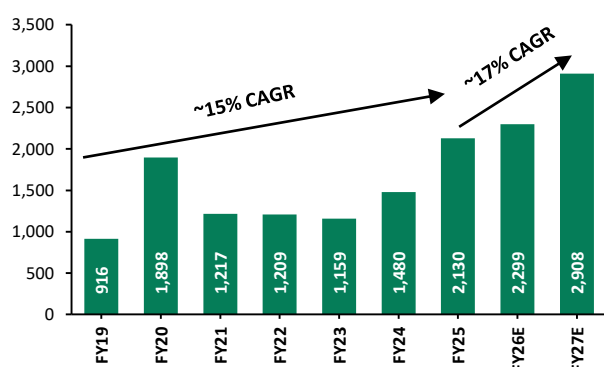


Source: Company, SMIFS Research Estimates

Reported PAT to growth at 17% CAGR over FY25-27E

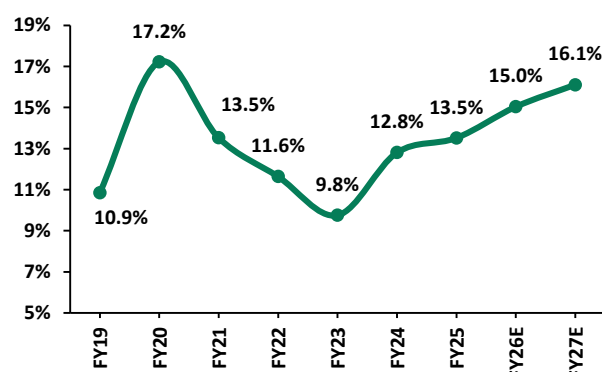
- Symphony's consolidated PAT has grown 1.8x from Rs 1,217 million in FY21 to Rs 2,130 million in FY25, at a CAGR of 15% during FY21-25. Its Adj. PAT stood at Rs 2,438 million in FY25 grew at a CAGR of 24% over FY21-25. Symphony's standalone PAT has grown 0.6x from Rs 1,124 million in FY21 to Rs 1,760 million in FY25, at a CAGR of 12%, in line with the EBITDA growth, the PAT margins stood at 14.9% for FY25.
- The international subsidiaries started contributing to PAT which has driven the PAT growth. IMPCO, Mexico delivered PAT CAGR of 73% over FY21-25, growing from Rs 20 million in FY21 to Rs 180 million in FY25, GSK China also turned profitable in FY24 recorded PAT of Rs 4 million and Rs 150 million in FY24 and FY25 respectively, however the other subsidiaries in the USA, Australia and Brazil have still not turned PAT positive yet.
- The company has very lean balance sheet with cash and cash equivalents of Rs370 million, commendable working capital cycle of 57 days & strong visibility of growth.
- In line with EBITDA CAGR growth of 7%, we expect reported PAT and Adj. PAT to grow at CAGR of ~17% and 9% from FY25-27E respectively and PAT margins to reach ~16.1% by FY27E.

Fig 55: Reported PAT to growth of ~17% from FY25-27E
(Rs in Mn)



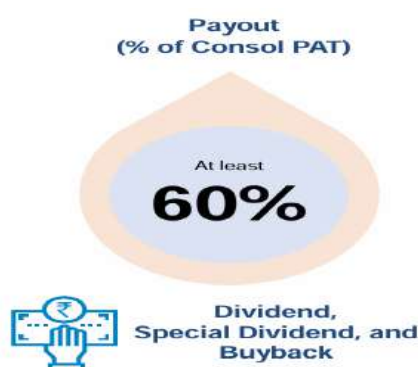
Source: Company, SMIFS Research Estimates

Fig 56: Reported PAT margins to reach at ~16% by FY27E
(In %)



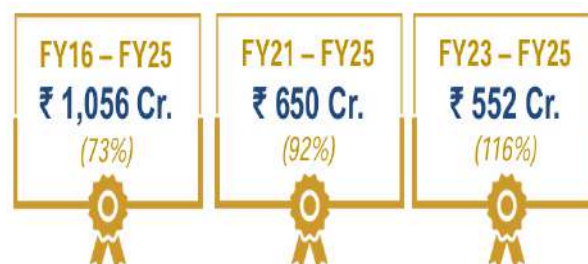
Source: Company, SMIFS Research Estimates

Fig 57: Shareholders' Reward Policy



Source: Company, SMIFS Research

Fig 58: Shareholders' Payout History

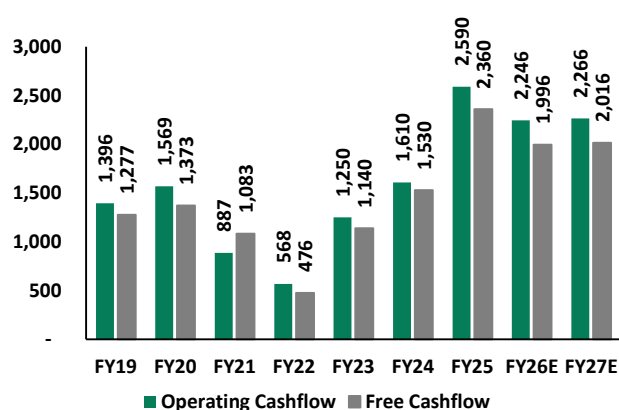


Source: Company, SMIFS Research

Asset-Light Model helps Deliver steady Cash Flow

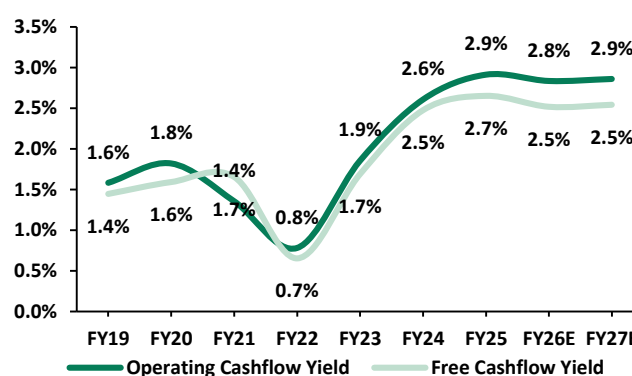
- Symphony has demonstrated robust operating cash flow over the last five years. This strong cash flow is supported by disciplined working capital management, enabling OCF generation to exceed net profit consistently. This cash flow strength underpins confidence in Symphony's business model and its ability to fund growth organically. As Symphony expands its product portfolio and increases penetration in air cooler markets, we anticipate further improvement in cash flow quantum.
- Over FY21-25, Symphony generated a cumulative EBITDA of ~Rs 9.2 billion. During the same period, cumulative OCF stood at Rs 6.9 billion, translating to an average OCF to EBITDA ratio of ~0.75x. In FY24, the company achieved highest OCF to EBITDA ratio of 0.96x, reflecting enhanced cash conversion efficiency. We expect OCF conversion to remain healthy with total OCF generation of Rs 7.1 billion over FY25-27E.
- Symphony has generated cumulative FCF of Rs 5 billion over FY23-25 with FCF yield of 2.7% in FY25. The asset light model results in lower capex requirements which turn helps in strong FCF generation.

Fig 59: Cash Flows Bounce Back after FY22 Dip (Rs in Mn)



Source: Company, SMIFS Research Estimates

Fig 60: Steady OCF & FCF yield (In %)



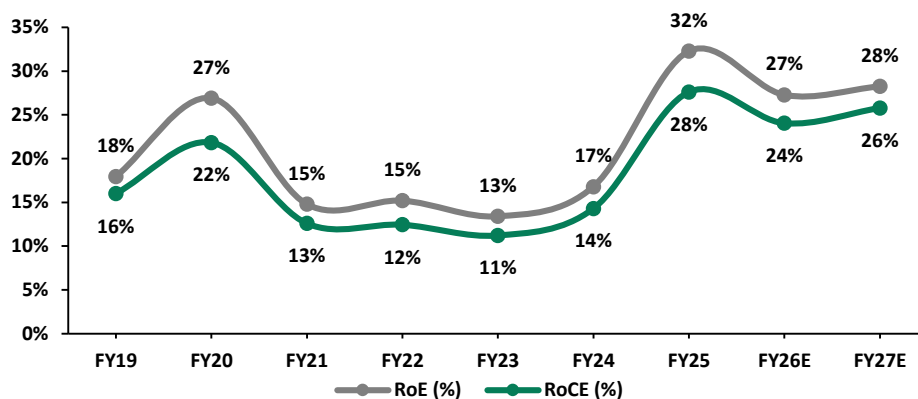
Source: Company, SMIFS Research Estimates

Return ratios witnessed steep rise in FY25, to remain 25%+ going ahead

- In FY25 company reported very strong return ratios of 32%/28% in ROE/ROCE driven by strong domestic and international demand, improved operating leverage, and a capital-light business model that continues to support superior profitability and asset efficiency.
- We continue to expect return ratios to remain 25%+ going forward, driven by better cost optimisation, and support from Symphony's asset-light business model, which ensures efficient capital deployment. We foresee ROE to be ~28% and ROCE to be ~26% by FY27E.

Fig 61: Healthy Return ratios of 25%+ by FY27E

(In %)



Source: Company, SMIFS Research Estimates

Industry Snapshot

Indian Air Cooler Market – Poised for Structured Growth

The air cooler segment, part of the broader consumer durables and seasonal appliances category, offers **cost-effective, energy-efficient, and eco-friendly** cooling solutions. It predominantly serves the **price-sensitive mass market** in India and select global geographies with similar climates. Compared to air conditioners, **air coolers consume 70–80% less electricity**, use no refrigerants, and are thus more environmentally sustainable, appealing to both urban and rural consumers.

Analysis by Organized/ Unorganized:

Organized:

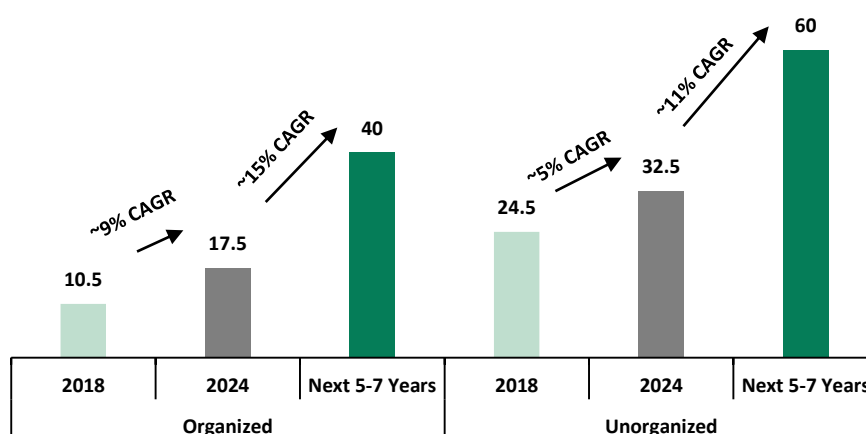
The organized segment in India's air cooler market comprises of existing players that trade in standardized products with enhanced features like inverter technology, IoT-based air cooling and energy efficiency. The players make heavy investments in R&D, quality checks, and brand promotion through extensive promotional campaigns. The players operate through organized distribution channels like modern retail stores, exclusive brand stores and web-based e-commerce websites. The organized market comprises after-sales support, guarantees and customer services, which fosters consumer confidence and brand loyalty. With rising disposable income, urbanization, and demand for quality cooling solutions, the organized market is witnessing continuous growth, expanding its reach across metro cities and tier-2 and tier-3 cities as well. The organized segment has grown from Rs 10.5 billion in 2018 to Rs 17.5 billion in 2024 and is projected to more than double to Rs 40 billion over the next 5–7 years.

Unorganized:

The unorganized segment is a major driver of India's air cooler market, mainly in rural and semi-urban regions. The unorganized sector comprises small-sized manufacturers and regional dealers who manufacture and sell air coolers at low prices with a focus on price-sensitive consumers. These coolers are mainly customized and made with local resources, which makes them price-friendly at the cost, but they often lack durability and efficiency. The unorganized market has the benefit of limited regulatory compliance and low operational costs, which enable companies to provide price competitiveness. Despite growing competition from organized brands, the sector remains strong due to price sensitivity and growing demand for economical cooling solutions across non-metro locations. The unorganized segment has increased from Rs 24.5 billion in 2018 to Rs 32.5 billion in 2024 and is expected to reach Rs 60 billion in the next 5–7 years.

