

**Ice Make Refrigeration Limited**  
**9<sup>th</sup> Investor & Analyst Conference Call**  
**July 7, 2021**

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**Moderator:**

Ladies and gentlemen. I am Rutuja, the moderator for this conference call. Welcome to the 9<sup>th</sup> Investor and Analyst Conference Call of Ice Make Refrigeration Limited arranged by Aaryana Matasco, Reputation PR and Communications Focused PR and IR Consultancy to discuss the financial results for the year ended FY21 and the road ahead. Ice Make Refrigeration Limited is a leading supplier of innovative cooling solutions and manufacturer of 50+ refrigeration equipment. The company has been successfully satisfying the need of its customers from production to after sales service from the last thirty years. The company is engaged in the business of providing customized cooling solutions to diverse set of clients across wide range of industries for manufacturing and supply of high-quality refrigeration products and equipment.

We have with us today Mr. Chandrakant P. Patel – Chairman & Managing Director, Mr. Nikhil Bhatt – Vice President Strategy, Mr. Ankit Patel – CFO and the key management from Ice Make Refrigeration Limited. At this moment, all participant lines are in the listen-only mode. Later we will conduct a question-and-answer session. At that time, if you have a question, please press '\*' and '1' on your touchtone keypad. Please note that this conference is being recorded. I would now like to hand the floor over to Mr. Patel. Thank you and over to you.

**Chandrakant P. Patel:**

Good evening. I am Chandrakant Patel, CMD - Ice Make Refrigeration Limited. I welcome you all to the ninth Investor & Analyst Conference Call of Ice Make Refrigeration Limited. This year's results will be very important for everyone because the way Covid-19 had knocked last year, due to which there was an anxious atmosphere in the whole of the country as to what will happen going

forward, how things will go, what circumstances will arise; no one was aware of all this but gradually the country started moving towards new normal.

If we talk about Ice Make, the business was very less in first quarter F.Y. 2021, but slowly there was an improvement in it and if we talk about the whole year, then we have achieved the business nearly to the top line of last year (i.e. F.Y. 20). The Ice Cream industries and the hospitality industries was impacted a lot due to Covid -19 last year but in oppose to it, our Pharma business grew, along with that Dairy and Ammonia support was quite good.

The most important point is that, during these challenging times also, the company has recently got a very big order of about Rs. 15.5 crore of 4700 MT Butter Cold Storage Facility on turn-key basis, from Panchmahal Dist. Co. Op. Milk Producers' Union Ltd, Member Union of Gujarat Cooperative Milk Marketing Federation Ltd. (AMUL). Our pending order book is Rs. 38 crore, which does not include this order of Rs. 15.5 crore of 4700 MT Butter Cold Storage. In Ammonia also, as I just said, we have got an order of 4700 metric ton Butter Cold storage. In Reefer van, we have supplied 100 vans to the Tirumala (Kute Group) and we have another 75 vans orders pending. In exports, we have done a business of around Rs. 3.50 crore till now in the first quarter. The USA business order which we had talked about in the last quarter, we are also getting orders from there continuously. We are also getting orders on our new product – freeze dryer, we have done two projects; one is Camel Milk and the other is 'Ready to Eat'. We are also getting good enquiries for solar cold room and our focus will be also on it. We have done the delivery of about four to five solar cold rooms recently.

Thank you. Now our CFO, Mr. Ankit Patel will take you through the finance and our VP, Mr. Nikhil Bhatt will give you the business update. Thank you.

**Ankit Patel:**

Good afternoon to all of you. Despite lockdown and other calamities, in first half of FY21, the overall business recovery in second half for the year was as per our expectation. We were able to generate healthy cash flow due to various cost rationalization, capital preservation and prudent working capital management measures. These measures enable the company to close FY21

with a strong balance sheet, healthy liquidity and cash flows. The company has succeeded in maintaining its financial performance for the financial year ended March 31, 2021.

