



Ice Make Refrigeration
Q2FY23 Investor and Analyst Conference Call
November 18, 2022

Moderator: Good afternoon ladies and gentlemen. I am Nirav, 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 Q2FY23. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. 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, Mr. Rana.

Aryan Rana: Thank you Nirav. Good evening to all of you and thanks for joining this conference call of Ice Make Refrigeration Limited, to present and discuss the financial results of the quarter and half year ended 30th September 2022. Ice Make with a strong management team, vision to be a top player in business space aspire for a strong growth. The company over the years has been consistently improving, innovating and expanding adding new products, solutions and new clients. The company has a unique and a strong basket of 50 plus refrigeration and cooling solutions products that are manufactured in-house under 5 business verticals like Cold Room, Commercial Refrigeration, Industrial Refrigeration, Transport Refrigeration and Ammonia Refrigeration.

As a key player in the industry, Ice Make is in the forefront in catering to the cooling requirements of various industries. Various of large number of varied clients and customers by producing innovative cooling and refrigeration solutions to industries like dairy, ice creams, food processing, horticulture, agriculture, pharmaceuticals, cold chain, logistics, hospitals, hospitality and retail among others.

We have mailed the results to you. I hope you have received the same and we have also uploaded this on our website and the stock exchanges. Before we 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 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 and analyst, we have with us the management represented by Mr. Chandrakant Patel, Chairman and Managing Director; Mr. Ankit Patel, CFO of the company and other key management from the Ice Make Refrigeration. We will start the call with the CMDs remark on business and industry outlook followed by financial highlights and then we will open

the floor for Q&A discussion. With that said, I will now hand over the call to Mr. Patel. Over to you, sir. Thank you.

Chandrakant Patel:

Good evening ladies and gentlemen. I Chandrakant Patel, CMD of Ice Make Refrigeration Limited, warmly welcome you all to the Earnings Conference Concall to discuss the financial result of Q2FY23. As you may have noted, Ice Make has been able to post strong financial performance in the Q2FY23 driven by strong recovery and aggregate demands. The pace of growth recorded in the previous quarter continued in Q2FY23, as a result the demand of all our product has increased significantly as compared to previous years. As you may be aware that, we have announced significant expansion plan at our annual general meeting this year. The company is planning to setup a Greenfield unit at cost of around Rs. 45 crores to Rs. 50 crores. The company will manufacture Continuous Panel that are used in area like infrastructure, industrial & residential building. The project will be setup in Gujarat and expected to be fully functional in the next 12 to 15 months. Today, I want to tell you that we have identified the land area near Ahmedabad city and our team has started working of the machinery, equipment and technology requirement, etc., of the facilities. As per the market survey, the future forecast of Continuous Panel business will grow at a CAGR of about 14% during next 5 years. We are confident that the project will further add value and strengthen the business growth of the company.

We are also focusing on geographical expansion as we stated many times in the past. We are working on it and company is focusing on the geographical expansion of business like stock point or small manufacturing setup to save logistic cost. This will be in addition to the above CAPEX amount. Our strategy priority of improving financial performance also includes a focus on increasing topline margin and ensuring a consistent growth of 25% to 30%. We have a pending order book of about Rs. 90 crores, which include a few significant order like one order was of Rs. 11 crores of our newly developed product Freeze Dryer, one order of Bulk Milk Chiller of Rs. 3.6 crores from Assam and one Cold Room order of Rs. 2 crores. For our Ammonia vertical, we have substantial order amount to around Rs. 35 crores from various states like Jammu and Kashmir, Maharashtra, MP etc., Industrial outlook as per various report on Cold Chain and storage business is expected to grow at CAGR of 15% to 17% and Continuous Panel business a growth at 14% between year 2022 to 2027. Thank you very much for spending your time to attend this briefing from Ice Make on Q2FY23 result. Now, I hand it over to Mr. Ankit Patel for financial highlight and then we will proceed for Q&A session. Thank you.

Ankit Patel:

Good evening ladies and gentlemen. In the second quarter, strong demand to continue hike and deliver robust growth in revenue and profitability closing of current second quarter. During the quarter, revenue from operation increased by 40% compared to the same quarter last fiscal. Consolidated revenue in the current second quarter of FY23, stood at Rs. 67.12 crores, as against Rs. 47.90 crores in previous Q2FY22, led by a higher scale cost control, profitability jumps significantly. During the quarter, EBITDA grew by 148% on a year-on-year basis, EBITDA margin expanded by 486 basis point to 11.19% in Q2FY23 as against 6.33% in Q2FY22. During

the quarter, the finance cost reduced a steep 57% drop on year-on-year basis to Rs. 17.8 lakh. While lower operating and fixed cost boosted our profit. The net profit during the second quarter of FY23 grew by 245% on year-on-year basis to Rs. 4.64 crores from Rs. 1.34 crores posted in previous Q2FY22. For the half year ended September 22, the company recorded Rs. 131.97 crores revenue led by a strong recovery and demand from industry. Revenue witnessed robust 64% growth on year-on-year basis. Profitability improved significantly lead by higher sale and favorable raw material cost. In the first half, EBITDA made a three-fold jump and EBITDA margin significantly increased to 9.75% in current first half of FY23 as against 3.91% in previous first half of FY22. Net profit during the current first half of FY23 stood at Rs. 7.74 crores as against profit of Rs. 52 lakhs in corresponding period of last fiscal. We feel that second half of our current year will also be strong as usual. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Zakir Nasir, Individual Investor. Please go ahead.

