



Ice Make Refrigeration Limited
Q1FY23 Investor and Analyst Conference Call
August 17, 2022

Moderator: Good afternoon, Ladies and gentlemen. I am Lizan, the moderator for this conference call. Welcome to the Investor and Analyst Conference Call of Ice Make Refrigeration Limited arranged by Aaryana Matasco, Emerging Company Reputation Management and communication service provider to discuss the financial results for Q1 FY23. 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 now hand the conference over to Mr. Aryan Rana from Aaryana Matasco. Thank you and over to you, sir.

Aryan Rana: Thank you, Lizan. Good evening to all of you and thanks for joining this conference of Ice Make Refrigeration Limited to present and discuss the financial results for the quarter ended 30th June 2022. Ice Make as a key player in the industry is in the forefront in catering for the cooling requirements of various industries. The company serves large number of varied clients and customers by producing innovative cooling and refrigeration solutions. The industries like dairy, ice cream, food processing, horticulture, agriculture, pharmaceuticals, food chain, logistics, hospitals, hospitalities and retail among others. The company has a basket of 50 plus refrigeration and cooling solution products manufactured under 5 business verticals like cold room, commercial refrigeration, industrial refrigeration, transport refrigeration and ammonia refrigeration. The Company has uploaded results at the National Stock Exchange (NSE) and it is also available on our website i.e. <https://www.icemakeindia.com/financials/>. Before I proceed to the call, let me remind you that the discussion may contain forward looking statements that may involve known or unknown risks, uncertainties and the other factors. It must be viewed in conjunction with our business risks that could cause future results, performance or achievements from what is expected or implied by such forward looking statements. To discuss the results and address the queries of investors, we have with us the management represented by Mr. Chandrakant P. Patel - Chairman and Managing Director, Mr. Nikhil Bhatt – Vice President, Strategy, Mr. Ankit Patel – CFO of the company and other key management from the Ice Make Refrigeration Limited. We will start the call with CMDs remark followed by financial highlights of the quarter, business and industry outlook update and then we will open the floor for the Q&A session. With that said, I will now handover the call to Mr. Patel. Over to you sir, thank you.



Chandrakant P. Patel: Good afternoon ladies and gentlemen. I Chandrakant Patel, CMD of Ice Make Refrigeration Limited, warmly welcome you all to the Earning Conference Concall to discuss the financial result of Q1FY23. As you may have noted, Ice Make has been able to post strong financial performance driven by strong growth with aggregate demand. The pace of growth recorded in the previous quarter continued in Q1FY23 with business and economic activities returning to normalcy. As a result, demand for all our product has increased as compared to previous year. You may be aware that the company has introduced the first branded solar cold room “SOLOPerifresh” including more than 50 of our product already in the market. We are getting strategic initiative and innovative range benefits from that. The company has completed its biggest ammonia based cold room project of 4,700 metric ton butter cold storage facility on turn-key basis set up in Panchmahal dairy. The company has also recently partnered with Smart Farm project and Jeevan Rekha Parishad - a non-profit organization and self-help group in Odisha and installed 10 metric ton solar cold storage which will help the farmer to increase the shelf life of their produce and helping to prevent spoilage. Glad to inform you that participation in the 7th Ice Make dealer Conference held on 4th and 5th August, has almost doubled due to increasing demand for the company product. The economy and industrial activity continue to improve. Product enquires and order inflow continues to be good for our product. We remain optimistic about growth in FY23. Moderation in commodity price will help us to improve margin. Further Mr. Ankit Patel will provide financial details and Mr. Nikhil Bhatt will give business updates. Then we will organize question and answer. Thanks.

Ankit Patel: Good afternoon to all of you. There is strong demand in end market lead by the recovery in the economy and industrial activity, which helped Ice Make to post strong growth in revenue and profitability. During the quarter, the company’s total sale jump by 100% compared to identical quarter last year. Our consolidated revenue in Q1FY23, stood at Rs. 64.85 crores compared to Rs. 32.44 crores in previous Q1FY22. That is significant improvement in Company’s profitability as against EBITDA loss of 11 lakhs in previous Q1FY22. The company recorded EBITDA of Rs. 5.36 crores for the quarter under consideration. Higher revenue, better realization and control over fixed overhead resulted in strong growth and operating profits. During Q1FY23, our EBITDA margins stood at 8.26%. During the Q1FY23, the company posted profit after tax Rs. 3.10 crores compared to Rs. 83 lakhs loss in previous Q1FY22. In the current quarter, financial cost is managed well in spite of increase in rate of borrowings, the company is confident that it will be able to control finance cost due to strong advances from customers and efficient working capital cycle. We feel that the company may achieve EBITDA percentage may be in the range of 8 to 9% for the complete financial year FY23. In the beginning of the year, the company estimated topline around Rs. 250 crores, for the financial year, but if similar thing continues, we may achieve topline around Rs. 275 crores or may be near to Rs. 300 crores as we are looking forward for the same. Thank you very much. Over to Mr. Nikhil.