Consolidated financial performance for Q4 FY21 summary, our revenue witnessed strong recovery in Q4 FY21. On a comparable basis, the revenue was up by 26.56% year-on-year basis. Consolidated revenue for Q4 FY21 stood at Rs. 53.79 crore as compared to Rs. 42.50 crore in Q4 FY20. Finance cost for Q4 FY21 showed a major reduction; dropping by 49.7% on year-on-year basis to Rs. 31.6 lakh. Overall performance last year was impacted by Covid-19 lockdown while the current quarter shows good recovery in financials. Consolidated net profit reduced by 15.87% year on year in Q4, majorly on account of increase in raw material prices. Consolidated revenue for FY21 stood at Rs. 135.87 crore compared to Rs. 138.16 crore reported in FY20, a marginal dip of 1.66%. During the year, the company earned an EBITDA of Rs. 11.55 crore with EBITDA margin of 8.50% on consolidated basis. Annual financial cost decreased by 17% year on year; from Rs. 2.29 crore in FY20 to Rs. 1.9 crore in FY21. Annual consolidated profit also showed a dip of 28.48% year-on-year to Rs. 3.61 crore as compared to Rs. 5.05 crore in FY20. Annual diluted EPS stood at Rs. 2.30 per share in fiscal 2021. The Board recommended a final dividend of Rs. 1.20 that is 12% per equity share of Rs. 10 is for FY21. Now next Mr. Nikhil Bhatt – Vice President, Strategy, thank you.

**Nikhil Bhatt:**

Okay, good afternoon. We Ice Make always believe that the industries affected like ongoing Global Pandemic are opportunities to offer solutions, innovations and rejuvenate and that is why we have been able to acquire set of new customers despite challenging business environment. As you know, we have started to provide dairy solutions, turnkey solutions as well as the Ice Cream Mix plant solutions but because of the lockdown, Covid-19 effect we could not be able to do business more as in active segment but in overall whatever we have invented, we have started our new project, we are beneficial on that part. We have recently completed one big Turnkey cold storage project somewhere about 2400 Metric ton and PEB Shed, along with this, be with structures and all other refrigeration equipment. We also supplied Milk storage silo of about

30,000 liters and 20,000 liters with multi compartment division. We have supplied, so far as vaccine is concerned, during this quarter, we have supplied refrigerating van for the vaccine to one of the leading organizations of Indian government that is IOCL (Indian Oil Corporation Limited) as well as to the GAIL (Gas Authority of India Limited) under their CSR activities for the vaccine. As well as some of the few new customers have joined with Ice Make for the business for specific requirement through customized solutions provided by us. We are also receiving online business response, we have repeated some orders and some of the leading brands of India and they have also started some agreement with the company for the manufacturing of the supply of the products.

So far as FY21, there were a mix of the vertical wise business, so in certain verticals we have grown up and certain verticals which was weak due to Covid-19. So far as Ammonia refrigeration is concerned, we have almost doubled our revenue portion in FY21. Transport refrigeration has also increased, industrial refrigeration that is chiller and all other products which has also improved but from other vertical which is commercial that was due to this ice cream and hospitality industry setback. The cold room vertical we have so far managed to maintain the business we have in last year. Our export business is also increased, so far what we have planned as in FY21, we could not achieve because of this corona and international travelling restrictions, we could not achieve but in this current scenario we are hopeful that it will be more than what we have ascertained in the figures here.

Looking through our order book on hand, we are quite hopeful that this year we will be able to achieve good business.

**Moderator:** Thank you very much, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press \* and 1 on their touchtone telephone. The first question is from the line of Dharmesh Solanki, an Individual Investor. Please go ahead.

**Dharmesh Solanki:** Just wanted to ask Mr. Patel on yield and what is the plan for the export in this year or maybe next 1 or 2 year? How many countries are we planning for the

export and what are the revenue we expect from the export and what is the plan from the company side, I mean are you planning for additional license, whatever is required or do we have enough licenses to export in multiple countries, etc.?

**Management:**

So as far as export is concerned what we have looking from our past record as well as current scenario, it is improving day by day and it unfortunate that last year we could not get the whatever we expected due to this corona and but as of now we have supplied to almost more than 21 countries in past, as well as rightly said by our MD, we have already one of the US customer, they have already put up their orders for the continuous supply, they are quite satisfied and we are hopeful that we will be able to get the business from US market also. As we all know that in African countries there is a slight potential and we are also on that track, we have done so much work previously as well as on the current courses and we are hopeful from African countries and from US market what we have received response from one of the customers as well as the surrounding countries, we are also getting some good orders from our neighborhood countries like from Nepal, Sri Lanka etc..