Fig 62: Indian Air Cooler Market Size

(Rs in Bn)



Source: Annual report, Industry, SMIFS Research

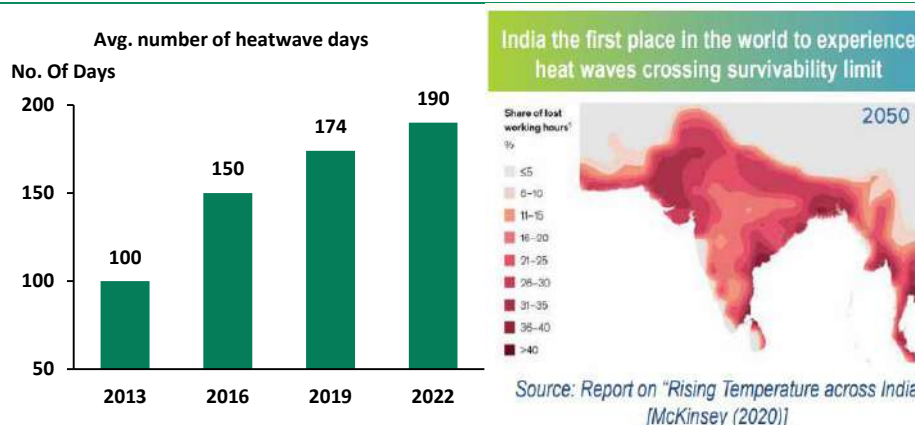
- The Indian air cooler industry is currently valued at ~Rs50billion, with organized players commanding ~35% share and the rest still being unorganized (as per Symphony Ltd.'s Corporate Presentation Feb'25). **Symphony Ltd. is the undisputed leader in the organized space with ~50% market share.**
- The Indian air coolers market is likely to double over the next 5-7 years, driven by factors such as rising temperatures, increased electricity access, technological advancements, rising income levels and an improved distribution network.
- Key players in the Indian air cooler market include **Symphony Limited, Bajaj Electricals, Crompton Greaves Consumer Electricals Ltd., Voltas Ltd, Usha International and Havells India Ltd.** These companies hold market share by continuously innovating product designs, enhancing cooling technologies, and providing cost-effective solutions.
- **Voltas Ltd is amongst the top3 players** in the Indian air cooler market with a **market share of 8.5%. Havells India Ltd. and Voltas Ltd.** continue to gain traction while, **Kenstar and Bajaj Electricals** have experienced a decline in market share, particularly due to increased competition and a shift in consumer preferences.

Key growth drivers

Rising temperature levels

- Increasing frequency and intensity of heatwaves and prolonged summers drive higher demand for cooling solutions. With extended summer seasons, typically from February to July, temperatures often soar to 45°C, driving significant demand.
- In India's 300+ million households, a substantial percentage relies on fans and air coolers in the summer.
- Air coolers are particularly suitable for hot, dry climates, providing efficient cooling without high energy consumption.
- The rising temperatures make air coolers a necessity rather than a luxury, especially in rural and semi-urban areas.

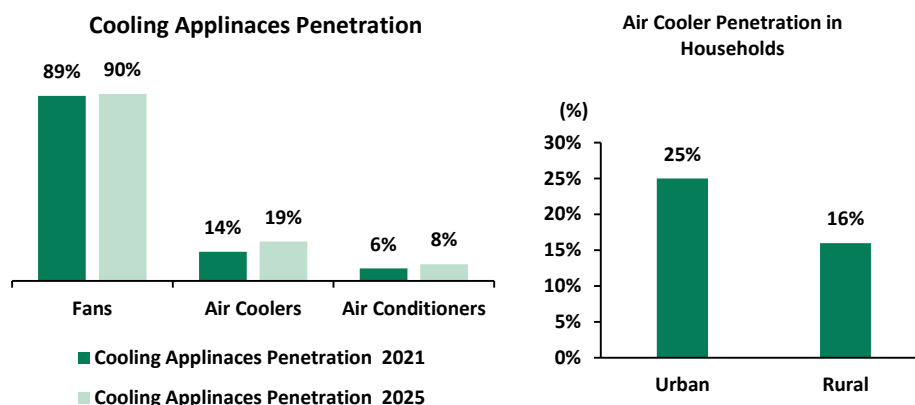
Fig 63: Increasing Heatwaves in India



Source: Company Investor Presentation, SMIFS Research

Low Penetration (~19%) and Rural/Semi-Urban Opportunity

- Currently, only about **19% of households in India own air coolers** as compared to 90% penetration for fans, indicating significant growth potential.
- The **urban penetration is 25% vs only 16% in rural**. Going forward, rural and semi-urban regions, where electricity access has improved, represent untapped markets for air coolers. Government initiatives for rural electrification and infrastructure development are enabling more households to adopt air coolers.
- E-commerce and organized retail expansion are making air coolers more accessible to these underserved markets. As per IBEF, The Indian e-commerce market is projected to grow from US\$ 123 billion in FY24 to US\$ 292.3 billion in FY28, reflecting a CAGR of 18.7%. The expansion is driven by increasing urbanisation, rising internet penetration, and a projected 1.5 billion internet users by 2040.

Fig 64: Air Cooler Penetration


Source: Company Investor Presentation, SMIFS Research

Shift to Organized Brands

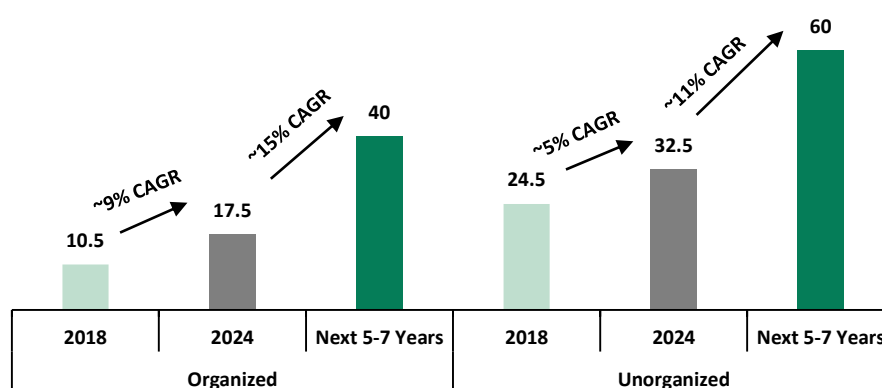
The Indian air cooler market is currently split between: ~35% Organized players and ~65% Unorganized and regional brands

This fragmentation is expected to reduce due to:

- Consumers are increasingly **favouring branded air coolers** for better aesthetics, advanced features, and reliable after-sales service.
- **Organized brands are investing** in innovative designs, smart features (like IoT connectivity), and improved durability.
- The shift is driven by consumer demand for quality, aesthetics and convenience, leading to higher brand loyalty.
- Market concentration is increasing among leading organized players, strengthening their market position. Branded players like **Voltas and Havells** are rapidly gaining share by investing in innovation, pan-India distribution and rural channel expansion.

Fig 65: Indian Air Cooler Market

(Rs Bn)



Source: Annual report, Industry, SMIFS Research

Affordability & Efficiency

- Entry-level air coolers are available from as low as Rs 2,500-3,000, making them affordable for a large middle-income segment.
- Air-coolers offer low operational costs due to significantly lower electricity consumption compared to air conditioners.
- Technological innovations, such as inverter technology and water evaporation cooling, enhance energy efficiency and reduce running costs.
- Eco-friendly and water-based cooling aligns with consumer preferences for sustainable products.

Fig 66: Comparison matrix

Parameters	Fans (Ceiling/Table)	Air Cooler	Air Conditioner
Capital cost	Rs1,200–Rs 30,000 (standard to BLDC and premium)	Rs5,000–Rs35,000	Rs20,000–Rs90,000 (Split/Inverter)
Indoor air quality	Circulates same air	100% fresh, filtered, humid air	Recirculates stale, dry air
Refrigerants	None	Water-based (eco-friendly)	Uses refrigerants (HFCs/GWP concerns)
Maintenance	Simple, low-cost	Easy, occasional cleaning	Regular servicing; more expensive
Portability	No (except table fans)	Yes	No
Usage	Indoor	Indoor & semi-outdoor	Indoor only
Emission	None	Eco-friendly	Harmful emissions depending on refrigerant
Humid climate	Not ideal for cooling	Less effective (adds humidity)	Highly effective (dehumidifies air)

Source: SMIFS Research

Fig 67: Appliances wise recurring cost structure

Fans		
Watts	Kwh	Cost/Hr (in Rs)
100 W Fan	0.1	0.6
Conventional (75W)	0.075	0.45
BLDC (35W)	0.035	0.21
Air Cooler		
Watts	Kwh	Cost/Hr (in Rs)
100W	0.1	0.6
150W	0.15	0.9
200W	0.2	1.2
250W	0.25	1.5
300W	0.3	1.8
350W	0.35	2.1
400W	0.4	2.4
AC's		
Watts	Kwh	Cost/Hr (in Rs)
1 ton	1	6
1.5 ton	1.5	9
Window Ac	1.2	7.2
Central AC	3.25	19.5

Source: SMIFS Research

The demand for air coolers is primarily driven by their energy efficiency compared to air conditioners, making them a more sustainable option for cooling large spaces. In **regions with dry climates, such as Rajasthan, Gujarat, and parts of North India**, air coolers are a popular choice due to their affordability and lower environmental impact.

India's Per Capita GDP at an Inflection Point: Discretionary Consumption Set to Accelerate

- As countries advance economically, rising GDP per capita typically drives a shift in consumer behavior—from spending on necessities like food and shelter to increased allocation toward discretionary categories such as travel, entertainment, and consumer durables, signaling a broader lifestyle upgrade.
- India's GDP per capita reached \$2,480 in 2023, having grown at a 7.8% CAGR from 2000 to 2023. For context, China's GDP per capita surged to \$12,614 over the same period, growing at a faster 11.8% CAGR.
- If India sustains an 8% CAGR in the coming decades, its GDP per capita has the potential to reach \$20,000 by 2050. Historical trends among Asian economies suggest a typical trajectory of income evolution:
 - \$500 to \$2,500 in ~12 years
 - \$2,500 to \$5,000 in ~5 years
 - \$5,000 to \$10,000 in ~8 years
 - \$10,000 to \$20,000 in ~10 years
- This structural income shift positions India on the cusp of a major discretionary consumption boom, with significant implications for consumer-facing industries.
- India's urban GDP per capita currently stands at approximately \$4,700, nearly double that of rural areas at \$2,000. Notably, today's rural GDP per capita mirrors the level seen in urban India around the year 2000—suggesting that rural regions may be on the cusp of a similar growth trajectory. This convergence signals significant headroom for consumption growth in rural India, potentially unlocking a new wave of demand across discretionary categories in the coming years.

Rural Electrification: Foundation for Appliance Adoption

- India's rural electrification drive has laid the groundwork for rising appliance adoption. Flagship schemes like Saubhagya, DDUGJY, RDSS, and PM-JANMAN have significantly expanded electricity access—electrifying over 2.86 crore households and thousands of villages, including remote tribal regions.
- Focus has now shifted from just access to quality and reliability. In FY25, India met a record 250 GW power demand, while per capita consumption rose 46% over the last decade to 1,395 kWh in FY24.
- With better power availability and rising rural aspirations, households are moving beyond basic lighting to appliances like fans, TVs, and air coolers. Among these, air coolers stand out as affordable and energy-efficient, making them highly suitable for rural cooling needs.

Affordability Meets Aspiration: The Middle-Class Rural Push

Rural India is witnessing a gradual but meaningful rise in disposable income, driven by:

- Higher agricultural output
- MNRGA and rural employment schemes
- Government subsidies and direct benefit transfers
- Remittances from urban migrant workers

This rise in income, coupled with increased aspirations and access to credit, is driving a transition in rural consumption patterns.

Air coolers are increasingly viewed as a logical upgrade from fans, offering better comfort during harsh summer months.

- With price points starting as low as Rs2,500–Rs3,000, air coolers are within reach for the emerging rural middle class.
- Availability of easy finance, no-cost EMIs, and cashback offers through organized retail and e-commerce platforms has further reduced entry barriers.

Tier 3–6 Towns as the Next Growth Frontier

As large cities saturate, brands are aggressively penetrating Tier 3–6 towns and rural clusters through:

- Bharat-specific product lines (e.g., Symphony’s affordable “Bharat Range”).
- Creation of rural-focused distribution channels, including regional distributors and sub-dealers.
- Establishment of service franchises and call centre support, ensuring post-sale satisfaction.

Furthermore, the success of mobile internet and smartphone penetration is enabling rural consumers to access digital content, product reviews, and e-commerce platforms, empowering informed purchase decisions.

Government Initiatives

- **Incentives for Domestic Manufacturing under PLI Scheme:** The Indian government, under the Production Linked Incentive (PLI) scheme for white goods introduced in 2023, is offering incentives to air cooler manufacturers who produce their goods domestically. The scheme offers benefits like tax rebates and financial support to companies that meet certain production targets.
- **QCO - Jan 2025:** The Government of India has mandated BIS certification for all evaporative air coolers under the Quality Control Order (effective April 1, 2025), based on Indian Standard IS 3315:2019. This move ensures standardized quality, safety, and energy efficiency across products.

Key Provisions:

- BIS certification and ISI mark are mandatory.
- Applicable to all manufacturers, importers, and retailers.
- Phased implementation:
 - April 1, 2025 – Medium & large enterprises
 - July 1, 2025 – Small enterprises
 - October 1, 2025 – Micro enterprises

Core Requirements (IS 3315:2019):

- Minimum air delivery & cooling efficiency benchmarks
- Limits on power consumption and noise levels
- Electrical safety and robust construction standards

Exemptions:

- Exports, R&D imports (≤ 200 units/year), and certain micro enterprises
- Inventory made/imported before order commencement (sale allowed till Oct 31, 2025, with declaration to BIS)

Enforcement:

- Regulated by BIS under the BIS Act, 2016
- Non-compliance may lead to penalties

This QCO mandating BIS certification for air coolers is expected to benefit Symphony significantly. As the market leader with established compliance and manufacturing capabilities, Symphony is well-placed to capitalize on market consolidation as smaller, non-compliant players exit. The **regulation raises entry barriers, enhances consumer trust, and supports premiumization**—allowing Symphony to strengthen its pricing power and brand positioning. Additionally, alignment with energy efficiency norms and quality standards boosts its export potential and reinforces its ESG credentials, making the company a key beneficiary of this regulatory shift.