Nikhil Bhatt: Very good afternoon. I would like to update from the business strategies as well as the industry outlook. First, as for the various market reports for the global cold market side and its annual compound rate what is the consolidated changes achieved to be 13% to 15% for the next 5 years. The market is benefited significantly from the stringent vision governing the production and supply



of temperature sensitive products. The industry is poised for the unprecedented growth over the decades due to growing production, in the emerging economies like ours. Moreover, rising automation and refrigerated warehouse is also projected to boost the demand further. Also rising consumption of frozen foods in emerging markets such as India, Nepal, Sri Lanka and various others in Africa, Middle East etc., where Ice Make is focused on growing its market shares. It is particularly driving the frozen food segment. Another significant segment is warehousing which falls under the chiller segment. They are used to store fresh fruits and vegetables, eggs, dry fruits, milk and dehydrated foods and others. Changing consumer preferences to ready to cook meals due to the pricing awareness about the convenience enhancing will boost the frozen segment growth. Moreover consumers preferred frozen food owing to the ease of use, terms of packing techniques and support for microwave cooking. This is also likely to play a key role in segment development. I would also like to highlight some strategic priorities for our company in FY23 that will be a more focusing on the increasing topline, maintaining margin, ensuring consistent growth at about 25-30%, emphasizing geographical expansion of business and implementing capacity wise expansion for further capital expenditure in future. Thank you. We can start our question-and-answer session.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Vinay an Individual Investor. Please go ahead.

Vinay: Good evening, congrats on the decent set of numbers. I majorly have 3 questions. The first question would be I wanted to understand why are we more of moving into lower margin business with regard with ammonia being a 10% gross margin business and then the SOLO segment being more of a tender driven side of business where the orders come from government while we have the cold room side, we already have a 28% to 32% on the cold room and then your industrial and commercials. So, what is the objective with regards to going down the line with regards to margins there by impacting the business as a whole so even if your growth is strong may be your profitability gets impacted?

Management: In 3 of his questions, the first was ammonia business whose gross margin is 10% and why is it focusing? Actually in ammonia based refrigeration there is a lot of contract work then requirement of our infrastructure is not much required there hence turnover is less in infrastructure and we can do better in main power. Actually, if we see ROCE a specific vertical then we get what we desire that is why we do in ammonia and in ammonia vertical margin is less now because we are new players, we have started this business 4-5 years ago. When reference and repeat business is done then we get premium. So, we believe that we should create a reference by doing in low margins, hence we work in 10% gross margins in ammonia. And solar cold room is doing better because solar cold room is three times more costly than conventional cold room so, private customers don't invest in it. In tender Government takes initiative for green energy and all, hence the business is not under control that if effort or initiative is taken then business will grow because we have to do product awareness and product education to the department so, it will take time to grow our business there, and in future it will give broad margin.