**Dharmesh Solanki:**

Okay, just one question are we targeting individual companies or are we supplying to the individual person, it is a bulk order from US or Africa, or it is single company or single individual are raising the request, what is the business model there?

**Management:**

See from US there is one type of OEM we are connected with them, he is putting the orders on a regular basis as per the requirement and other countries there maybe individual projects, individual parties and some of the associates in the east African countries we have developed previous year, so it is just mixture of both the ways that individual customers are also there and OEM are also there.

**Dharmesh Solanki:**

And what is the can you tell me on the impact of the revenue on the next 2-3 years from these whatever opportunities we have from the US and African countries?

**Management:** Major of our income is not from exports, we have just started to focus exports...

**Dharmesh Solanki:** I am sorry to interrupt you that is why I am asking we have just started on the export part, so for example down the line in 2022/23/24 what is the expectations from the export revenue, I mean we definitely company will grow as part of the India and local support, but what is the revenue expect from the next 2-3 years from the export oriented, that is what I am looking for?

**Management:** We are expecting annually around 30-40% growth in our export revenue, year on year.

**Moderator:** Thank you. The next question is from the line of Rajnikant Shah, an Individual Investor. Please go ahead.

**Rajnikant Shah:** Good afternoon and congratulations for giving quarter on quarter good results and dividend, so we are very happy. My question is about, now today at present sheet prices are increasing day by day and so it would impact cost of your product, so what will be the growth or margin would be affected, can you please explain?

**Management:** As everyone is aware that raw material prices are increasing like we have never faced in our Past, so we are definitely keeping a track, we are doing quarterly review in some of these projects and orders, we are reviewing on a case to case or project to project basis also. We are also on gradually and timely basis passing some raw material price hike to our customers but it is quite not possible, so past each and every impact of recent increase in a very short span of time. So, gradually we are doing some product reengineering, so in some of the cases while we are reducing thickness of our sheet metal that we are reducing the frame, in some of the few chemicals and fittings, so in some of the cases we are doing product reengineering and there is also recently some of our soft chemical materials have started reducing but somehow, some other metals are not quite reducing well. So, we are doing reengineering and some of the internal setup of our raw material prices are being adjusted. But you can rightly say that this is not possible to maintain our historical margins, if such type of raw materials prices continues in 5-6 months, it will impact our margins.

**Rajnikant Shah:** One question is, can you intend to increase the capacity and otherwise any backward integration any, any idea what about the increase in capacity?

**Management:** So far as capacity is concerned, we have enough capacity as of now and backward integration there is no any plan in future because what we have planned is already done but as Mr. Ankit said we are reengineering our products and not at the compromising the quality, whatever ways we can do and whatever the present situation we are trying to improve the margin, also maintain the margin.

**Rajnikant Shah:** Okay and any acquisition plan? You are planning for any acquisition, some other company or...?

**Management:** No, not in near future we are not planning.

**Moderator:** Thank you. The next question is from the line of Varun Sheth, an Individual Investor. Please go ahead.

**Varun Sheth:** My question is basically, I think couple of quarters back or last call we discussed about Luxemburg joint ventures and there were some discussions around that, so if you can appraise us with what is the status of the Joint Ventures and what feedback we have got from the joint venture, partner because there is no such announcement which has been made yet?

**Management:** See in these international companies they are taking their own time for the finalization of the project. So, for the Luxembourg Company, we have already processed further. As per their requirement some trials are also going on for one of our products. So, at the right time, we will announce once this will be finalized but there is a progress in that matter and we are positive that it will be, we will be able to announce very soon.

**Varun Sheth:** So, the trial basically is, are we going to export to them, or it is basically for setting up some new plant as a joint venture? I know it may be not correct to talk entirely but if you can give some gist about the proposed discussions.

**Management:** See basically they have one of the products and we are developing as per the requirement and it is already done, so it is at the final stage.

**Varun Sheth:** Then it will be like an order which will be received, right? It will not be a joint venture kind of a thing.

**Management:** As of now, there is no plans.

**Varun Sheth:** So that 30%, 40% growth in export which you are envisaging covers this as well or this will be something additional over and above that?