- **Mandatory Energy Efficiency Labelling by 2025:** India's Bureau of Energy Efficiency (BEE) has launched a Standards and Labelling Programme for solar photovoltaic (PV) modules, effective from January 1, 2024, to December 31, 2025. This program will initially be voluntary, allowing manufacturers to label their products without fees during this period. The initiative aims to improve consumer awareness regarding energy efficiency, with a potential reduction of carbon emissions by 30 million tons annually by 2030.

India's Shift to Energy-Efficient, Smart Air Solutions

The India Air Cooler Market is projected to grow at a robust pace over the forecast period, driven by the increasing demand for energy-efficient cooling solutions, rising urbanization, and innovations in product designs.

Future Market Trends

- **Smart and Connected Devices:** By 2028, the air cooler market is expected to witness the widespread adoption of IoT-enabled air coolers with features like remote control and smart sensors. These innovations will appeal to tech-savvy consumers looking for integrated smart home solutions.
- **Portable and Hybrid Air Coolers:** The demand for portable and hybrid air coolers, combining the benefits of air coolers and air purifiers, is likely to rise. These coolers are expected to cater to the growing health-conscious consumer base, looking for appliances that improve air quality while providing cooling.

The combination of historically low penetration, rapidly expanding electrification, improving rural incomes and consumer awareness creates a powerful foundation for multi-year demand growth in the air cooler segment. For companies with wide distribution, affordable SKUs, and rural-focused marketing strategies, the opportunity to capture first-time users and brand loyalty in these markets is immense.

Overview of global air cooler industry

- The global air cooler market is poised for significant growth, projected to reach a valuation of **USD 43.5 billion by 2034**, up from USD 26.8 billion in 2025, reflecting a **compound annual growth rate (CAGR) of 5.5%** during the forecast period. This expansion is driven by rising global temperatures, increasing demand for energy-efficient cooling solutions, and technological advancements in air cooler designs.

Key growth drivers:

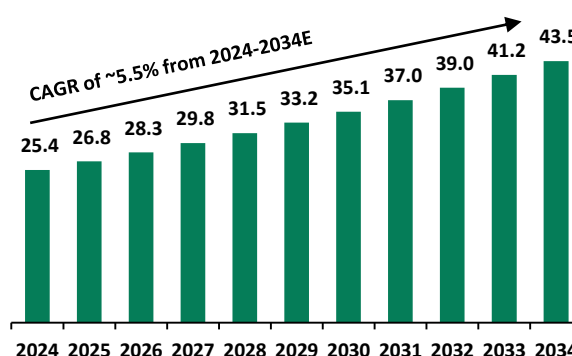
- **Climate Change:** The average global temperature has risen by 1.3°C above pre-industrial levels, leading to more intense and prolonged heatwaves. This has significantly boosted the need for affordable and energy-efficient cooling solutions, particularly in regions experiencing extreme heat conditions.
- **Energy Efficiency:** Air coolers consume approximately 75% less electricity than conventional air conditioning units, making them an attractive option for cost-conscious consumers.
- **Environmental Concerns:** Unlike traditional air conditioners, air coolers do not use harmful refrigerants, aligning with the growing consumer preference for eco-friendly appliances.
- **Others:** Urbanization and rising disposable incomes in emerging markets and Technological advancements (smart coolers, IoT integration, energy-efficient models).

Fig 68: Global Air Cooler Industry

Metric	Value
Market Size (2024)	\$25.4 billion
Projected Market (2033)	\$43.47 billion
CAGR (2025-2034)	5.5%
Dominant Region	Asia-Pacific (64% share in 2024)
Fastest Growing Region	North America

Source: Precedence Research

Fig 69: Global Air Cooler Market size (In \$ Bn)



Source: Precedence Research

Global Demand Patterns: Regional Variations and Market Dynamics

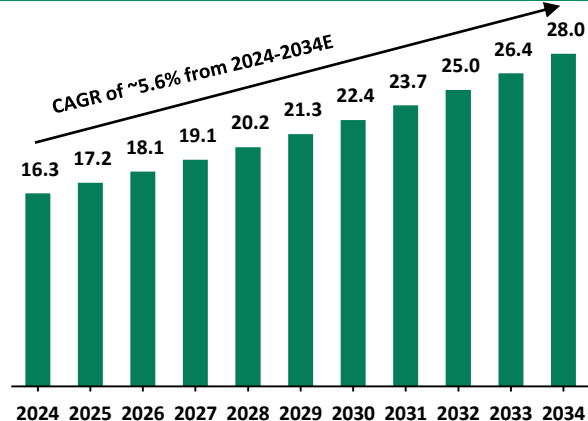
The demand for air coolers varies significantly across different regions, influenced by local climate conditions, economic factors, and consumer preferences.

Asia Pacific: Asia Pacific air cooler market size was exhibited at \$ 16.3 billion in 2024 and is projected to be worth around \$ 28 billion by 2034, growing at a CAGR of 5.6% from 2024 to 2034.

India is the largest air cooler market in Asia Pacific. The growth of the market is attributed to the rising population and the middle-class population in the country, which boosts the demand for energy-efficient, affordable, and portable air coolers. The rising presence of the leading consumer electronics manufacturers is driving the growth of the market.

Fig 70: Air Cooler Market Share, by Region, 2024


Source: Precedence Research

Fig 71: Asia Pacific Air Cooler Market Size (In \$ Bn)


Source: Precedence Research

- **North America is expecting the fastest growth:** These regions show a growing preference for technologically advanced and energy-efficient models. The U.S. market, for instance, has seen a 15% year-on-year increase in demand for smart air coolers equipped with features like remote control operation and IoT connectivity.
- **The European air cooler market** is expanding at a steady rate due to strict regulations on energy consumption, growing heat waves in summer, and the adoption of green cooling solutions. The European Union is trying to reduce carbon emissions with the help of efficient solutions, and growing investments in evaporative cooling techniques as a green option for traditional AC systems that have been used for longer periods. In the summer, rising temperatures are a common problem for which people are looking for green solutions that can be adaptable for home and commercial spaces like offices, shops, clinics, and many others.
- **Middle East and Africa:** have also witnessed a surge in air cooler adoption, with a 20% increase in shipments compared to the previous year, driven by the region's hot, arid climate and the need for cost-effective cooling solutions.

Fig 72: Growth Prospects – By Region

Region	Growth Prospects
Asia-Pacific	India & China lead due to extreme heat & low AC penetration .
Middle East & Africa	High demand in UAE, Saudi Arabia, South Africa .
North America	Growth in Southwest U.S. (Texas, Arizona) .
Europe	Rising demand in Spain, Italy, Greece .
Latin America	Emerging market in Mexico, Brazil .

Source: Industry, SMIFS Research

Fig 73: Key Trends - By Product Type

Type	Key Trends
Tower/Desert Coolers	High demand in hot & dry climates (Middle East, India).
Portable Coolers	Fastest-growing due to urbanization & affordability .
Window Coolers	Steady demand in residential spaces .
Smart Coolers	Expected 8% CAGR (IoT, AI integration).

Source: Industry, SMIFS Research

Key Producers: Innovation and Market Leadership in Air Cooling

The air cooler market is characterized by a mix of global players and local manufacturers, each contributing to the industry's growth and innovation. **Symphony Limited**, based in India, **has maintained its position as the global leader in air cooling solutions**. The company's success is attributed to its wide range of products catering to diverse cooling needs and its strong presence in over 60 countries. Symphony's focus on energy-efficient and eco-friendly cooling solutions has resonated well with consumers.

Other major players in the air cooler market include **Midea Group from China** with its innovative and energy-efficient models. Midea's air coolers are known for their sleek

designs and durability, making them popular in both residential and office environments. **Daikin Industries**, based in Japan, has also made significant strides in the market, particularly in the industrial cooling segment. These leading manufacturers have consistently invested in research and development, introducing features such as smart connectivity, improved air throw systems, and integrated air purification, which have contributed to the overall growth of the air cooler market.

Fig 74: Global Air Cooler Companies



Source: Astute Analytica

Pricing Dynamics: Affordability Meets Advanced Features in Major Markets

The average price of air coolers varies significantly across major air cooler markets, influenced by factors such as local manufacturing costs, import duties, and consumer purchasing power. **In India**, one of the largest markets for air coolers, the average price for a **mid-range air cooler stands at \$150 in 2025**, reflecting a 5% increase from the previous year due to advancements in technology and rising production costs. In contrast, **the U.S.** market sees higher average prices, with mid-range models priced at **~\$300**, driven by the demand for more advanced features and energy-efficient technologies.

The **Chinese market**, known for its competitive pricing, offers air coolers at an average **price of \$120**, making them highly accessible to a large consumer base. In the **Middle East**, where demand for powerful cooling solutions is high, the average price for desert coolers is **~\$250**, reflecting the need for robust and high-capacity units. European markets, particularly in countries like **Germany and France**, see higher average prices of around **€280 (\$330)**, driven by the preference for premium, energy-efficient models with advanced features. These pricing dynamics reflect not only the economic conditions of each market but also the specific cooling needs and consumer preferences in different regions.

Key Applications: From Residential Comfort to Industrial Efficiency

Air coolers find applications across various sectors, with residential use being the primary driver of demand. In 2025, **residential applications account for 65%** of the total air cooler market, with a notable 30% increase in demand for smart air coolers that can be controlled via smartphones.

The residential segment's growth is fueled by the rising temperatures in urban areas and the increasing awareness of energy-efficient cooling solutions among homeowners. Small offices and retail spaces constitute 20% of the market, where portable and tower air coolers are preferred for their space-saving designs and ease of use. The industrial sector represents 10% of the air cooler market, with a significant focus on large-scale cooling solutions for factories, warehouses, and manufacturing units. This segment has seen a 15% YoY growth, driven by the need for cost-effective cooling in large spaces where traditional air conditioning is impractical or too expensive. The remaining 5% of the market is divided among specialized applications such as agriculture (for greenhouse cooling), hospitality (for outdoor dining areas), and temporary event cooling. These diverse applications highlight the versatility of air coolers in meeting various cooling needs across different sectors, contributing to their growing popularity and market expansion.

E-commerce Revolution: Online Sales Reshape Air Cooler Distribution

The impact of online sales on the air cooler market has been transformative, reshaping distribution channels and consumer buying patterns. In 2025, **e-commerce accounts for 45% of all air cooler sales globally, a significant increase from 30% in 2020**. This shift towards online purchasing has been driven by factors such as convenience, wider product selection, and the ability to compare prices and features easily. Major e-commerce platforms have reported a 50% YoY growth in air cooler sales, with mobile shopping accounting for 60% of these online purchases.

The rise of online sales has also led to changes in marketing strategies, with manufacturers investing heavily in digital advertising and content marketing. Social media influencers and video reviews have become key drivers of air cooler sales, with 35% of online buyers citing influencer recommendations as a factor in their purchase decision. Additionally, the availability of detailed product information, customer reviews, and virtual product demonstrations online has empowered consumers to make more informed decisions. This trend has particularly benefited smaller and innovative brands, allowing them to reach a wider audience without the need for extensive physical retail networks. As a result, the air cooler market has become more competitive and diverse, with online sales playing a crucial role in shaping consumer preferences and driving industry growth.

Latest Announcement by peers

- **In March 2025**, Kenstar, a leading player in the air cooler in the Indian market, launched the Kenstar BLDC Maxx, a transformative cooling solution designed to deliver enhanced efficiency, reliability, and a longer lifespan for households in India.
- **In April 2024**, Orient Electric launched the range of electric coolers with the model's name Avante 105L, Smartchill 125L, Titan 100L in the desert coolers, and Maxochill 100L in the commercial cooler category with features like auto-fill function, aero fan technology, and IoT compatibility.
- **In October 2024**, the Monster XX air CPU cooler was launched by Cryorig; it is the largest air cooler brand with two 120-mm RGB fans and a dual tower with ten heat pipes. The cooler has a 300-watt TDP cooling capacity.
- **In December 2024**, Symphony, a major player in air cooler manufacturing, records the pre-sale of its 17 new air cooler models in December, providing the dispatch is set from the March quarter.

Key risks to our thesis

Foreign Currency Fluctuations

Symphony generates a sizeable portion of its revenues from exports across 60+ countries. Despite having a forex hedging policy (typically covering 6 months), sharp currency fluctuations—especially in emerging markets—could impact profitability through one-time forex losses.

Competitive Pricing & Market Saturation

The air cooler market, both domestic and international, remains fragmented with multiple regional and unorganized players. In price-sensitive markets, aggressive discounting or new product launches by competitors could pressure Symphony's pricing power and volume growth.

Seasonality & Weather Dependency

Demand for air coolers is highly seasonal and largely dependent on summer intensity. Erratic weather patterns, extended monsoons, or cooler summers—particularly in key geographies—could lead to subdued sales, impacting inventory turnover and operating leverage.

Execution Risk in Overseas Markets

While Symphony has expanded globally through subsidiaries and joint ventures (e.g., in the US, Mexico, China, Australia), success depends on local adaptation, partner alignment, and regulatory compliance. Any underperformance in these geographies could dilute consolidated performance.