Zakir Nasir: Good evening to Chandrakantbhai and the entire Ice Make team and my congratulations on the fantastic numbers given in the second quarter. Chandrakantbhai, I want to ask you one thing that you have announced this expansion of Rs. 45 crores to Rs. 50 crores, and told that you will implement this between 12 months to 15 months. So we can safely assume that the project will be fully functional by the second or the third quarter of 24, sir? That is my question number 1.

Management: It will be the 4th quarter.

Zakir Nasir: 4th quarter of 2024 that means in 24 also part turnover of this project will come, sir?

Management: Not much will come, according to the forecast done by us, in 24 we can do approximately of Rs. 25 crores.

Participant: Okay Rs. 25 crores in 24 and what will be the turnover at full capacity in this project, sir?

Management: If we do single shift production then top line of Rs. 200 crores can be done.

Participant: So, in March 25 this will be fully implemented?

Management: It is difficult because of this product approval process, first year it feels like we will reach at Rs. 75 crores to 100 cores in the second full year.

Participant: So, we can safely assume that March 24, this will have 25, next year 75 and may be in March 26, you will have 150 on it?

Management: It can reach around 130 – 150.

Participant: And, Chandrakantbhai in this you mentioned about 3 industries, the use of this is into infrastructure, industrial and residential buildings. So our turnover of Rs. 200 crores is full capacity and in 26 the Rs. 1.5 crores which we will do, then how is the division among these 3 industries? From where do you think chances of coming more demand?

Management: Actually, we are from refrigeration industry so the refrigeration-based infrastructure, so approximately 50%, 60% business will come from there only, balance business of 40% that will be from industrial building. This is the proportion which we see right now.

Participant: So, 50% will be from refrigeration which is our core work and 50% from balance of these things?

Management: 50% to 60% will be from refrigeration because we are exist there, we have our own reference, we have our brand image, contacts are also there and we do many big projects with ammonia in that in the current year by outsourcing this product at around Rs. 20 crores and will do our projects. We think that 60% of the business we will bring from refrigeration, going ahead in infrastructure building after creating a reference and market repo, we can see a chance of increasing business in that segment.

Participant: So, we already have captive market of this?

Management: Yes, from the last 4 to 5 years we are doing it, when there are big projects then by doing the product outsourcing we do this. It is done all over India, in North East, in Nepal, in Telangana, we have done in many places.

Participant: Very good sir and Chandrakantbhai, these margins of the second quarter at 9.5% EBITDA, do you expect that in H2 also these margins will continue, sir?

Management: According to the current metal prices and as our order book is also there, we think that this same will continue for this year.

Participant: And your view on the export markets, I mean how do you expect the ADAC to pan out for Ice Make looking at export, which market are you looking at, sir?

Management: Actually, in export we have maximum business is with Nepal, which is a surrounding country of India. In Nepal one exclusive associate is there with whom the work is done and in African countries we have many business and 70% business is done in African countries. In US also after Corona we started a new account which we used to do earlier also, then in that business the price is little competitive, so business slightly goes up and down in globally matching the price, but we can say that our focus is in African country. From the last 3 years for exports one dedicated person is there who do work, so have developed many such associates who represent one brand in this and our products are in stock with them. So going forward relation

will become little stronger, in Middle East and in Africa such associates are there who keep our products in their stock do their project.

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

Arvind Kothari: Sir, congratulations on an excellent set of numbers and I guess the growth trajectory has been good from 2 quarters which, in a way in a lean quarter also you are able to give good growth. I wanted to understand that is this normal or this is something which we have experienced in these 2 quarters which in a way what were the level so if I assume its run rate will continue then in H2 generally can we see a quarters where quarterly sales we can reach at Rs. 100 crores? Is that a possibility now if we have increased our base of customers or verticals that are contributing to this?

Management: This year we think that how our first and second quarter was like that only such demands will be there for the next coming years. We don't feel that there is any seasonality or impact and this year we think that we can easily match around Rs. 275 crores – Rs. 280 crores may be there would be some plus also, but what we think we can achieve is Rs. 275 plus will be clocked.

Arvind Kothari: I feel this 275 number as little conservative because I guess like 130 we have already done in 2 quarters and in balance 2 quarters our season is strong then don't we think we can reach a run rate of Rs. 80 crores, Rs. 90 crores, Rs. 100 crores in March quarter specifically?