**Management:** No naturally it will affect although, that will be additional boost to whatever the expectations there.

**Varun Sheth:** Okay, secondly this export that you talked about, in that in the last quarter, we also received one initial order from US for some panels and all and which was around \$1 lakh or \$2 lakh, so what you said now, in that what I understand is there is a lot of progress in it. And already we have done an export of Rs. 3.5 crore in quarter one. That is what you said, is my understanding correct?

**Management:** Yes, we have done more than Rs. 3.5 crore around, a dispatch in quarter one for exports.

**Varun Sheth:** That is the same US party who had received star dollar in the last quarter.

**Management:** I think US party order was maybe around USD 70,000 but there are some other parties also, in exports.

**Varun Sheth:** Okay and commodity prices as you said, if grows in the coming six months or even if it remains stable then our margins are likely to be impacted because we are not able to pass on fully the prices. So, can we, and assuming commodity prices at this level, so can we assume like 8.5% EBITDA and 30% gross margins for this year at least or it will increase because last year your EBITDA margins and gross margins were higher?

**Management:** If the raw material price remains like this, maybe in the whole year, then it will be very difficult for us also to predict as to what will be the margin, but we feel



if the margins remain like this only then the industry increases the price as a whole and we have also done in one or two products. So, it is not like that the overall impact will impact our margins directly but if the raw material prices remain like this then the company will also get impacted by few percent or some portion and some portion from gradually because no one can remain sustainable as such on this margin. So gradually we will pass that on also. If it does not reduce then at least the first half will remain impactful, it looks like this now as per the current situation.

**Varun Sheth:**

Right. Sir, is there any chances of demand decreasing in that because if the prices increases because the commodity prices trend that is there now looks like the prices may remain at these levels only for next decade, that is what people are saying. It may be difficult to predict but that is what people are saying. So, will the demand decrease in that or what will happen? What pressure will come on the company according to you?

**Management:**

Actually, if the commodity prices remain like this then it will affect overall industry, if the commodity price is increased and remains stable over there, then in the overall industry the manufacturers increase their rates. So, in competition, everyone sees in the initial stage that if the increased prices will come back then to save their business, they do not give immediate effect. Going forward, everyone will transfer the price, so if this commodity prices run longer then there will not be any effect on the profit and there is no chance of the business getting decreased because we can foresee a lot of business hope in the capital goods. Compared to the last year, our Q1 booking is also quite good. Generally, our bookings are less in Q1 because in our business industry there is a lot of slack in the segment that we are working before monsoon season but in the current year it is different maybe due to Covid-19, the people have postponed their decisions. So overall, due to industry's rate increase, there is no chance of the business decrease. And if the raw material increased price remains stable at where they are then we will transfer price to the customer and we will save our margins.

**Varun Sheth:**

Right. And if we understand much about the business, what I have observed is that in your first halves are quite lumpy and maximum revenue comes in the

second halves only; what is the reason for it because you work in all the segments like dairy, Pharma, etc. So, you are working in all segments, be in winter season, summer season, etc. So why does our revenue remain lumpy quarter on occurs? I can understand that some execution take place in this quarter, so the revenue will come in the next quarter, those things must be a little minor but overall, I have observed that the first half is mostly muted and there is more revenue in the second half. Can you throw some light on it?

**Management:**

This is the trend, this is the same for all of us; all our competitors, our peers. In refrigeration and air conditioning, now also the mindset of the people is the same. The consumer demand that is there in the second half, so our planning to increase capacity or setting up new Market, so generally people take decision at that time only. And in Q1 and Q4 also, work is going on but it is mainly of Pharma and of other big projects. So, the ratio of first half and second half has decreased now. The way the trend is changing, it looks like it will be equal going forward but this is the market demand. Even if we plan business, we will not be able to change it.

**Varun Sheth:**

And what will be our capacity utilization now, in this full year?

**Management:**

It is around 55%, total twice will be little plus, minus here and there.

**Varun Sheth:**

Going forward what are our plans, like we were saying before that there will be a sales growth of 20%, 25%, so that we are clearly seeing based on our order book and discussion with the and in the markets and all?

**Management:**

Now here it looks like we will be able to do a top line growth of 30% in the current year and going forward if the market is good then we will be able to do 25% along with CAGR in the coming four to five years, we will be able to do a big capital investment also.