- Vinay:** So, in solar our gross margin will remain in 10% only in solar?
- Management:** No, in solar it is 27-32%.
- Management:** Again, it is a government job. There is a scope in total supplies values to 5-7%. There are few sites cost is also there which are other than the refrigeration expertise, an increase or decrease in that cost it can be 25% or 40%, if we become L1 in tender with a good price. But it is not a 10% category product it is a regular product.
- Vinay:** And one last question, your competitor who works broadly in temperature based warehouses, their EBITDA margin is broadly at 24-25% whereas we are now at 8 to 9%. So, what are they doing differently or we also have the scope eventually, can you please explain me sir?
- Management:** Actually, in our knowledge there is no competitor who works in 20% EBITDA in cold warehouse because we are a limited player in this industry. We have the knowledge of every player's margin because the procurement price is almost the same. It is only possible if anybody with a small business with more or less EBITDA in Rs. 15 crores business, it is not possible in Rs. 100 crores or Rs. 50 crores business, if it is there you can tell us later which company's balance sheet it is happening then we will focus on it if not in our radar.
- Vinay:** And sir, is there any advantage of operating leverage in this? And if it is there then in which scale will it come in EBITDA margin?
- Management:** Our main focus is on improving the topline and if going forward and improving our margins with this topline it is also possible. At present we will aggressively increase our topline and our reach, so it is our primary strategy and we will go according to it and we try to maintain our EBITDA margin sustainable around 8 to 9% then it will be good for us and we will move forward with this strategy.
- Vinay:** And sir, where is the order book amount currently?
- Management:** We are around Rs. 44 crores.
- Moderator:** Thank you. The next question is from the line of Nikhil Chaudhary from Chrys PMS. Please go ahead.
- Nikhil Chaudhary:** Congratulations on decent numbers. Sir, I have 2 questions, I just read that in PM Kisan SAMPADA Yojana, where government has to make hold facility, chain facility where government helps 50% in CAPEX. Have we explored in such schemes sir?
- Management:** Actually, to explore that scheme there is no process for vendor registration but our customers involve in governments different schemes and they bring it. We have nothing to do on it but there are many in our contact who work in with many government licensing and other big projects and we are connected with them.

Nikhil Chaudhary: So, customers use our skill and sir, in the previous question you just mentioned about the competition so, can you please explain me which are the competitors with whom we compete, with whom we can compare ourselves?

Management: Generally, if you see in our industry or each and every products, there is no 100% competitor but if we see in different vertical wise then the Blue Star which is commercial, which work in industrial and cold room sector, Voltas it is also with the 3 sector they also work in ammonia, Carrier works in commercial industry and cold room. And the rest of it like transport refrigeration the major 2 companies like Suraksha and Sub-Zero are there. So, there are different competitors in this different vertical wise. There is no company with 100% 5 verticals.

Nikhil Chaudhary: So, the product basket which we provide, probably it is not with anybody else?

Management: Yes, 100% not with any 1 of the companies?

Nikhil Chaudhary: And sir last question, I just want to understand that I have heard only well about your products, I want to know that in this product how much is the customer attached with us? How much is the price important in this sector like if the customer see any other product they get attached with others because big players are here in the competition. So, just wanted to understand that what is the thing for which our customer will be attached with us?

Management: Actually, our product is not a catalogue based product, it is a solution based product. So, this relation is built up by the services and you give correct solutions for their applications hence the customer is repeated. Our 50% of the business is with the repetition of the customer or you can say customers repeat referrals. So, there is enough business and we have strength and our old customer's referrals also.

Nikhil Chaudhary: Understood sir, so it feels very good on hearing this sir. Thank you sir, and wish you all the best.

Moderator: Thank you. The next question is from the line Zaki Mehta, an Individual Investor. Please go ahead.

Zaki Mehta: Congrats to Mr. Chandrakant and the team of Ice Make for such a strong performance in the first quarter sir. If I understood right sir, if the economic brings are in our favor, Ice Make according to you could do maximum topline of Rs. 300 crores with a 9% EBITDA? Is it right sir in terms of if all things going alright that was my question number 1 and question number 2 is product specific in regard to solar prices, can this product be categorized also to stop the wastage, the large wastage of vegetables and fruits due to lack of transportation infrastructure from the farmers and does this product sit into that category or can you vary this product in size keeping demand in mind?

Management: First of all regarding your first question that how we are projecting on how will be our topline and margins this years, in the beginning we estimated may be around Rs. 250 crores we will post, but from Q1s demand and current pending order book it feels like may be Rs. 270 crores to Rs. 275 crores that we should cross and if this type of momentum continues may be near Rs. 300 crores is



possible. And EBITDA margin may slightly improve from which was in Q1 in that range can be expected. This is how we feel may be can slightly improve, but will be in around this range.

Management: You asked about solar cold room regarding fruits, vegetables wastage and in size actually the counterpart which is the market which is the customer they are in government side so generally we have a fixed 5 metric ton cold storage. We have supplied for 2 metric ton and also 10 metric ton as well, which I told in the speech also. There are many tenders of 2 metric tons in which we have bided, but the initial cost of the product is 3 times higher against conventional that is why the market which should peak, it will convert into numbers only when private customer takes it then only it is possible only if the cost is reduced with increase in number when solar technology progresses in future.