Corporate Governance

We believe that good corporate governance is necessary for enhancing the trust of the shareholders. Hereby, we present a detailed framework on corporate governance for the comfort of the investors of Symphony considering board of directors, remuneration of key managerial personnel, contingent liability etc.

Promoters' Shareholding

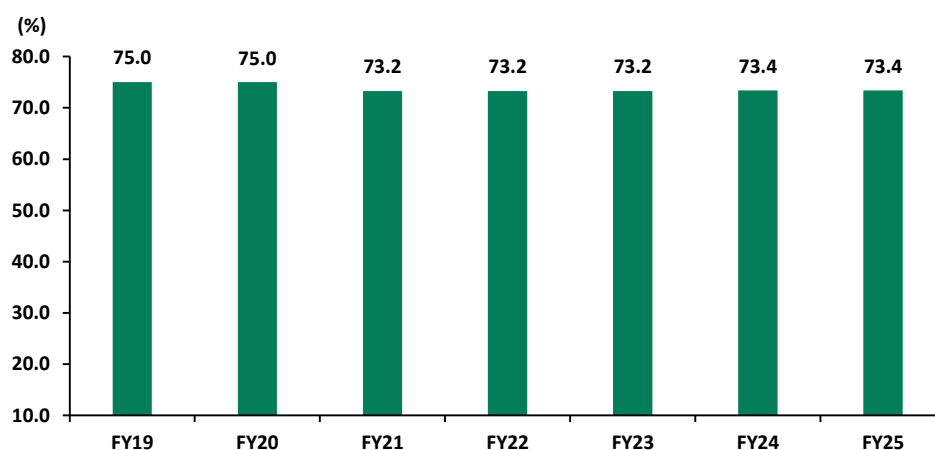
The promoters currently hold ~73.4% of the equity capital. The details of the shareholding and its movement are indicated in the following table and chart:

Fig 75: Latest Promoter Shareholding

Particulars	% Holding
Achal Anil Bakeri	41.9
Achal Anil Bakeri - HUF (Achal Anil Bakeri Karta)	3.4
Rupa Achal Bakeri	10.2
Sanskrit Tradecom Pvt Ltd.	17.9
Total	73.4

Source: Company Shareholding FY25, SMIFS Research

Fig 76: Promoter Shareholding



Source: Company Annual Report, SMIFS Research

The decline in promoter shareholding from FY20 to FY21 was because of reclassification of Mrs. Hansa Anil Bakeri Jt. Mr. Achal Anil Bakeri and Mr. Pavan Bakeri Jt. Mr. Achal Anil Bakeri from promoter group category to public group category.

Promoter Compensation

The promoter compensation is at 1.31% of PBT.

Fig 77: Remuneration of promoter

(Rs in Mn)

	FY19	FY20	FY21	FY22	FY23	FY24
Mr. Achal Anil Bakeri	23.7	23.8	0.03	23.6	23.6	23.6
As a % of PBT	1.33%	1.00%	0.00%	1.41%	1.56%	1.31%

Source: Company Annual Reports, SMIFS Research

Independent Director's Compensation

As on FY24, Symphony Limited board constituted of 4 independent directors. Independent directors were paid cumulative Rs 0.8 million which is 0.04% of PBT as on FY24.

Fig 78: Remuneration of Independent Director

(Rs in Mn)

Name	Compensation			As a % of PBT		
	FY22	FY23	FY24	FY22	FY23	FY24
Mr. Naishadh Parikh	0.3	0.2	0.2	0.02%	0.01%	0.01%
Mr. Ashish Deshpande	0.3	0.2	0.2	0.02%	0.01%	0.01%
Ms. Reena Bhagwati	0.3	0.2	0.2	0.02%	0.01%	0.01%
Mr. Santosh Nema	0.3	0.2	0.2	0.02%	0.01%	0.01%
Total	1.2	0.8	0.8	0.07%	0.05%	0.04%

Source: Company Annual Reports, SMIFS Research.

Board Composition

In FY24, Independent directors constitute ~50% of the board composition.

The details are given below:

Fig 79: Board Composition

Particulars	FY19	FY20	FY21	FY22	FY23	FY24
Non-Executive Directors	5	5	5	5	5	5
Non-Independent Directors	1	1	1	1	1	1
Independent Directors	4	4	4	4	4	4
Executive Directors	2	2	2	3	3	3
Total	7	7	7	8	8	8
% Non-Executive Non-Independent Directors	14%	14%	14%	13%	13%	13%
% Non-Executive Independent Directors	57%	57%	57%	50%	50%	50%
% Executive Directors	29%	29%	29%	38%	38%	38%

Source: Company Annual Reports, SMIFS Research.

Contingent Liabilities

The company's contingent liability as a 1.5% of net worth in FY24 and it has increased from 0.4% in FY19. The management expects no material liability will devolve on the group and hence not recognised in the books of account.

Fig 80: Contingent Liability

(Rs in Mn)

Particulars	FY19	FY20	FY21	FY22	FY23	FY24
Claims against the Company not acknowledged as debt	0.7	0.7	0.7	0.7	0.5	0.7
Disputed GST/VAT, Income Tax and Excise Tax	27.3	25.3	23.3	22.9	91.6	112.3
Total	28.0	26.0	24.0	23.6	92.1	113.0
As a % of Net Worth	0.4%	0.4%	0.3%	0.3%	1.0%	1.5%

Source: Company Annual Reports, SMIFS Research

Related Party Transaction

As per our analysis of RPT, **nothing specific has come to our notice.**

Fig 81: Related Party Transaction (Consolidated)

(Rs in Mn)

Related Party Transaction	FY19	FY20	FY21	FY22	FY23	FY24
Name of the Related Parties						
Key Management Personnels						
Short-term benefits	33.4	39.7	20.0	58.0	64.9	80.3
Post-employment Benefits	0.3	0.4	1.2	1.5	1.8	1.8
benefits	33.4	39.7	20.0	58.0	64.9	80.3
Enterprise in which Director has significant influence						
Elephant Design Private Limited						
Consultancy Expense & reimbursement of Travelling Expense	4.6	4.4	3.5	2.0	3.3	10.1
Total	4.6	4.4	3.5	2.0	3.3	10.1
Independent Directors						
Independent Directors						
Sitting Fees	-	-	0.8	1.2	0.8	0.8
Total	-	-	0.8	1.2	0.8	0.8
Total Related Party Transaction	38.0	44.1	24.3	61.2	69.0	91.2

Source: Company Annual Reports, SMIFS Research

Fig 82: Related Party Transaction (Standalone)
(Rs in Mn)

Related Party Transaction	FY19	FY20	FY21	FY22	FY23	FY24
Name of the Related Parties						
Wholly owned Subsidiary						
IMPCO S DE RL DE C V., Mexico						
Sale of Goods / Receivables	167	259	100	136	83	311
Sale of Assets	-	-	0	1	41	-
Software charges recovered	-	0	0	1	1	1
Accounting Charges recovered	-	-	-	-	-	8
Certification Charges recovered	-	-	-	-	-	0
Purchase of Assets/ Payable	-	-	-	-	-	6
Guarantee Charges recovered	-	-	-	0	-	-
Loan Given	1	-	-	-	-	-
Loan Received back	1	-	-	-	-	-
Total	169	260	100	138	124	326
Guangdong Symphony Keruilai Air Coolers Co. Limited, China						
Software charges recovered	-	0	0	1	1	0
Design Charges	2	-	-	-	2	-
Purchase of Goods / Advances	61	30	19	7	4	1
Loan Given/Receivable	-	-	425	85	-	-
Loan Received back	-	-	-	-	-	1
Interest Income	-	-	13	25	-	29
Provision for expected credit losses on loans to subsidiary	-	16	-	-	-	77
Purchase of Assets	-	-	-	9	-	-
Guarantee Charges recovered	2	3	2	-	-	-
R&D Material Expenses	1	0	-	-	-	-
Total	66	49	459	126	7	108
Symphony AU Pty. Limited, Australia						
Investment in Capital	863	112	-	-	43	822
Guarantee Charges recovered / Receivable	6	7	8	8	7	6
Loan Given/Receivable	-	189	-	-	-	271
Loan Received back	-	-	209	-	-	137
Interest Income	-	2	3	-	-	9
Total	868	310	220	8	50	1,244
Symphony Climatizadores Ltda, Brazil						
Investment in Capital	-	1	-	-	-	-
Sale of Goods/ Receivable	-	1	12	-	156	13
Loan Given/Receivable	-	11	7	10	76	120
Loan Received back	-	-	-	2	-	109
Interest Income	-	0	1	1	5	15
Total	-	14	20	13	238	256
Step Down Subsidiary						
Climate Technologies Pty. Limited, Australia						
Sale of Goods	-	10	171	820	493	57
Sale of Assets	-	-	-	2	31	-
Software charges recovered	-	0	1	1	1	1
Accounting Charges recovered	-	0	4	8	6	5
Guarantee Charges recovered / Receivable	1	3	4	5	4	6
Purchase of Goods / Payable	-	0	0	42	1	-
Purchase of Assets	-	-	15	-	-	-
Total	1	13	195	877	536	69
Bonaire USA, LLC						
Sale of Goods/ Receivable	-	3	56	63	12	24
Consultancy - Others recovered	-	-	0	-	-	-
Total	-	3	56	63	12	24
Enterprise in which Director has significant influence						
Elephant Design Private Limited						
Consultancy Expense & reimbursement of Travelling Expense	5	4	4	2	3	10
Total	5	4	4	2	3	10
Key Management Personnels						
Short-term benefits	33	40	20	58	65	80
Post-employment benefits	0	0	1	2	2	2
Total	34	40	21	60	67	82
Independent Directors						
Sitting Fees	-	-	1	1	1	1
Total	-	-	1	1	1	1
Total Related Party Transactions	1,142	692	1,076	1,288	1,037	2,120

Key management personnel

Fig 83: Details of promoter and director

Name	Designation	Profile
Mr. Achal Bakeri	Chairman and Managing Director	Mr. Bakeri is the founder of the company, founded symphony in 1988. He has led Symphony to be a pioneer in the industry dominating the maximum market share over the years under his leadership the company has created presence in over 60 countries. He is an architect and did MBA from University of Southern California.
Mr. Nrupesh Shah	Managing Director - Corporate affairs	Mr. Shah joined in 1993 as a finance controller and became executive director in 2002, he leads the company's financial and commercial functions and is responsible for corporate affairs, growth and performance strategies, merger acquisitions, finance, M.I.S., treasury etc. he is a qualified Chartered Accountant (FCA) and Company Secretary.
Mr. Amit Kumar	Executive Director and Group CEO	Mr. Kumar has ~18 years of experience in the corporate and consulting sectors, he has worked with GE, PwC, Shapoorji Pallonji, EY and KPMG. He focuses on the overall business growth of the company and its overseas subsidiaries. He has done engineering from IIT-Kanpur and an MBA from IIM Ahmedabad.
Ms. Jonaki Bakeri	Non-Executive, Non-Independent Director	Ms. Jonaki Bakeri has experience in various business functions namely marketing, service, accounts, finance, legal and product development.
Mr. Naishadh Parikh	Independent Director	Mr. Parikh has done B.Sc. and MBA, he has track record of more than 42 years in various roles at the board level in diverse sectors viz. air-conditioning & refrigeration, textiles & engineering. Mr. Parikh is CMD, Equinox Solutions Limited. He was also the Founder & Managing Director of Amtrex Hitachi Appliances Limited (now Johnson Controls-Hitachi Air Conditioning India Limited).
Mr. Ashish Deshpande	Independent Director	Mr. Deshpande is an experienced practitioner in the field of product design. He leads the Product & Retail Experience Innovation group and has led projects ranging from consumer appliances related to air, water and energy, medical equipment, wearable electronics, automotive and retail.

Source: Company Investor Presentation, SMIFS Research

CSR Activities

Symphony Ltd has spent ~Rs 29.6 million in FY24. The spend as 99% of prescribed limit for FY24.

Fig 84: CSR spends

<i>(Rs in Mn)</i>				
Particulars (Rs in Mn)	Avg Net Profit (last 3 Yrs)	Prescribed Expenditure	Total	Spend as % of prescribed limit
FY24	1,491	29.80	29.60	99%
FY23	1,582	31.60	32.20	102%
FY22	1,662	32.80	32.80	100%
FY21	1,997	39.90	40.70	102%
FY20	2,006	40.1	40.2	100%
FY19	2,078	41.60	14.90	36%

Source: Company Annual Reports, SMIFS Research

Auditors

Symphony Ltd appointed M/S. Deloitte Haskins & Sells, Chartered Accountants as the statutory auditor. The auditors have given a true and fair view for the results of the financial year 2023-24.