**Varun Sheth:**

But the profit growth will not be that much, right because of this lumpiness in margins?

**Management:** It will not be less than what it is now, that I can say but it may not be able to increase more also because looking at the commodity price situation at the moment, it looks like it is difficult to come back to as it is.

**Varun Sheth:** How is our Ammonia refrigeration business planning out and how much is its share now and how are you looking at it going forward?

**Management:** It is three years since we started Ammonia refrigeration business, so there is quite a good growth in it because it is turnkey and project based, so the business is done in volume. Now the order that we have booked for Rs. 15.5 crore, it is in Ammonia vertical only. There are quite good brands in it like Bikaner, Haldiram, etc., we also work in co-operative. We have done a business of Rs. 9.75 crore in 2021 and in 2020 it was Rs. 4.87 crore and in current it looks like it will get doubled because we have to complete this project in the coming six to seven months.

**Moderator:** Thank you. The next question is from the line of Dharmesh Solanki, an Individual Investor. Please go ahead.

**Dharmesh Solanki:** Thank you again. I want to know that is there anyone from the mutual funds or FIIs or the other investor are looking to invest or are we trying for that, from the investment perspective?

**Management:** In the past also, we had conference calls, etc. with many mutual fund agencies but as of now there is no such mutual fund or investor as such.

**Dharmesh Solanki:** So, what you think, I mean what they are looking? Is it like because they are looking a large equity base or they are looking something related to more information related to business or they are looking, what is it we see, I mean as per your different calls with those large corporate or mutual fund or FII? What they are looking and what we are missing, can you just tell on that part?

**Management:** See we had a talk with them and in our industry they all are very hopeful in the refrigeration industry's future, all of them whom we have spoken to. What is stopping them, why they are restraining; we feel that they may be looking for some opportunity or they might have their own calculation as such. Right now,

they have not shared this indirectly as to when they want to enter but they are keeping track. They speak to us sometimes over the phone or via conference call, so they have kept us in a track but they might be having their own calculations or their own calls, but they have kept us in a loop that we are getting to know.

**Dharmesh Solanki:** The reason I am asking is, because if they, someone like any mutual fund or any other investor or FII, if they invest then it is going to be very good for the individual investor like me and for company also, I think from the prestige perspective and for other investors also, who are holding from long and obviously for promoter as well. So, I request you, if in future whenever you have some call with those corporates or mutual funds industry people, just try to get the details what they are looking and what is missing, so that it is benefit to everyone in this call.

**Management:** Right, okay we will tell.

**Moderator:** Thank you. The next question is from the line of Gurjit Ahluwalia, an Individual Investor. Please go ahead.

**Gurjit Ahluwalia:** Yes, good afternoon everyone, thank you for the opportunity. My first question is around the order book. So, you had said in the beginning of the call, I think you have the current order book of Rs. 38 crore and one more order of Rs. 15 crore has come from Amul. So, if this year we want to do a growth of 25% or 30% in the revenue, right? So, the revenue will be around Rs. 150 crore. The order book is only for the four months, so I am just trying to understand that should we not have a big order book if we want to do such a high revenue or is the industry is only as such that the order book is of three to four months' only.

**Management:** This is the nature of the industry as I said before because normally the order book is as on now order book and it is little less in the second and third quarter normally but at the end of the year it happens. And the order book that you are looking at right now, there are many more projects apart from it, there are cases in pipeline. So, we are hopeful in that and it is a continuous process, an

ongoing process. Every month our order book is around Rs. 12 crore, so this is an ongoing process. Orders come, discussions take place, so continuously our order book is anyways around Rs. 40 crore.

**Gurjit Ahluwalia:** Okay fine. I have another question related to this only to understand the business a little better. Do we have some repeat clients with whom we do business year on year or whenever any company or corporate does it's Greenfield, Brownfield CAPEX, sets up a new facility, plant then only they need Ice make products? Do we have any such clients with who we do the business year on year, is there anything as such?

**Management:** See, we have mix clients with us. We get new Greenfield customers and we also have repeat customers as well. And lot of our old customers also have a requirement demand because of their business growth, so it prefers Ice Make first and many leading brands are associated with us, Even some international level brands are also there, they have also repeated a good order in this quarter. So, repeat customers and new customers both types of customers are connected with us.