Zaki Mehta: But, who uses this products either farmers corporative or government farm level?

Management: Each states horticulture board take this like in Jharkhand we have supplied 10 numbers, 1 in Goa, there also these people, under some schemes government donates these to corporative for fruits or vegetables or village FPO. More over the customers are either NGO, Government or semi-government.

Zaki Mehta: Sir, don't you feel like in the coming future, this product can be a real winner on seeing the governments attention towards farmers and towards stopping food wastage?

Management: No, it can be but actually as said earlier solar cold room was in our product line but the main focus was aggressively started last year to try to capture the market, so it has not been almost a year we aggressively started the work, at present we have 32 orders for cold room whose approximate value would be Rs. 3.77 crores so, on seeing that we feel that we are on the right track and governments focus to promote cold chain sector and to increase shelf life and to reduce the wastage of perishable items. So, looking forward we feel like it would be fruitful and besides government schemes, FPO, NGO or many other CSR activities of big companies promotes in rural areas then we like its market potential but cost is also important so, we will not get such an aggressive performance but we have the confidence that we can do better.

Zaki Mehta: Thank you sir, and best wishes for you for the year sir. Thank you.

Moderator: Thank you. The next question is from the line of Arvind Kothari from Niveshaay Investment Advisory. Please go ahead.

Arvind Kothari: Congratulations on the excellent set of numbers sir. Sir, my first question is if we see the run rate which we did in this June quarter it is almost double of the previous which we use to do. Then besides ammonia what exactly other things have changed which is contributing in our sales mix so nicely because generally our Q1 is the weakest quarter and we pick up slowly in Q2, Q3 and Q4. And if the same momentum is carried over, can a March quarter alone can do it, Rs. 90 crores – Rs. 95 crores of turnover with this run rate going forward?

Management: In March quarter, it is difficult to do Rs. 90 to Rs. 95 crores because there is some limitations for production capacity, but previous year we did Rs. 72 crores then may be Rs. 90 crores can be possible if in advance we have the orders. If there is order from November and December then in the last quarter we can do Rs. 90 crores.

Arvind Kothari: Sir, was there any spill over, Order from previous quarters that we completed this year, can we make this run rate our base for the coming years?

Management: Yes, we can make. It is not like that we have dispatched old orders, new segment of our e-commerce we got Rs. 9 crores, Rs. 10 crores topline support in the first quarter and you know the future of e-commerce is very good in the coming time. We are working with leading e-commerce companies and their future projections are fairly very good.

Management: Regarding bookings which are done on quarter-on-quarter basis, previous year quarter and this year's first quarter booking was of Rs. 36 crores in first Q1 and now booking has done then in that also 83% increase is there. It is not like that previous years orders are carried forwarded, naturally the demand is increased now.

Arvind Kothari: Sir, secondly if we see our margins, maybe there are little possibilities of cooling off in material cost and regarding employee cost, did we have hired for future growth due to which it has become a little high as a percentage or because generally in this quarter sales are less so as a percentage employee cost has gone up?

Management: No, I think you are comparing March quarter and June quarter?

Arvind Kothari: Correct.

Management: In March quarter, cost of few of our people in R&D for the full year was transferred in R&D, so its effect has come simply in one quarter not in full year that is the reason you feel like this on quarter-on-quarter comparison but you can neutralize full years employee cost just because of one entry you are not able to match that right now.

Management: And you asked about margins like metal prices now have cooled down, it is favorable for us, we think with it our margins will get slightly better because when it rose we immediately couldn't do the price hike. We did it 2, 3 times but as the deduction come then it immediately cannot be passed on then positive impact also come for us. But we have to increase our topline, orders also have to cater, maybe we will slightly pass it on, but may be our margins get better with this. EBITDA margins can be between 8.5 and 9.

Arvind Kothari: And sir, my question is upon business structure like earlier we use to cater more SKUs, few small SKUs also we use to cater. Over the past 3, 4 years how many SKUs have we stopped and focused on scalable SKUs and with this in future if I try to see my company's revenue or try to estimate that in 5 years or in 7, 8 years what are the possibilities in this business so, if you can comment on this



with division wise like how much percent and where will Ice Make keep its market share and how big is that opportunity for us overall market? Can we do Rs. 1,000 crores turnover by what year, if such type of analysis you give then it will be very helpful.