Fig 85: Auditor fee

<i>(Rs in Mn)</i>			
Auditor Name	Type	Auditor Fees	As a % of PBT
Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad	Statutory Auditor	4.9	0.27%

Source: Company Annual Reports, SMIFS Research

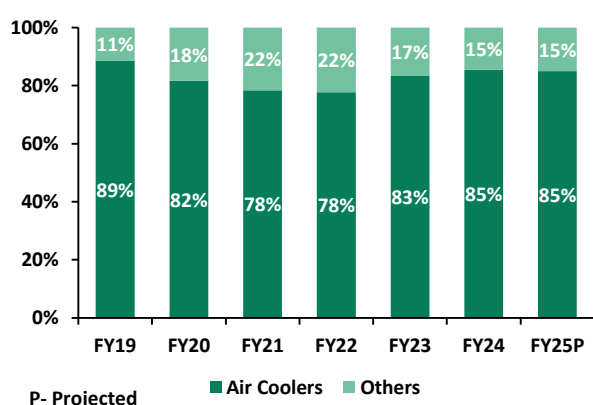
Company Background

What is Symphony all about?

- Founded in 1988 in Gujarat by Mr. Achal Bakeri, Symphony Limited is the world's largest supplier of air coolers.
- Symphony offers a diverse range of products catering to both household and industrial needs. Its portfolio includes: 1) Premium Air Coolers, 2) BLDC Air Coolers, 3) Tower Coolers, 4) Desert Coolers, 5) Industrial Coolers, 6) Tower Fans and 7) Water Heaters (Geysers).
- The company's air coolers are available across a wide price range—from ~Rs 4,000 to Rs 40,000, provide products in mass to premium segments and offer capacities ranging from 6 liters to 200 liters, providing solutions for a variety of customer requirements. The company has 70+ SKUs.
- Symphony commands approximately 50% market share in the organized Indian air cooler market in value terms, underscoring its leadership in the sector. It has established a strong distribution network, comprising: ~1,000 dealers and 25,000+ touchpoints across India.
- To serve international markets, Symphony strategically acquired IMPCO in Mexico, Climate Technologies in Australia, GSK in China, and formed subsidiary in Brazil called Symphony Climatizadores Ltda.
- **Revenue mix:** ~60-65% revenue comes from the domestic market and rest from international markets.
- Sales through the dealer and distributor channel account for approximately 69% of the company's total revenue.
- The contribution from the top 10 dealers and distributors stands at around 11%, maintaining a steady range of 9–11% over the past two fiscal years, indicating a diversified sales base without significant customer concentration risk.
- The company's customer includes leading domestic & International MNC's such as Walmart, General Electronics, Coca-Cola, HDFC Bank and Flipkart.

Fig 86: Product wise Revenue Mix

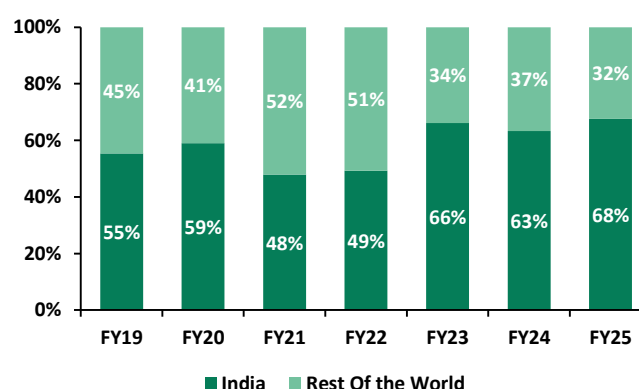
(in %)



Source: Company, SMIFS Research

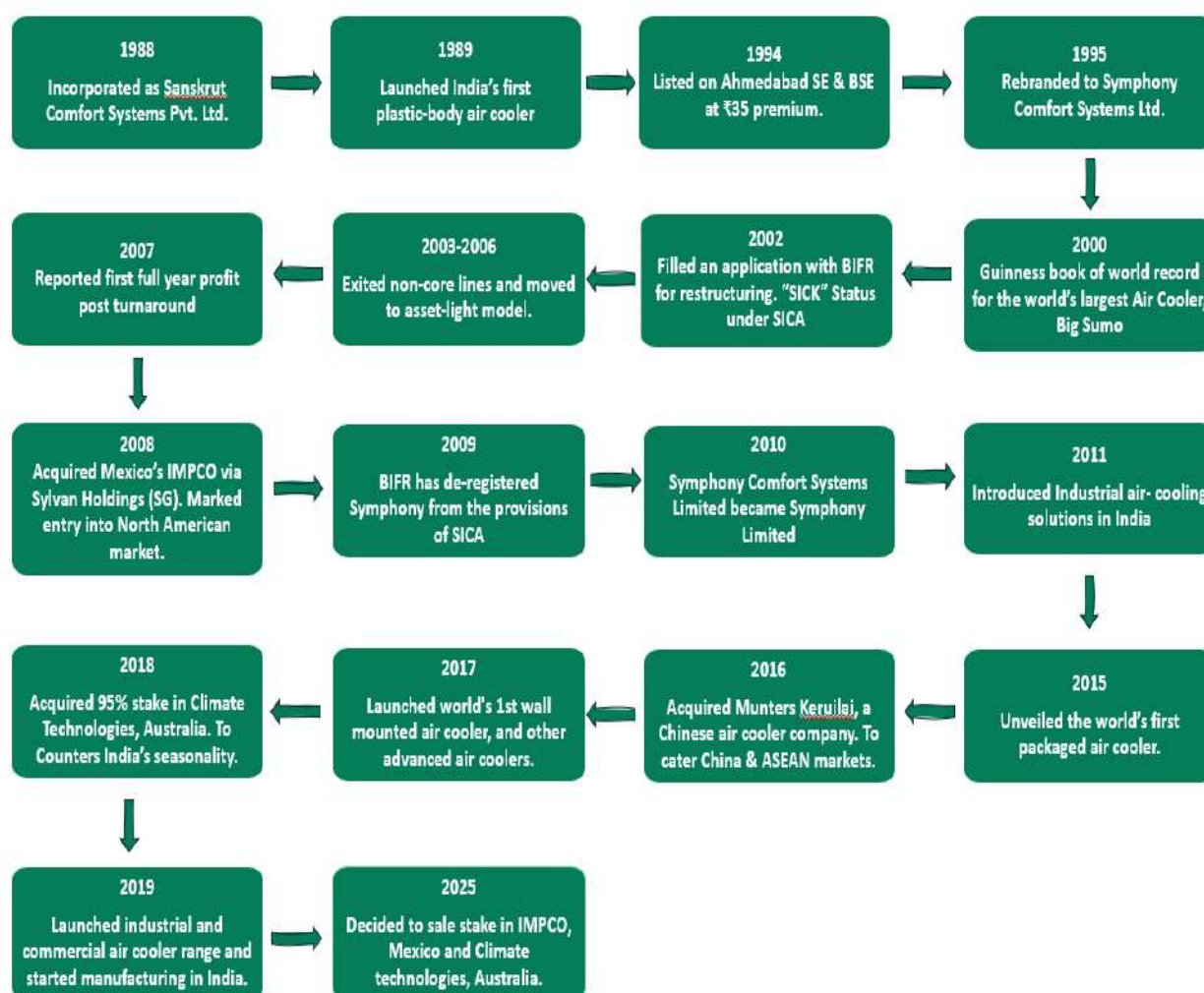
Fig 87: Geography wise Revenue Mix

(in %)



Source: Company, SMIFS Research

Fig 88: Key Milestone of Symphony Limited



Source: Company, SMIFS Research

Geographical diversification gives good visibility

Symphony Limited has strategically expanded its global footprint through the acquisition and establishment of six wholly owned subsidiaries. These subsidiaries play a crucial role in diversifying Symphony's market presence and product offerings.

Fig 89: Exports geographies breakup

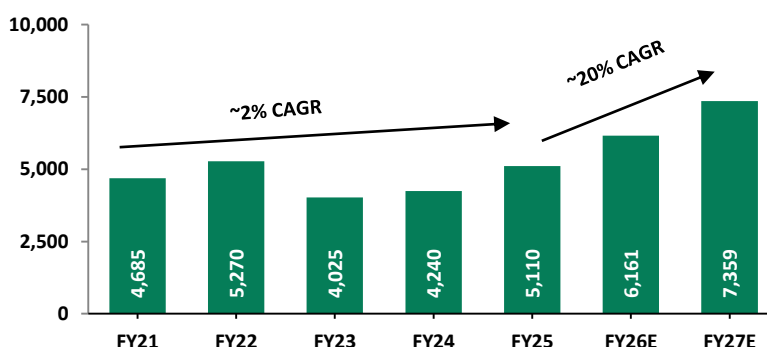
(Rs in Mn)

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
IMPCO Mexico	750	1,030	1,170	1,780	2,160	2,592	2,981
YoY Growth (%)		37.3%	13.6%	52.1%	21.3%	20.0%	15.0%
CT + Bonaire	3,380	3,710	2,250	1,850	1,720	1,703	1,754
YoY Growth (%)		9.8%	(39.4%)	(17.8%)	(7.0%)	(1.0%)	3.0%
GSK, China	400	380	320	440	1,000	1,500	2,100
YoY Growth (%)		(5.0%)	(15.8%)	37.5%	127.3%	50.0%	40.0%
Brazil				260	390	526	684
YoY Growth (%)					50.0%	35.0%	30.0%
Total	4,685	5,270	4,025	4,240	5,110	6,161	7,359
YoY Growth (%)			(23.6%)	5.4%	20.5%	20.6%	19.4%

Source: Company, SMIFS Research Estimates

Fig 90: Export Revenue to grow at CAGR of 20% from FY25-27E

(Rs in Mn)



Source: Company, SMIFS Research Estimates

Below is an in-depth analysis of each subsidiary, focusing on the rationale behind their acquisition, profitability and return ratios.

Symphony & IMPCO: A Strategic Partnership

About IMPCO: IMPCO is a leading manufacturer of efficient, affordable, and eco-friendly air coolers. It builds heavy-duty commercial and industrial coolers in North American plant using corrosion-resistant, high-quality materials. These coolers have a wide cooling capacity, ranging from 3,000 to 60,000 CFM.

Acquisition: In 2008, Symphony invested in Singapore-based Sylvan Holdings, which owned nearly 99.99% in Mexico-based IMPCO S. DE. R. L. DE. C. V.—a well-established company serving the U.S. and Mexican markets. Symphony later acquired full control of Sylvan, making IMPCO (Mexico and USA) part of the Symphony group. IMPCO has huge manufacturing facility in Monterrey, North Mexico

The acquisition combined IMPCO's manufacturing strength with Symphony's global reach. Symphony began using IMPCO's strong ties with major retailers like Walmart, Sears, Home Depot and Costco to grow its presence across North, South, and Central America.

Growth: Together, they also launched Symphony's residential air coolers in the Americas, helping IMPCO enter the home cooling market. At the same time, they focused on expanding in the industrial segment with project-based, heavy-duty coolers—opening new, year-round business opportunities globally, including in India.

Fig 91: Financial Performance of IMPCO

Particulars (Rs Mn)	IMPCO Mexico					
	Period Ended 31-12-18	Period Ended 31-12-19	Period Ended 31-12-20	Period Ended 31-12-21	Period Ended 31-12-22	Period Ended 31-12-23
Shareholding Pattern (%)	100	100	100	100	100	100
Revenue	840	878	827	951	1,372	1,753
PBT	53	34	-39	105	82	136
PAT	53	34	17	78	60	94
Reserves and Surplus	403	446	460	555	734	899

Source: Company Annual Reports, SMIFS Research

Guangdong Symphony Keruilai (GSK): A Strategic Powerhouse in China

About Guangdong Symphony Keruilai:

Guangdong Symphony Keruilai Air Coolers Co. Ltd. (GSK) is a leading manufacturer specializing in the R&D, design, manufacturing, and sales of evaporative air coolers and cooling-fan products. Based in Hongmei Town, Dongguan City, Guangdong Province, GSK is a recognized contributor to China's national industry standards for energy efficiency in the air-cooling segment.

Its strong foundation in innovation and manufacturing excellence positioned it as a key player in China's growing cooling industry.

Acquisition:

In 2016, Symphony Limited completed the acquisition of GSK, bringing its Dongguan-based manufacturing facility and technological capabilities into the Symphony Group.

This strategic acquisition strengthened Symphony's foothold in the Asia-Pacific market by combining GSK's local manufacturing advantages with Symphony's global distribution and marketing strengths.

Post-acquisition, Symphony leveraged GSK's advanced R&D facilities to upgrade product offerings and expand into new segments, including large-scale industrial coolers.

Growth:

Since becoming part of the Symphony family, GSK has undergone a significant transformation:

- **Product Expansion:** Upgraded its flagship "Keruilai VI" series of evaporative coolers to meet international quality standards.
- **Operational Optimization:** Relocated to a modern facility focused on enhanced customer service and efficient manufacturing operations.
- **Strategic Shift:** Shifted its focus toward large industrial coolers following a downturn in SME orders during the US-China trade conflict, allowing the company to capture underpenetrated, high-margin market segments.
- **Ecosystem Integration:** Became a crucial component supplier within the global Symphony ecosystem, ensuring faster and more reliable supply chains.

In FY25 it recorded **Rs 1,000 million** in revenue, **Rs 200 million** of EBITDA and **Rs 150 million** of PAT, reflecting a full operational turnaround. The recent transfer of nine IPRs to IMPCO for \$5.1 million further strengthened GSK's balance sheet, positioning it to retire external debt and refocus on innovation and export growth.

Going forward, GSK will continue to play a critical role in supplying cost-effective, energy-efficient cooling solutions to Symphony's global markets while strengthening its leadership in China's rapidly evolving cooling industry.