**Gurjit Ahluwalia:** How much will be the repeat customer's business? Like if the business is for Rs. 100, then how much will be from the repeat customers?

**Management:** See, if we talk about OEM and everything together, then 30% to 40% we can take it because OEM is our regular client, its order is anyways there apart from the Retail.

**Gurjit Ahluwalia:** So, 40%?

**Management:** Yes.

**Gurjit Ahluwalia:** Okay and remaining all new customers every year?

**Management:** Yes. And like our product is the capital product, so maybe someone might place an order today, then maybe their new requirement will come after two years, so we get their repeat orders also but that we get after a certain time period. Like OEMs are there, our dealers are there, we get the regular repeated

business from them. In re-ordering in the capital product, maybe they are not able to do year on year but they have many referral orders, there are some of their expansion orders. So those we get on repeated basis. Generally, it is capital order that is why it cannot be a continuous order from one party every year.

**Gurjit Ahluwalia:** Yes, that is what it is. Like the previous question, which was mutual fund industry related, that if any business continuity is seen, revenue visibility is seen that in the next one or two years there is a strong order book, a strong revenue is seen then the big mutual funds or investors get attracted towards that company that we can see in future this company is going to do this much revenue, this much business, this much profit. So, if that is the visibility then maybe they will invest in, this is my thought process.

**Management:** It may be possible but, in this industry, the contractual that you are talking about, contractual manufacturing or contractual order that you are talking about the orders for long term, that maybe with very limited company or may not be there because this nature of product is such that the continuous orders cannot come in it.

**Gurjit Ahluwalia:** Got it, that is fine. And last question; I think you had given the guidance of the EBITDA margin of about 10% or 11% in your last call that we can maintain, so do you see this in the next year or the year after that? Let us assume that the raw material prices will remain the same as it is now and will not increase, maybe it will decrease a little. So, will it be 10%, 11% or will it be even less?

**Management:** If we talk about the normal situation then we can expect an EBITDA margin of 9% to 10% for longer period also, that is quite maintainable.

**Moderator:** Thank you. The next question is from the line of Rajnikant Shah, an Individual Investor. Please go ahead.

**Rajnikant Shah:** Sorry sir, again I have to ask one question. What about this Chennai unit? During this Covid-19 time in April, May, June, there was lot of problem in Tamil Nadu, so what about Chennai unit? They are making profit or making any loss or what will be the future for that unit?

**Management:** You have said it correctly. The lockdown and Covid-19 impact have stretched for a longer time on the Chennai unit, means last time no work was taking place over there at all, so lockdown was stretched a little more over there but if we talk about year on year, then their turnover in the last year FY2021 was of Rs. 8.5 crore and a year before that it was of Rs. 6.5 crore. So, the turnover has increased by Rs. 2 crore over there in spite of this Corona challenge. See the breakeven position has not occurred over there but we feel that it may come to breakeven from this year and now if we talk about the first quarter, the order booking that is quite good, nearly we have orders of Rs. 3 crore in the first quarter and even during lockdown there is sufficient dispatch happening. So, we feel that from this year it will come to breakeven point, and we are expecting a topline of nearly Rs. 12 crore topline over there.

**Rajnikant Shah:** Okay and my second question about the products you manufacture there are lot of services required in them, like you supplied now and after 2-3 months there was a problem noticed in it, so the expenses to fix it how is that managed? And secondly, after 1-2 years the chargeable services that you provide, what is the impact of that on the company, can you explain this to me?

**Management:** In our products service liability is there that is correct, but a lot of product sales happen from OEM and dealer network, so those liabilities fall into their scope. We provide service only to those customers whom we directly sell to or into big projects which is handled by our service team. If we focus on out of warranty service revenue or AMC, we should have a good strength of manpower with us, remote monitoring is also little difficult, to realize that revenue is a challenge and risk as well that is why we did not focus out there. But our product service, the one (1) year company guarantee that we fulfil very well, and our service team is built for that only.

**Rajnikant Shah:** One more question I had, please do not feel bad, in market everyone has an impression that this company is little conservative, if you can comment on it and secondly, the fast expansion that should have happened that is not happening and you are telling that the future for this industry is also very good, still we feel you are lagging in the expansion? And also, your presence is not

there in North India, where this diary concept is more, so are there any plans to cover that region, any acquisition or do you have any plans for North?