Management: Can you explain something about SKU like how?

Arvind Kothari: So, like we used to make 60 products separately like in dairy, manufacturing machine for curd or we use to give ice cream manufacturing machine, we also made cool rooms, so I guess when company's IPO came then SKUs were very high from then till now we have added ammonia in which scalability is seen or other vertical where we see more scalability say like in solar cold rooms, have we reduced SKUs or have we cut down, number of SKUs is same or if we see the scalability of our company going forward then through which division anyone should focus if he wants to understand your business to get better idea that these are the possibilities where growth can come in the company?

Management: First of all regarding reducing SKUs, we haven't reduced any SKU but mostly small items or small products worth Rs. 25,000, Rs. 30,000 which we used to make earlier, business is less and direct business we are not doing. If we say it SKU then the number there has reduced there but it is not like that our focus is towards big projects only, but in between overall as we make developments our products every year or give new turnkey solution by doing something new. So, it is neutral that if we go in turnkey solution the project size will increase and our order value will also increase, in that term revenue chances are more to come from that sector. And regarding ammonia, the normal ticket size is Rs. 40 lakhs or more than Rs. 50 lakhs, its minimum start up and it is our focus so, it will be in growing sector like past 3, 4 years orders or business commenced then in ammonia the orders which we currently have in hand with this we feel that this year also we can achieve business in ammonia for nearly around Rs. 30 crores. Rest turnkey solutions which are given are dairy project and rest solutions are still continuing.

Management: After Corona, we knew that future of e-commerce is very good from then we approached e-commerce Company and in our topline its contribution is very good. And beside this in many places rather reducing our SKU in going in higher capacity we developed that product and try to do aggressive marketing. We can give you average orders later, vertical wise we have average order size is there with which you can have an estimate. Like our cold room business, it is a 50% share of topline. Our average order is around Rs. 3 lakhs to Rs. 4.5 lakhs. In commercial it is about Rs. 50,000 to Rs. 75,000. In this small product which is below Rs. 50,000 we don't focus more because behind one unit your time is invested in service and sales then that product is reduced a little bit but if we see margin wise then in that product there is a better margin that is why we do the business which comes as a reference in the form of royalty and we keep on watching that market regularly so that if any big opportunity comes we don't miss that. After that around Rs. 3 lakhs to Rs. 3.5 lakhs average order size. In industrial also it is like that 2.5 to 3.5 average order. So, besides commercial rest all average order size is same. Ammonia is a different case, in its Rs. 50 lakhs, Rs. 1 crores or Rs. 15 crores it is difficult to take average of this order. But keeping small projects with us we have also

focused more in big products. And we have to balance utilization of our infrastructure, so that we have to averagely use our infrastructure. So, product is also focused.

Arvind Kothari: So, sir, in the e-commerce segment basically what services we would be providing, either cold room or maybe they need transport vehicle we provided that also, so when we get the order enquiry, to make central kitchen if response is coming from the sector or it is coming from warehouses to make cold room, overall from which divisions are we getting enquiry and what is the potential that we are seeing? On an annual basis can it become a Rs. 100 crores or Rs. 200 crores business in the coming next 5 to 7 years or overall as I said if I want to make a turnover of Rs. 1,000 crores then in which verticals you will be more bullish whether it be transport vehicle or ammonia cold rooms or basic cold rooms or standard cold rooms which we make and in how many years can we achieve it? If you can provide any sense regarding this?

Management: No, what you are saying about topline projection is a bit long, if we do other bigger CAPEX than 30% or 35% average topline growth, then according to it I think after 6 or 7 years we can reach up to Rs. 700 crores or Rs. 800 crores, but with us it is not like that we can go forward in same infrastructure and same product basket, there is no such business in which you can do taking your own time and within your limits. We will also do new CAPEX when required. Sometimes we also see some products like if we work in this project, we can make a good business topline. After 2 years of Corona we are little conservative, any new projection and new expansions has be paused. Now, work is being going on this all. We are seeing new opportunity. So, if we have to do Rs. 1,000 crores, if CAPEX is done properly for 2, 3 years then it is not difficult to reach to Rs. 1,000 crores in the next coming 5, 6 years.