Fig 92: Financial Performance of GSK, China

Particulars (Rs Mn)	GSK, China					
	Period Ended 31-12-18	Period Ended 31-12-19	Period Ended 31-12-20	Period Ended 31-12-21	Period Ended 31-12-22	Period Ended 31-12-23
Shareholding Pattern (%)	100	100	100	100	100	100
Revenue	557	482	355	427	351	395
PBT	(18)	(60)	(102)	(109)	(45)	(10)
PAT	(18)	(60)	(102)	(109)	(45)	(10)
Reserves and Surplus	(1,110)	(1,210)	(1,374)	(1,570)	(1,623)	(1,604)

Source: Company Annual Reports, SMIFS Research

Climate Technologies: Strengthening Global Cooling Leadership

About Climate Technologies: Climate Technologies Pty Ltd is Australia's leading manufacturer of evaporative air coolers, ducted gas heaters, and portable heating and cooling products. Based in Adelaide, South Australia, the company is known for its innovative, energy-efficient, and climate-adapted solutions for residential and commercial markets.

With a strong portfolio of brands like *Bonaire*, *Celair*, and *Impression*, Climate Technologies holds a dominant position in the Australian and New Zealand markets.

Acquisition: In 2018, Symphony invested A \$ 44 million (≈Rs 2.21 billion) to acquire Climate Technologies—owner of the Bonaire and Celair brands—as a counter-seasonal hedge. Marking a major strategic step to diversify geographically and seasonally. This acquisition expanded Symphony's footprint into developed markets with distinct seasonal cycles — cooling products for summer and heating products for winter. It also provided access to strong brands, an experienced R&D team, and deep channel partnerships across Australia, New Zealand, and export markets.

Growth: Following the acquisition, Symphony and Climate Technologies worked on multiple growth initiatives:

- **Product Innovation:** Developed and launched rooftop plastic evaporative coolers, bringing global expertise to local products.
- **Brand Consolidation:** Strengthened brand presence by aligning product ranges under trusted names like Bonaire and Symphony.
- **Operational Efficiency:** Streamlined manufacturing, supply chain, and service processes to enhance margins and customer service.
- **New Market Penetration:** Leveraged Symphony's international network to explore export opportunities beyond Australia and New Zealand, including the Middle East.

However, FY25 results reveal **Rs 1.72 billion** of revenue, an **EBITDA loss of Rs 180 million**, and a **PAT loss of Rs 280 million**. The continuous underperformance underscores the urgency of its ongoing restructuring: a shift to outsourced manufacturing, stringent cost rationalization, and a product-line refresh. The board has signaled potential divestment to sharpen overall group ROCE.

Fig 93: Financial Performance of Climate Technologies, Australia

Particulars (Rs Mn)	Climate Technologies, Australia					
	Period Ended 31-03-19	Period Ended 31-03-20	Period Ended 31-03-21	Period Ended 31-03-22	Period Ended 31-03-23	Period Ended 31-03-24
Shareholding Pattern (%)	95	95	95	95	100	100
Revenue	1,942	2,578	3,303	3,553	2,178	1,564
PBT	(58)	119	0	252	(480)	(304)
PAT	(76)	117	17	171	(299)	(348)
Reserves and Surplus	569	677	830	1,011	687	330

Source: Company Annual Reports, SMIFS Research

Symphony Climatizadores Ltda. (Brazil): Expanding Symphony's Footprint in South America

About Symphony Brazil: Symphony Brazil represents Symphony Limited's direct presence in one of the largest and fastest-growing air cooling markets in South America. The subsidiary is responsible for the sales, marketing, distribution, and service of Symphony's residential and commercial air coolers across Brazil. Given Brazil's warm climate, growing middle class, and increasing focus on energy-efficient cooling solutions, Symphony Brazil is a strategically important part of Symphony's global expansion plan.

Formation and Strategy: Recognizing Brazil's potential as a key cooling market, Symphony entered Brazil through direct subsidiary operations to establish better control over brand positioning, customer engagement, and product distribution. The focus has been on blending Symphony's global product leadership with local customization to suit Brazilian consumer preferences and climatic needs.

Growth: Since its formation, Symphony Brazil has worked on multiple strategic initiatives:

- **Localized Offerings:** Launched models tailored for Brazil's hot, humid conditions, including residential and commercial air coolers with enhanced air-throw and energy efficiency.
- **Retail and E-commerce Expansion:** Strengthened presence across large retail chains and leading online platforms like Amazon Brazil and Mercado Livre.
- **After-Sales Service:** Set up a dedicated network for service and spare parts to enhance customer satisfaction and brand loyalty.
- **Brand Building:** Focused marketing campaigns in Portuguese, targeting both B2C and B2B customers through digital channels, TV, and retail partnerships.
- **New Segments:** Entered the hospitality, healthcare, and industrial segments, offering Symphony's large-capacity project-based cooling solutions.

In FY25, Brazil generated **Rs 390 million** in revenue (up 53% YoY) and **Rs 10 million** of EBITDA, yet reported **Rs 30 million** PAT loss due to forex provisions.

As Brazil's market matures, this "growth-phase" subsidiary is expected to transition into sustained profitability and make an increasingly meaningful contribution to group earnings. Symphony Brazil is strategically positioned to become a major growth driver for Symphony in Latin America. With a fast-expanding distribution network, tailored products, and strong brand-building initiatives, Symphony Brazil is on track to tap into Brazil's immense cooling market potential while contributing to Symphony's broader global vision of sustainable and profitable growth.

Fig 94: Financial Performance of Symphony Climatizadores - Brazil

Symphony Climatizadores - Brazil					
Particulars (Rs Mn)	Period Ended 31-12-19	Period Ended 31-12-20	Period Ended 31-12-21	Period Ended 31-12-22	Period Ended 31-12-23
Shareholding Pattern (%)	100	100	100	100	100
Revenue	2	8	20	80	234
PBT	(0)	(2)	(5)	(1)	22
PAT	(0)	(2)	(5)	(0)	17
Reserves and Surplus	(0)	(2)	(8)	(8)	8

Source: Company Annual Reports, SMIFS Research

Bonaire USA: Expanding Reach in the North American Market

About Bonaire USA LLP (BUSA):

Bonaire USA LLP (BUSA), a subsidiary of Climate Technologies and a step-down subsidiary of Symphony, plays a key role in Symphony's international strategy. BUSA manufactures and markets air coolers in the USA, catering to major retail partners such as **The Home Depot, Lowe's, and Amazon**, with plans to expand across other retail platforms.

Symphony has introduced portable air coolers manufactured in India into the US market, broadening its product portfolio and leveraging its cost-efficient manufacturing base. This initiative is part of a broader strategy to increase exports from India.

The acquisition enabled Symphony to gain access to established customer relationships and new geographic markets of USA. This acquisition also facilitated the entry of Symphony India-manufactured residential coolers into global markets.

Growth:

Since establishment, BUSA has taken several initiatives to scale operations and brand awareness:

- **Brand Building:** Rebranded all coolers under the Symphony name for unified brand positioning across channels.
- **Retail Expansion:** Strengthened presence across major brick-and-mortar chains and boosted digital reach via **Amazon, Walmart.com, HomeDepot.com**, and other online marketplaces.
- **Product Localization:** Customized product features (e.g., smart connectivity, sleeker designs) for North American consumers based on local climate conditions and design aesthetics.
- **Commercial Cooling Focus:** Expanded into project-based B2B sales for commercial and industrial cooling in schools, warehouses, event venues, and manufacturing facilities.

Highlights:

- Growing acceptance of evaporative cooling in the USA due to rising awareness about eco-friendliness and lower operational costs compared to traditional HVAC systems.
- E-commerce becoming a major growth engine post-pandemic.
- Opportunity to scale commercial/industrial cooler projects through partnerships and direct institutional sales.

BUSA plays a critical role in Symphony's global strategy, offering direct access to the large, premium North American market.

Fig 95: Financial Performance of Bonaire, USA

Particulars (Rs Mn)	Bonaire, USA					
	Period Ended 31-03-19	Period Ended 31-03-20	Period Ended 31-03-21	Period Ended 31-03-22	Period Ended 31-03-23	Period Ended 31-03-24
Shareholding Pattern (%)	95	95	95	95	100	100
Revenue	9	120	237	255	161	379
PBT	(14)	(3)	18	(54)	(67)	(25)
PAT	(14)	(3)	18	(54)	(67)	(25)
Reserves and Surplus	(51)	(59)	(44)	(99)	(175)	(202)

Source: Company Annual Reports, SMIFS Research

Fig 96: Timeline of important acquisitions

Subsidiary	Acquisition / Setup	Rationale
IMPCO S. de R.L. de C.V. (Mexico)	2009 (IMPCO)	Immediate market access to North America, entry into industrial cooling alongside residential.
Guangdong Symphony Keruilai Air Coolers Co. Ltd. (China)	2016 (GSK)	Access to China's vast market, 50+ patents/designs, superior commercial & industrial tech.
Climate Technologies Pty Ltd. (Australia)	2018	Leader in Australian air-cooling & heating (brands Bonaire, Celair); counter-seasonal hedge.
Symphony AU Pty Ltd. (Australia)	2018	Holding & financing hub for all Australia operations (incl. CT); streamlines tax & R&D flows.
Bonaire USA LLC (USA)	2018 (step-down of CT)	Direct U.S. distribution (Home Depot, Lowe's, Amazon); strengthens after-sales network.
Symphony Climatizadores Ltda. (Brazil)	2019	100% subsidiary to distribute India/Mexico/China-made coolers into Brazilian household & ind.

Source: Company, SMIFS Research

- **High performers:** IMPCO, GSK and Brazil are profitable with healthy ROCE.
- **Under review:** CT (Australia) remains unprofitable with negative ROCE, and Symphony is exploring monetization to sharpen overall capital efficiency Symphony Limited.
- **Strategic impact:** The mix of mature (IMPCO, GSK) and emerging (BUSA, CT, Brazil) subsidiaries helps Symphony de-risk seasonality and build global scale, but the two underperformers (CT & IMPCO) are being evaluated for divestment to unlock shareholder value.

Fig 97: Symphony's Product Portfolio

Products	Overview	Symphony's Position	End User Industries	Export Business
Household Air Coolers	Portable air coolers designed for personal and room-level cooling, suitable for residential use.	Market leader with 50% market share in residential evaporative air cooling in India.	Residential households, small offices	Yes
Commercial Air Coolers	High-capacity coolers intended for large spaces like halls, warehouses, and industrial units.	Pioneer in large-space ventilation with energy-efficient technologies.	Industrial facilities, warehouses, commercial venues	Yes
Tower Fans	Sleek, space-saving air-circulating units with vertical airflow, suitable for modern interiors.	Offers stylish and energy-efficient models.	Urban households, corporate spaces	Limited
LSV (Large Space Ventilation)	Advanced air cooling and ventilation systems for very large, enclosed areas like factories and auditoriums.	Specialized product line for industrial-scale ventilation.	Industrial plants, malls, auditoriums	Yes
Personal Coolers	Compact coolers ideal for bedrooms and small spaces, offering low power consumption.	Market leader with a wide variety for personal use.	Households, small offices	Yes
Desert Coolers	High-capacity coolers designed for large rooms and dry climates.	Strong presence in India's dry regions and global markets.	Homes, commercial spaces	Yes
Tower Coolers	Stylish vertical coolers optimized for space-saving and modern aesthetics.	Dominant in the tower cooler segment with energy efficiency.	Urban homes, offices	Yes
Portable Coolers	Lightweight and mobile coolers for flexible placement around the home or office.	Known for innovative, easy-to-move designs.	Residential, events, temporary setups	Yes
Water Heaters	Energy-efficient water heating solutions designed for home and commercial use.	Newer entrant with innovation in energy use and design.	Homes, hotels, gyms	Emerging market

Source: Company, SMIFS Research

How does air cooler work?

An air cooler works on the principle of adiabatic cooling, which means that when water changes from liquid to gas, it absorbs heat from the surrounding air and lowers its temperature.

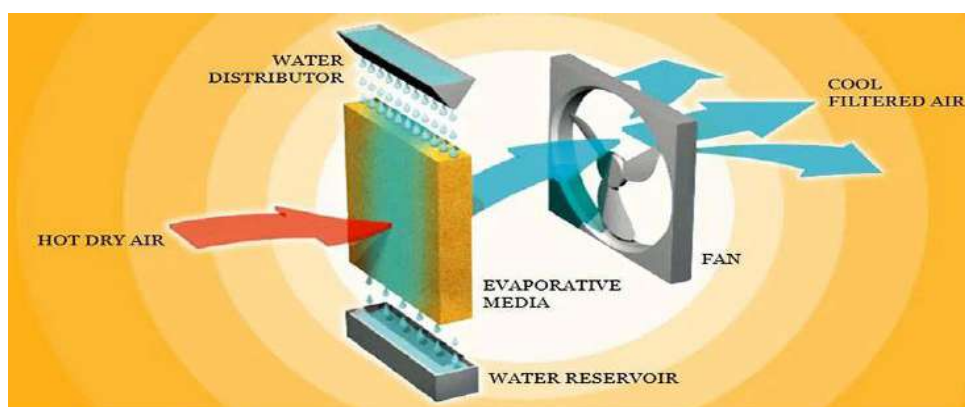
An air cooler has four main components: a fan, a water tank, a cooling pad and a pump.