**Management:** In north, we do not have any such plans, if we setup our manufacturing unit out there then again the cost if we can generate a fixed topline, only then we should do it, this is our experience from Chennai. So, we are having good business from East and North although our business is less in our topline but from last 2-3 years the sales growth that we have in North or East that is very good, compared to South and West.

**Rajnikant Shah:** So, will it not be beneficial if you setup a unit or offices so you can get benefit from there? From there Nepal is also in the proximity.

**Management:** Every entrepreneur thinks and eyes business growth and plans for it but for that to happen we need to see viability point of view and if we speak about the last 1 to 1.5 years the situation that is there and in today date also we do not know what will happen in the near future, so it is difficult to do that short term planning but we are thinking along the same lines and working in the same direction as well but because of this corona, everything has got onto hold phase and the plan that we were thinking that also we have put onto hold.

**Moderator:** Thank you. The next question is from the line of Dharmesh Solanki an individual Investor. Please go ahead.

**Dharmesh Solanki:** Few more questions, this is regarding about the other companies like Blue Star or Hitachi, etc. so are we planning to have something related to the takeover, etc. between the companies or any business?

**Management:** As we spoke earlier, we have not done any planning on takeover but if we get any opportunity then we definitely evaluate it and future business is good, but we are taking slow approach because we want to do good work and give good results but for that we will not go fast but if we come across any such opportunity, we will definitely try that we get a chance in that. In the current scenario, since capital requirement will be there, so on a conservative note we are going through the current times, if we get any such opportunity and in



accordance to our turnover and expansion is going on, then we will definitely look forward.

**Dharmesh Solanki:** And one more thing on the rivers side I am asking, is there any chance that any other big companies can take over Ice Make? Like which is in the same segment, same industry?

**Management:** See actually we cannot comment on it because market is very open and competitors will come, other companies also might as well have their execution plans but from our end we cannot comment on it and for that we have not thought also on those grounds. In today's date our focus is more on how to grow our business.

**Moderator:** Thank you. The next question is from the line of A Kameksha an Individual Investor. Please go ahead.

**A Kameksha:** I wanted to know you had some expansion plans, you had purchased land as well for Ice Make Factory, so is that correct?

**Management:** See actually we have a product vertical called as reefer vans for that we have a unit that is operating on a leased land and for that we have purchased a new land and doing development work out there.

**A Kameksha:** Okay, so by when will that project start?

**Management:** Hopefully by the second quarter we will be able to run that. That verticals production and business is already going on, we have to just shift it.

**A Kameksha:** And I also wanted to tell that you make it investor friendly share because mutual funds, FIIs and product is very good, like someone asked earlier your competitor like BlueStar, Hitachi which are big companies, you have a brand yourself, so I feel you should make mutual and investor friendly share, have you not thought on those grounds how you can do it, otherwise the market scenario that is there, your rates should not increase too much and there should not be stock available in the market. So, have you thought anything on

that, what should be done? It will be win-win situation for the company and investor and the company will come in a topline position.

**Management:**

Definitely everyone wants that to happen, but the current planning based on the current situation, accordingly it may happen that the Mutual funds are taking their time to enter at the right moment and the ticket size we say in terms of financial investment that also might be possible. They are taking time from their end. Rest what you mentioned about BlueStar and Hitachi those are big companies but some products are common between us and them, if we speak about these two companies have a big share in the domestic market as well, so that is why their numbers will be showing high for them. We are purely into commercial and industrial segment.

We had held many conferences and one to one discussion with investors in Mumbai, we had gone to the BSE and delivered our presentation, in Ahmedabad also we had spoken in 2-3 occasions, so whenever we get an opportunity then we promote our company and the plans that we have to take our business forward, company has already been showcasing this but going ahead also if we get any such opportunity then we are looking forward.

**Moderator:**

Thank you. As this was the last question, I would now like to hand the conference over to the management for closing comments.

**Management:**

Thank you for joining the conference call of Ice Make Refrigeration Ltd. Thank you.

**Moderator:**

Thank you. On behalf of Ice Make Refrigeration Ltd. that concludes this conference. Thank you for joining us and you may now disconnect your lines.