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

Chinmay Shah: Sir, the business what we are doing now is there any option of operating and maintenance in that? Or we don't do that?

Management: No, there is option for the services you are talking on operation and maintenance there is an option, but our system is manual so man power, skilled man power and a big network is required for it, so keeping cost in mind as per network long term was not beneficiary. So, our focus is not towards revenue side in that area.

Moderator: Thank you. The next question is from the line of Alisha Mahawla from Envision Capital. Please go ahead.

Alisha Mahawla: Sir, first of all I want to understand what is the current capacity?

Management: Currently in this infrastructure we can make production of around Rs. 300 crores, Rs. 325 crores and how much is existing being utilized may be around 70% but we manage it by increasing the shift



like day shift, night shift but we can generate topline of around Rs. 300 crores to Rs. 350 crores with existing capacity.

Alisha Mahawla: So, are we planning for doing CAPEX to increase the capacity for next year's growth?

Management: Yes, planning is going on it. We are seeing on product area. In the next 2, 3 months we will tell that what we are going to do next. And with the same infrastructure Rs. 350 crores, Rs. 325 crores, Ankit told but currently ammonia vertical is Rs. 30 crores it can become Rs. 50 crores in future so, infrastructure is not needed in this so, it will be outside capacity. There are many other products which are value addition product, value is added in it. If this infrastructure is stretched then we can do up to Rs. 400 crores or Rs. 450 crores if different type of focus is done. When 100% capacity is reached then to increase the topline we can do it by changing the product focus.

Alisha Mahawla: Means by changing the product mix, more ammonia, more commercialize, which is of greater value product you are saying you can go up to Rs. 400 crores?

Management: Yes.

Alisha Mahawla: And the capacity expansion which is in the plan, is it brownfield or greenfield means is there space in existing capacity to increase?

Management: Normally in existing, there is space but it is in a very small scale it is also in our planning but the big project is from greenfield level.

Alisha Mahawla: And what is the order book which you told? Rs. 40 crores, Rs. 45 crores?

Management: Yes.

Alisha Mahawla: Then this order book is done in one quarter? Because full year's revenue target is Rs. 250 crores, Rs. 300 crores then according to order book what is it? If you can explain it?

Management: Normally our cycle is of booking orders of Rs. 20 crores, Rs. 22 crores per month wise and it is the trend for the first quarter also and it will continue in the future. So, in that case, it will be Rs. 250 plus and at present which is on hand, our order cycle is between 21 days to 45 days and if bigger project then the span is increased otherwise normal between 3 weeks, 6 weeks or 8 weeks is done.

Alisha Mahawla: And currently, the demand which we see is it for a particular sector, segment or for any product or is across the board? Like few is more in pharma so we are so confident or commercial recipe by which we see more demand in from any particular segment?

Management: No, overall in every segment we can see growth and we receive orders from all the sectors because for the last 2, 3 years the overall economic situation because of Corona, many CAPEX which was not done, expansion is being done now or doing a new project then an overall in cold chain sector ice

cream and hospitality industry was not doing fair for the last 2 years, so this industry is also growing now. So, not by any particular segment wise or vertical wise but we feel growth is there in every vertical.

Alisha Mahawla: And the last question our full revenue is with the domestic?

Management: No, we have our exports too. We did a Rs. 14 crores export.

Alisha Mahawla: And is there any target for export in future?

Management: This year our target is may be around Rs. 18 crores to Rs. 20 crores for exports.

Moderator: Thank you. The next question is from the line of Nilesh Mehta from NSR. Please go ahead.

Nilesh Mehta: Good evening sir, I just want to know what our debt fixation as on today is.

Management: At present our working capital sanction limit is Rs. 25 crores, average utilization is around Rs. 10 crores to Rs. 12 crores and one term loan is there which when taken was of Rs. 3 crores now the outstanding may be around Rs. 1.25 crores. So, not much debt is there.

Nilesh Mehta: Sir, I want to know that now in our existing order can be do bifurcation in government and nongovernment orders?

Management: Government orders are not much in Rs. 44 crores orders. 10% is from the business which is from government tenders and 90% business is from private. In private export business also comes.

Nilesh Mehta: So, usually our working cycle is of how much time in private?

