



Ice Make Refrigeration Limited

Union Budget FY2019 highly positive for Cold Logistic, Storage Chain and Equipment Manufactures

Ahmedabad, February 3, 2018: The Finance Minister in his last full budget focused strongly on infrastructure, health, education, agriculture and rural sector. Ice Make Refrigeration Limited (Ice Make) would rate this as a strongly positive budget for agriculture, food processing, dairy, and cold chain logistic and storage sector.

The Budget is prudently focused on improving farm income through heavy investments into rural infrastructure and social welfare areas like education, health, affordable housing, sanitation and social security. All these measures are likely to significantly reduce farmer distress levels and increase disposable income in the hands of rural population, both from agriculture and non-agriculture activities. Rural population was one of the biggest winners of this budget, with a sharp increase in MSP, heavy investment in agricultural markets and health protection in addition to increased focus on education and other social welfare schemes.

Some of the key measures announced by FM which will benefit Ice Make and our clients are as follows:

(1) BOOST UP TO AGRICULTURAL AND RURAL SECTOR

- ▶ Announcement of Minimum Selling Price (MSP) for crops @ one and half times of their production cost.
- ▶ Institutional Farm Credit raised to Rs. 11 Lakh Crores in FY 2018-19 as against Rs. 8.5 Lakh Crores in FY 2014-15.
- ▶ To develop and upgrade existing 22,000 rural Haats into Gramin Agricultural Markets (GrAMs) for providing facility to farmers for direct sale to consumers and bulk buyers which will cover the interests of more than 86% small and marginal farmers.
- ▶ "Operation Greens" launched to address price fluctuations in potato, tomato and onion for the benefit of farmers and consumers. Rs. 500 Crores have been allocated for this operation and it shall promote Farmer Production Organizations (FPO's), Agri-logistics, professional management and processing facilities.
- ▶ An Agri-Market Infrastructure Fund with a corpus of Rs. 2,000 Crore will be setup for developing and upgrading agricultural marketing infrastructure in the 22,000 Grameen Agricultural Markets (GrAMs) and 585 APMCs.
- ▶ Two New Funds of Rs. 10,000 Crore announced for Fisheries and Animal Husbandry sectors.
- ▶ Allocation of Ministry of Food Processing has been doubled from Rs. 715 Crore in FY 2017-18 to Rs. 1400 crore in FY 2018-19.
- ▶ Fruit juices and vegetable juices including cranberry juice food processing Industry Custom Duty has been increased from 30% to 50% in order to increase domestic value addition and to boost indigenous Industry.

(2) **Medium, Small and Micro Enterprises (MSMEs)**

- ▶ A sum of Rs. 3794 crore has been provided for giving credit support, capital and interest subsidy and for innovations.
- ▶ A target of Rs.3 lakh crore set for lending under MUDRA for FY 2018-19 after having successfully exceeded the targets in all previous years.
- ▶ Corporate tax has been reduced to 25% for our Company as total turnover or gross receipt has not exceeded Rs. 250 Crores in the FY 2016-17.

(3) **Employment**

- ▶ Amendments have been made in the Employees Provident Fund and Miscellaneous Provisions Act, 1952 to reduce women's employees' contribution to 8% in the first three years of their employment against the existing rate of 12% or 10% with no change in employers' contribution
- ▶ As the Company is in the process of employing more Employees, the deduction u/s 80 JJAA will be available @ 30% in addition to salary paid to the Employees. Even for the employees employed in the previous year for less than 240 days but still continuing, the Company shall be eligible for 80 JJAA Benefit.

Mr. Chandrakant P. Patel, CMD, Ice Make Refrigeration Limited said "Ice Make as one of the leading manufacturer & supplier of cooling solutions equipment is well positioned to take advantage of the measures announced in the Union Budget 2018. Allocation of Ministry of Food Processing is being doubled to Rs. 14bn. ; fund allocation of 12 mega food parks amounting to Rs. 15.6 bn. Agri market infrastructure fund of Rs. 20bn., is expected to hugely benefit all food processing companies in the dairy, snacks, fruits & vegetables space, where our cold storage and refrigeration equipments are heavily required.

This should firstly encourage farmers to spend more on agri inputs like seeds, farm equipment, fertilizers and agrochemicals. In addition to agriculture, government is also trying to help the rural non-farm economy in the small-scale sector, fisheries, animal husbandry, rural infrastructure etc. Secondly, with higher disposable incomes, there should also be a recovery in demand -- firstly for staples followed by discretionary items. More money for rural population, will directly or indirectly benefit agriculture, food processing, logistics and cold chain storage companies"

Mr. Patel Added, "The importance of developing a robust cold chain has caught the attention of the policy makers. Our Industry too has always been upfront in investing and innovating in solutions that lead to lesser wastage, shortening the supply chain delivery period and value addition to the product. At the policy level, the government has taken initiatives in setting up cold storages and distribution centers. The Government of India is one of the driving forces in developing the cold-chain industry and supports private participation through various measures, subsidy schemes and grants."

About Us

Ice Make Refrigeration Limited has been successfully satisfying the needs of its customers, from production to after-sales service, since 1993. The Company is engaged in the business of providing customized cooling solutions to diverse set of clients across wide range of industries by manufacturing and supply of high quality refrigeration products & equipments. Ice Make was listed on SME Platform of NSE (NSE Emerge) on December 8, 2017. The Company attracted record SME IPO subscription of over 260 Times, worth over 6000 Crore. The Company operates under four key business verticals which include, Cold Room, Commercial Refrigeration, Industrial Refrigeration and Transport Refrigeration. It caters to wide range of Industries including Dairy, Ice-cream, food processing, agriculture, pharmaceuticals, Cold Chain, Logistics, hospitals, Hospitality and retail among others. The Company received several awards and accolades including Indian Leadership Award for Industrial Development in 2011, Best Medium Enterprise (Manufacturing) & Skoch Award in 2014 and India SME 100 Award in

2017. Ice Make recently received revised upgraded rating of BBB Plus (Triple B Plus) from CARE Ratings which indicates stable and positive business outlook of the Company.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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