- **Water Tank:** The water tank is the container that holds the water used for cooling. It can be either fixed or removable, depending on the design of the air cooler. Some models may also have an ice chamber to add ice cubes or cold water for enhanced cooling.
- **Cooling Pad:** The cooling pad is the component that cools the air. It's typically made of materials like wood wool, cellulose, or honeycomb, and is designed to allow maximum airflow while minimizing resistance. Some models may also have a built-in dust filter to keep particles out of the air.
- **Fan or Blower:** The fan or blower is responsible for moving air through the air cooler and distributing it around the space. There are two types: axial and centrifugal. Axial fans are more common and use blades to move air, while centrifugal fans use a spinning impeller to create a powerful breeze. Some models may also have variable speed controls for adjusting the airflow.
- **Pump:** The pump is what circulates water from the tank to the cooling pad. Submersible pumps are commonly used in smaller air coolers, while larger units may require an external pump. Some pumps may also have sensors that automatically shut them off when the water level gets too low.

Step-by-step working of air cooler:

- **Step 1:** Water is added to the tank. Depending on the model, this might involve connecting a hose or pouring water directly into the tank.
- **Step 2:** The pump starts up and begins circulating water to the cooling pad.
- **Step 3:** Hot air from outside the unit is drawn in through the intake vent.
- **Step 4:** The fan or blower pushes the hot air through the cooling pad, causing the water to evaporate and lowering the temperature of the air.
- **Step 5:** The now-cooled air is blown out of the unit through a vent or duct, dispersing it throughout the space.

Fig 98: Working of air cool



Source: Company, SMIFS Research

- This process relies on the principles of evaporation, which involves the conversion of liquid water into vapor. As water molecules transition from liquid to gas form, they absorb heat energy from the surrounding air, effectively cooling it down. By continuously circulating water through the system and allowing it to evaporate, an air cooler can efficiently chill the air without requiring any chemical refrigerants.

- The cooling effect of an air cooler depends on the air's humidity level. The lower the humidity, the more water can evaporate and the more the air can be cooled. That is why air coolers work best in dry climates, where the relative humidity is below 50%.
- Air coolers offer benefits such as lower energy consumption, eco-friendliness, and affordability compared to conventional cooling methods.
- Air coolers come in various sizes and capacities to suit different applications, ranging from small portable units for personal use to larger systems for commercial and industrial settings.

Raw Materials and Components Used in Air Cooler Production

The manufacturing of air coolers involves a wide range of raw materials and components, each contributing to the structural integrity, functionality, and performance of the final product:

Fig 99: Raw Material Composition for Air Cooler

Material Type	Use	% by Weight	Weight (kg)	% of Raw Material Cost	Notes
Plastics (ABS, PP, PVC)	Outer body, water tank, fan blades	45–55%	9–11 kg	25–35%	~₹100–₹130/kg
Steel / Aluminum	Motor housing, fan shaft, support structure	20–25%	4–5 kg	10–15%	Steel: ~₹70/kg, Alu: ~₹200/kg
Copper	Motor/pump windings, electrical wiring	5–10%	1–2 kg	20–30%	~₹700–₹800/kg
Cooling Pads	Wood wool / cellulose-based media	5–8%	1–1.5 kg	5–10%	~₹100–₹200/kg
Rubber & Elastomers	Seals, gaskets, castors	1–3%	0.2–0.6 kg	2–4%	~₹150–₹250/kg
Electronics (PCB, switches)	Switches, wiring, basic PCB elements	1–2%	0.2–0.4 kg	8–12%	Small % by weight, but high cost
Paints / Adhesives / Misc	Surface finish, adhesives	<1%	~0.1 kg	~1%	Minor contribution

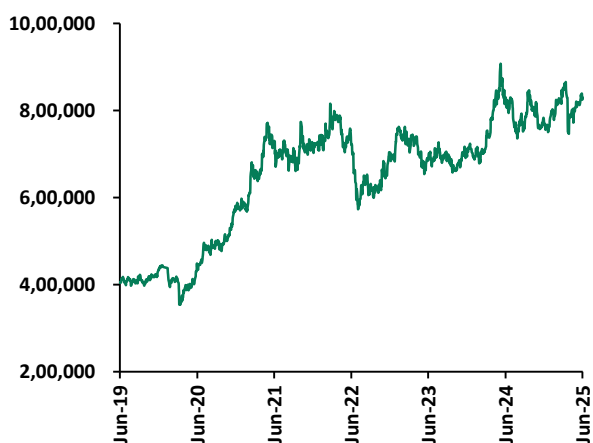
Source: Company, SMIFS Research

Key Observations

- Copper is low in weight but high in cost due to price per kg.
- Plastics dominate the weight, especially in plastic-bodied air coolers.
- Electronics make up a small % of weight but are cost-intensive per gram.
- Cooling pad materials can be relatively expensive if cellulose pads are used.

Fig 100: Copper Prices

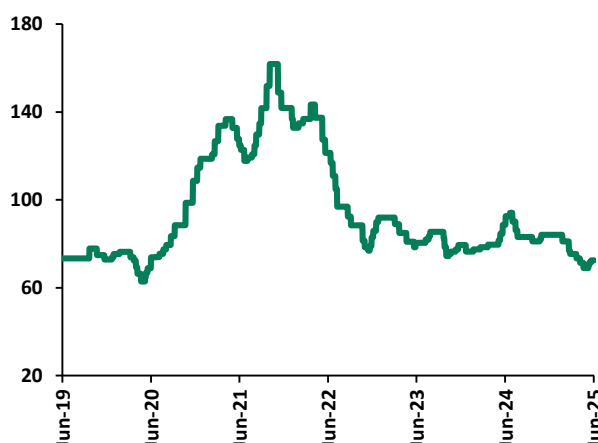
(Rs/Ton)



Source: LME, SMIFS Research

Fig 101: PVC Price

(Rs/kg)



Source: Plastemart, SMIFS Research

Fig 102: Different Types of Air Cooler

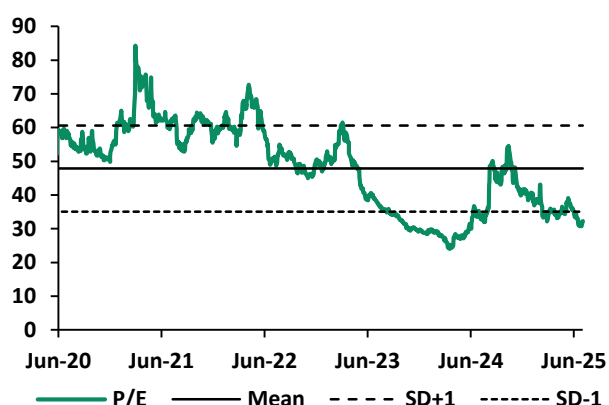
Type of Air Cooler	Description	Benefits	Drawbacks
Room Air Cooler	Compact and portable unit ideal for small to medium-sized rooms (e.g., bedrooms, offices). - Uses a water tank and fan to cool air through evaporation.	Portable and flexible; easily movable between rooms. Easy to operate and maintain; no installation or ducting needed. Consumes up to 80% less electricity compared to air conditioners. Eco-friendly; does not use refrigerants or harmful chemicals.	Can increase indoor humidity, causing discomfort for some users. Fan/blower can be noisy. Requires frequent water refilling and regular cleaning to prevent Mold or bacteria.
Desert Air Cooler	High-capacity unit designed for large spaces (up to 2000 sq. ft.) or outdoor use. Effective in hot and dry climates; significantly reduces air temperature	Powerful cooling; ideal for large areas and open spaces. Well-suited for dry environments. Uses up to 75% less energy than air conditioners. Environmentally friendly and chemical-free.	Bulky and space-consuming; not easily movable. High water usage and maintenance needs. Increases humidity, which may lead to dampness or corrosion
Window Air Cooler	Installed on a window or wall; draws in hot air and releases cooled air into the room. Suitable for medium to large rooms.	Saves floor space; fits into window frames. Convenient and cost-effective installation. Up to 70% energy savings compared to air conditioning. Eco-friendly; does not use chemical refrigerants. conditioning. Eco-friendly; does not use chemical refrigerants.	Limited mobility; fixed in one place. Adds moisture to the room. Needs regular water. refilling and pad maintenance.
Tower Air Cooler	Tall and slim design; ideal for placing in corners or sides of small to medium rooms. Features oscillating airflow for better coverage.	Sleek and modern design; enhances interior aesthetics. Blends well with various room decors. Uses up to 60% less electricity than air conditioners. Safe and eco-friendly; no chemical use.	Limited cooling range; not suitable for large spaces. Increases room humidity. Requires frequent water refilling and maintenance.

Source: Company, SMIFS Research

Valuation and Recommendations

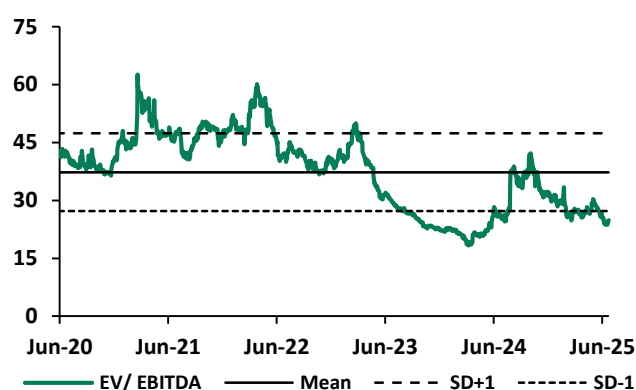
- A company with an asset-light business model, Symphony continues to strengthen its domestic presence through volume growth and strategic product diversification. The company is expanding beyond traditional air coolers by entering adjacent product categories such as commercial and industrial cooling solutions and water heaters, enhancing its market reach.
- We expect Symphony to deliver a Revenue/EBITDA/reported PAT CAGR of 7%/7%/17% over FY25–27E, driven by a revival in demand, margin expansion and improving operating leverage. The company's robust business fundamentals, including long-standing customer relationships, a short cash conversion cycle (under 60 days), and a healthy return profile (sustainable ROCE and ROE of 25%+), support further valuation multiple re-rating.
- The stock is trading at P/E of ~27x on FY27E EPS. We assign 36x (25% discount from 5 year mean PE ratio) as the target multiple and arrive at target price of Rs 1,500 per share which is upside of ~33% from current valuations.
- Therefore, we initiate coverage with **BUY** rating on the stock.

Fig 103: 1-year forward P/E



Source: AceEquity, SMIFS Research Estimates

Fig 104: 1-year forward EV/EBITDA



Source: AceEquity, SMIFS Research Estimates

Key Performance Indicators and Quarterly Financials

Fig 105: Key Performance Indicator

Particulars (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Domestic							
Domestic Revenue	4,314	5,120	7,850	7,320	10,650	9,134	10,704
Domestic Volumes (In Units) #	6,16,200	6,90,000	9,61,701	8,70,717	12,00,780	10,92,710	12,12,908
Realization (Per Unit) #	7,000	7,420	8,162	8,407	8,869	8,359	8,825
Exports							
IMPCO Mexico	750	1,030	1,170	1,780	2,160	2,592	2,981
CT + Bonaire	3,380	3,710	2,250	1,850	1,720	1,703	1,754
GSK, China	400	380	320	440	1,000	1,500	2,100
Brazil	NA	NA	NA	260	390	526	684

Source: Company, SMIFS Research Estimates, # As per SMIFS Estimates

Fig 106: Quarterly Financials (Consolidated)

Y/E March (Rs Mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Sales	3,020	2,750	2,470	3,320	5,310	3,150	2,420	4,880
Raw Materials	1,520	1,480	1,300	1,710	2,590	1,590	1,210	2,620
Employee Costs	310	320	300	290	340	320	280	320
Other Expenditure	930	540	430	750	1,270	600	640	870
EBITDA	260	410	440	570	1,110	640	290	1,070
Depreciation	70	70	60	60	50	60	60	50
Interest	30	20	30	20	30	20	20	30
Other Income	160	110	150	90	90	200	70	110
Exceptional items (loss)/income	(20)	-	-	-	-	-	(460)	-
PBT	300	430	500	580	1,120	760	(180)	1,100
Tax	60	80	90	100	240	200	(80)	310
<i>Tax rate (%)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Adj PAT	240	350	410	480	880	560	209	790
YoY Growth (%)								
Revenue	-8%	0%	-11%	8%	76%	15%	-2%	47%
EBITDA	-24%	11%	0%	148%	327%	56%	-34%	88%
Adj PAT	-17%	9%	5%	200%	267%	60%	-49%	65%
QoQ Growth (%)								
Revenue	-2%	-9%	-10%	34%	60%	-41%	-23%	102%
EBITDA	13%	58%	7%	30%	95%	-42%	-55%	269%
Adj PAT	50%	46%	17%	17%	83%	-36%	-63%	277%
Margin (%)								
Gross Profit	50%	46%	47%	48%	51%	50%	50%	46%
EBITDA	9%	15%	18%	17%	21%	20%	12%	22%
Adj PAT	8%	13%	17%	14%	17%	18%	9%	16%
Employee cost as % of sales	10%	12%	12%	9%	6%	10%	12%	7%
Other expenses as % of sales	31%	20%	17%	23%	24%	19%	26%	18%