Management: We can say 6 times. In one year our working capital cycle rotates 6 times. Most of our businesses are direct. 30% of our business comes from dealers to whom we give credit for around 30 to 45 days and 65% is our direct business and we take advances from these customers and do work because it is a capital product so, before dispatch our 80-90% money is received and hardly 5, 10% is after installation so, in our operating cycle our cash flow is very healthy. We don't fully utilize our working capital which we have kept of Rs. 25 crores. And our customer advances is around Rs. 13 crores, Rs. 14 crores.

Nilesh Mehta: If we see in listed and unlisted players who will be our immediate competitor according to you?

Management: In peer to peer, our company which works in 5 verticals so there is no single company who can compete us in every 5 vertical. But if we look at vertical wise Blue Star, Voltas and Carrier is there whose focus is mainly in commercial, industrial, and cold room. So, they compete us in that. Then Suraksha and Sub-Zero is there who compete us in transport refrigeration, then Rinac is there who competes us in transport, ammonia, industrial and cold room. Then Syrup is there which competes



us in commercial and then IDMC is there which is also in commercial, Daikin and Panasonic is also there who compete us in commercial and cold room sector and some regional or local players we can say.

Nilesh Mehta: Sir, when we talk about brownfield or greenfield then is there any plan to raise our debt in the next 1 or 2 years?

Management: At present it is in our consideration, we haven't finalized anything like how we will raise it. On it, government's subsidy is there, interest is there. We haven't finalized yet. Once we on cost basis we do its layout then after we will publish or can tell you how we will go further. And the cost of the project may be around Rs. 30 crores, Rs. 35 crores not more than that.

Moderator: Thank you. The next question is from the line of Vishal Darji from Ice Make. Please go ahead.

Vishal Darzi: Congratulation team Ice Make. Very good performance in this quarter. Thank you. I want to know that in our business segments, segment wise revenue breakup was needed like there are 5 vertical so, can you give me information regarding vertical wise breakup? And second question is that state wise breakup like we are Gujarat based company then from Gujarat, from Maharashtra, from Rajasthan so state wise breakup, nearby, exact is not possible? Is it possible?

Management: State wise breakup will happen. We can tell you zone wise how are revenues are? In West zone nearly 60% of our revenue comes from here, this includes Gujarat, Maharashtra, Rajasthan, and MP gets covered. Our maximum revenue is from these 4 states. Then in East zone around 10 to 15% is our revenue which comes from East. Then looking at the North side, may be around 7 to 10% is our revenue. In South around 10 to 12% is our contribution and some national dealer is there whose sale is all around India, their share is also may be around 4 to 5%.

Vishal Darzi: Sir, in South Chennai is the biggest market, Bengaluru is there, so there is approximately 7 to 10% so biggest market of India, if going to metros for commercial then how are we trying in that for entering and to catch that market?

Management: Actually in this business service support is required, they sell the product and there should be service support in the back end. In West the companies are already there so here network is very strong. Recently we have focused more in North East and South. This 7-10% when we do with 40% topline growth then also as compared to next years in both of these regions we have made 2, 3% topline has increased. If we see like South's next year's revenue and current years will be almost double. So, focus is there but some transportation cost limitation is also there, landing cost for customer will be seen after logistic cost. So, in our Chennai facility for the past 5 years we have taken over one subsidiary, due to the arrival of Corona for 2 years and the size is small to gain business opportunity we are improving the facility there. So, South is in our list and in future we will focus the metro market in big cities.



Management: And our subsidiary company about which you told, so 3 years down the turnover was of Rs. 6 crores then increased and became around Rs. 8 crores and previous year Rs. 14.5 crores turnover has done. So, I have not told about the Chennai company after merging so, this year also we think around Rs. 17 crores to Rs. 20 crores business can be done there. And there manufacturing is going on same as manufacturing is going on in Ice Make, so the transport cost issue which is there in cold room sector or in other product we can settle from there. So, that company is also growing with a good pace. So, in South our presence is there due to our company and we can give them service support also because it is a solution based product. So, we feel like we can cater South states very well with our subsidiaries.

Moderator: Thank you. Ladies and gentlemen this was the last question. I now hand the conference over to the management for their closing comments.

Mandar Desai: Good afternoon, everyone. On the behalf of Ice Make Refrigeration Limited, I Mandar Desai – Company Secretary and Compliance Officer of the company would like to thank you for attending the conference call. Have a nice day ahead. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, on the behalf of Ice Make Refrigeration Limited that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.