Source: Company, SMIFS Research

Industry Comparison

Fig 107: Strategic Comparison Table: Symphony vs Peers

Company	Core Focus in Cooling	Air Cooler Strategy	Strengths	Challenges
Symphony	Focused on air cooling (Residential + Industrial)	Innovation-led, global presence, Focusing on expanding LSV and adjacent and focused on Tier 2–3 cities	Market leader, asset-light model, global diversification, R&D driven	High product concentration
Voltas	Diversified cooling (ACs, commercial HVAC)	Secondary focus, Air coolers are a small part of portfolio	Strong brand, Tata Group trust, extensive retail presence	AC-focused, low innovation in air coolers
Blue Star	Commercial cooling, premium appliances	Limited air cooler focus, mostly urban/premium segment, Investing in Brand building and Innovative offerings	Strong B2B legacy, High-End Design, Expanding Product Range	Low Volume In High Capacity and Premium Range
Bajaj Electricals	Diversified Offerings - Fans, Lighting, Air Cooler, Home & Kitchen Appliances and Personal Grooming Appliances	Volume-focused, Wide range of value-for-money coolers and now focusing on adding innovative and premium offerings	Mass-market reach, Wide Reach, Price Competitiveness and Established Brand	Lesser focus on Air cooler
Kenstar	Focus on Air cooler, Kitchen Appliances and Large Appliances	Mid-range offerings, focused on Tier 2–3 cities	Established brand, decent reach, focused SKUs	Brand fatigue, limited global presence
Crompton	Diversified Offerings - Fans, Lighting, Air Cooler, Water Heater, Home & Kitchen Appliances and Pumps	Focus on Mid Range and Premium Offerings and Brand enhancement and improving reach	Strong brand presence, Wide reach and well diversified product portfolio	FMEG Focused and low volume in mass cooler category
Havells	Diversified Offerings - Fans, Lighting, Switchgears, Air Cooler, Water Heater, Home & Kitchen Appliances.	Tapping Underpenetrated Air Cooler Market and Innovation in Air cooler	Strong Product Portfolio, Strong Channel Presence and Mass-Premium Brand	FMEG Focused and low volume in mass cooler category
Orient Electric	Diversified Offerings - Fans, Lighting, Switchgears, Air Cooler, Water Heater, Home & Kitchen Appliances.	Introducing High Capacity models and Innovative Offerings in residential and commercial category	Strong Channel Presence, Mass-Premium Brand and Well Established Brand	FMEG Focused and Lesser Focus on Air Cooler

Source: Company Investor Presentation, SMIFS Research

Fig 108: Domestic peer comparison

Company Name (Rs in Mn)	Net Sales				EBITDA				PAT				EBITDA Margin (%)				PAT Margin (%)			
	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Symphony Ltd.	11,560	15,760	15,295	18,063	1,680	3,110	2,830	3,533	1,480	2,130	2,299	2,908	14.5%	19.7%	18.5%	19.6%	12.8%	13.5%	15.0%	16.1%
Havells India Ltd	1,85,900	2,17,781	2,47,441	2,84,237	18,426	21,309	25,707	30,782	12,708	14,723	18,084	22,005	9.9%	9.8%	10.4%	10.8%	6.8%	6.8%	7.3%	7.7%
Voltas Ltd	1,24,074	1,53,205	1,68,804	1,94,349	4,746	11,304	12,176	14,702	2,520	8,414	9,475	11,741	3.8%	7.4%	7.2%	7.6%	2.0%	5.5%	5.6%	6.0%
Blue Star Ltd	96,854	1,19,677	1,36,080	1,59,736	6,687	8,759	10,138	12,350	4,150	5,899	6,744	8,346	6.9%	7.3%	7.5%	7.7%	4.3%	4.9%	5.0%	5.2%
Crompton Consumer Elec	73,128	78,636	87,393	98,412	7,137	8,882	10,109	11,664	4,399	5,560	6,647	10,627	9.8%	11.3%	11.6%	11.9%	6.0%	7.1%	7.6%	10.8%
Bajaj Electricals Ltd	46,223	48,159	54,073	60,606	2,597	3,075	3,916	5,186	1,311	1,334	1,855	2,691	5.6%	6.4%	7.2%	8.6%	2.8%	2.8%	3.4%	4.4%
Orient Electric Ltd	28,121	30,937	30,937	34,241	1,443	2,037	2,037	2,769	753	832	832	1,322	5.1%	6.6%	6.6%	8.1%	2.7%	2.7%	2.7%	3.9%

Source: Bloomberg & SMIFS Research Estimates

Company Name (Rs in Mn)	Market Cap	CAGR FY25-27E (%)			ROE (%)				P/E (x)				EV/EBITDA (x)			
		Rev	EBITDA	PAT	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Symphony Ltd.	77,781	7.1%	6.6%	16.9%	16.8%	32.3%	27.3%	28.3%	45.7	37.1	34.5	27.2	36.6	28.4	27.2	21.3
Havells India Ltd	9,85,929	14.2%	20.2%	22.3%	18.1%	18.7%	20.0%	21.3%	74.7	65.1	55.1	45.6	50.0	43.6	37.2	31.0
Voltas Ltd	4,52,319	12.6%	14.0%	18.1%	4.5%	13.6%	13.9%	15.6%	144.8	57.4	47.7	38.5	75.7	42.6	37.0	30.7
Blue Star Ltd	3,78,804	15.5%	18.7%	18.9%	21.1%	20.8%	20.0%	21.1%	61.2	74.5	55.5	44.8	38.4	49.6	36.9	30.3
Crompton Greaves Consumer Elec	2,25,509	11.9%	14.6%	38.3%	15.5%	17.4%	18.0%	18.9%	38.9	41.0	33.9	28.7	24.3	26.6	22.2	19.2
Bajaj Electricals Ltd	79,111	12.2%	29.9%	42.0%	7.8%	8.4%	9.4%	11.9%	76.9	55.9	35.8	25.8	39.9	22.5	20.4	15.4
Orient Electric Ltd	47,873	5.2%	16.6%	26.0%	12.3%	12.5%	12.0%	18.0%	54.7	53.4	57.5	36.2	32.3	21.9	23.6	17.4

Source: Bloomberg & SMIFS Research Estimates

Financial Statements (Consolidated)

Income Statement					
YE March (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenues	11,876	11,560	15,760	15,295	18,063
Raw Materials	6,668	6,010	8,010	7,801	9,194
% of sales	56.2	52.0	50.8	51.0	50.9
Personnel	1,240	1,220	1,260	1,300	1,445
% of sales	10.4	10.6	8.0	8.5	8.0
Other Expenses	2,583	2,650	3,380	3,365	3,891
% of sales	21.8	22.9	21.4	22.0	21.5
EBITDA	1,384	1,680	3,110	2,830	3,533
Depreciation	265	260	220	289	305
Other Income	502	510	470	535	632
EBIT	1,622	1,930	3,360	3,076	3,860
Finance cost	102	100	100	71	58
Core PBT	1,017	1,320	2,790	2,470	3,170
Exceptional Items	-	(20)	(460)	-	-
PBT	1,519	1,810	2,800	3,005	3,802
Tax-Total	361	330	670	706	893
Tax Rate (%) - Total	23.7	18.2	23.9	23.5	23.5
Reported PAT	1,159	1,480	2,130	2,299	2,908
Minority Interest	-5	0	0	0	0
Adjusted PAT	1,153	1,369	2,438	2,299	2,908

Source: Company, SMIFS Research Estimates

Key Ratios					
YE March	FY23	FY24	FY25	FY26E	FY27E
Growth Ratio (%)					
Revenue	14.3	(2.7)	36.3	(2.9)	18.1
EBITDA	(13.9)	21.4	85.1	(9.0)	24.9
PAT	(5.1)	18.7	78.1	(5.7)	26.5
Margin Ratios (%)					
Gross Profit	43.8	48.0	49.2	49.0	49.1
EBITDA	11.7	14.5	19.7	18.5	19.6
EBIT	13.7	16.7	21.3	20.1	21.4
Core PBT	8.6	11.4	17.7	16.1	17.5
Adjusted PAT	9.7	11.8	15.5	15.0	16.1
Return Ratios (%)					
ROE	13.4	16.8	32.3	27.3	28.3
ROCE	11.2	14.3	27.6	24.1	25.8
Turnover Ratios (days)					
Gross block turnover ratio	6.7	6.0	7.4	6.4	6.8
Adj OCF / Adj PAT (%)	100%	110%	102%	95%	76%
Inventory	76.7	72.9	65.8	65.8	65.8
Debtors	35.4	53.0	32.7	32.7	32.7
Creditors	50.9	47.0	41.5	41.5	41.5
Cash conversion cycle	61.3	78.9	57.0	57.0	57.0
Solvency Ratio (x)					
Debt-equity	0.2	0.2	0.2	0.1	0.1
Net debt/equity	(0.1)	(0.0)	(0.1)	(0.3)	(0.4)
Gross debt/EBITDA	1.6	0.9	0.4	0.4	0.3
Current Ratio	1.8	1.6	1.2	1.6	2.0
Interest coverage ratio	15.9	19.3	33.6	43.5	66.1
Dividend					
DPS	5.0	13.0	8.0	9.6	11.5
Dividend Yield (%)	0.5	1.5	0.6	0.8	1.0
Dividend Payout (%)	30.3	61.5	26.3	29.2	27.7
Per share Ratios (Rs)					
Basic EPS (reported)	16.6	21.1	30.4	32.8	41.5
Adj EPS	16.5	19.6	34.8	32.8	41.5
CEPS	20.3	23.3	38.0	37.0	45.9
BV	125.9	107.0	108.7	132.0	162.0
Valuation (x)*					
Adj P/E	58.4	45.7	37.1	34.5	27.2
P/BV	7.7	8.4	11.9	8.6	7.0
EV/EBITDA	48.3	36.6	28.4	27.2	21.3
EV/Sales	5.6	5.3	5.6	5.0	4.2
Adj Mcap / Core PBT	63.6	45.4	31.2	30.7	23.4
Adj Mcap / Adj OCF	56.2	39.7	34.9	34.8	33.6

Source: Company, SMIFS Research Estimates

Balance Sheet					
YE March (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Source of funds					
Share Capital	140	140	140	140	140
Reserves & Surplus	8,669	7,350	7,470	9,097	11,199
Shareholders' Funds	8,809	7,490	7,610	9,237	11,339
Total Loan Funds	2,165	1,560	1,340	1,140	940
Other Liabilities	203	210	230	230	230
Total Liabilities	11,177	9,260	9,180	10,607	12,509
Application of funds					
Gross Block	1,815	2,018	2,268	2,518	2,768
Net Block	1,077	1,020	1,050	1,011	956
Capital WIP	-	-	-	-	-
Right use of assets	311	160	120	120	120
Goodwill	-	-	-	-	-
Intangible Asset	2121	2090	2050	2050	2050
Investments	3108	2380	2860	2860	2860
Other Non-Current Assets	201	340	510	510	510
Inventories	2,497	2,310	2,840	2,756	3,255
Sundry Debtors	1,152	1,680	1,410	1,368	1,616
Current Investments	2,170	1,370	1,550	2,050	2,550
Cash and Bank Balance	567	430	370	1,459	2,542
Other current assets	829	400	520	520	520
Total Current Assets	7,216	6,190	6,690	8,153	10,483
Sundry Creditors	1,655	1,490	1,790	1,737	2,052
Other Current Liabilities	1,202	1,430	2,370	2,360	2,418
Total Current Liabilities	2,857	2,920	4,160	4,097	4,470
Net Current Assets	4,359	3,270	2,530	4,056	6,013
Assets held for sale	-	-	60	-	-
Total Assets	11,177	9,260	9,180	10,607	12,509

Source: Company, SMIFS Research Estimates

Cash Flow					
YE March (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Operating profit before WC changes					
Net changes in working capital	170	270	360	123	(374)
Tax Paid	(540)	(430)	(780)	(706)	(893)
Cash flow from operating activities	1,250	1,610	2,590	2,246	2,266
Adj. OCF	1,150	1,510	2,490	2,175	2,207
Capital expenditure	(110)	(80)	(230)	(250)	(250)
Adj FCF	1,040	1,430	2,260	1,925	1,957
Cash flow from investing activities					
(120)	1,920	(410)	(215)	(118)	
Debt	(250)	(490)	(200)	(200)	(200)
Dividend	(700)	(420)	(890)	(672)	(806)
Interest and Lease	(100)	(100)	(100)	(71)	(58)
Cash flow from financing activities	(1,230)	(3,659)	(2,240)	(943)	(1,065)
Net change in cash	(100)	(129)	(60)	1,089	1,083

Source: Company, SMIFS Research Estimates

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Contact us:

SMIFS Limited. (<https://www.smifs.com/>)

Compliance Officer:

Sudipto Datta,

5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5401 / +91 33 6634 5401

Email Id.: compliance@smifs.com

Mumbai Office:

206/207, Trade Centre, Bandra Kurla Complex (BKC), Bandra East, Mumbai – 400051, India

Contact No.: (D) +91 22 4200 5508, (B) +91 22 4200 5555

Email Id: institutional.equities@smifs.com

Kolkata Office:

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: (D) +91 33 6634 5408, (B) +91 33 4011 5400

Email Id: smifs.institutional@smifs.com