Management: We are also trying to reach Rs. 300 crores because we have order book of Rs. 90 crores, so order book of Rs 90 crores is there and we have 4.5-month balance in which we will do booking also and will complete this Rs. 90 crores order. We will try to do Rs. 300, but Rs. 275 crores and Rs. 280 cores will be the minimum.

Arvind Kothari: But, sir the EBITDA margin jump which we are seeing is just because in a nearly weak quarter we are still able to do more volumes? If the volumes will weak Rs. 300 crores of turnover then fairly what EBITDA margin should we assume for the quarter?

Management: Like if we look at the metal prices, then in the second quarter its positive impact started to come which had adverse effect in the last year, so according to this we feel that EBITDA margin which we have posted this year will continue favorably. So for this year our profits will be good, but going forward we are planning to carry on EBITDA of around 9%, 10% for long sustainability, so that we can expect.

Arvind Kothari: Also, sir I also wanted to understand that one private company named Frick India is there whose quarterly result was good almost did sales like us then were we gaining market share or overall the market is growing very rapidly that all the players are gaining?

Management: Both is there, market is also growing nicely, so we were able to grow and we can't say that our growth is just because we increased the market shares 100% and it came from there itself, but after being listed we always felt that we should grow more, so a little bit our mind set has also changed, there is an aggression in the business that effect is there then we are slowly increasing our market shares as compared to our peers.

Arvind Kothari: Sir, overall, we are talking about the new product which we will continue going forward this product and our Ammonia division which again is a new division, growth of sales opportunity from both of these divisions is more, but margins are capital employed, suppose that we do sales of Rs. 200 crores in that new division then roughly how much our working capital will be deployed in that and at rough basis if you can give me the margins and what are the ROE of that projects if we calculate roughly?

Management: In Ammonia we can count our gross margin around 10% to 12%, but the margins through the new projects of Continuous Panel will be more or less similar as of our existing business. If that business increases, then it will support our business and due to that our margins will not compress even though the topline will grow fast, but it will support the bottom line equally.

Arvind Kothari: Sir, how much working capital is required in this business means for Rs. 200 crores sales roughly what working capital we need in our business?

Management: Probably, we will keep stock for 1.5 month and besides that some manpower, so much working capital is not required because there are same terms, before dispatching we will take the full money then according to that terms only business will be done then working capital also is not required in that, but still according to our existing state even if we increase Rs. 2 crores, Rs. 3 crores or Rs. 4 crores then also average utilization is around Rs. 10 crores, Rs. 12 crores not more than that has done, so existing state can support it and our internal accruals and cash flows are also quite good. In this half year if we see then our operating cash flow is around Rs. 5 crores then if any requirement is there then we can manage through internal accruals and cash flows. Then CC requirement we can do in-house additional CC or bank finance will not be much required.

Arvind Kothari: Sir, what all I wanted to understand that going forward like if I look 5 years outlook if I see may be the growth that we are experiencing and it is very wonderful that we are capturing that now may be 2 years got lost due to COVID, but if we see the trend wise, how economy is shaping we definitely have a good scope for organized dairies, we will have a good scope for ice cream industry, we will have may be hospitality because if you see even in hotel industry CAPEX is being done, restaurant and in all these organized team they are doing well, their growth is also very good. Due to online deliveries the centers which are being opened for centralized kitchen and everything, so how are we positioning ourselves in all these verticals geographically? How are we hiring team wise because we organize vision beyond Rs. 300 crores I guess have decent

growth then for that share some pictures like at what time we will further announce the CAPEX in our existing business of Cold Rooms? If you can share it will be very helpful?

Management: Next, if we talk about the CAPEX, then geographically we are planning in North and North East side where transport cost, logistic summary is concerned then with this CAPEX that CAPEX is also in planning. This is not a right stage, our discussions are going on if it is materialized then we will announce it on time, but it will not have much CAPEX. If CAPEX of hardly Rs. 2 crores or Rs. 2.5 crores or maximum around Rs. 3 crores can be done in that then geographically we will expand and our focus is more on two zones, East side and South side. We are local in West. We are growing locally, but in South and North East side we will also focus. The new geographical growth will come and there also we will do manufacturing then according to that our cost saving will also be done for transport then some benefit is like that we will pass on to the customer may be after some time it will reflect in our bottom line also. Then geographically expansion is also there by which our business will become strong which we are expecting now that if materialized then in due course we will announce it.

Arvind Kothari: So maybe Rs. 300 crores of this geographical expansion may be it will add Rs. 56 crores to Rs. 100 crores whatever, is that a possibility?

Management: Yes, in the coming times the business will go aggressively, so we can expect some growth in that.

Arvind Kothari: And Rs. 200 crores will come from the new CAPEX so roughly maybe we can reach at the run rate of 500 I know it is very difficult to predict, but our aspiration of Rs. 1,000 crores turnover, as a company when do we aspire to reach?

Management: I think may be in 6 or 7 years we can generate a topline of Rs. 1,000 crores, that is our focus now and we are doing according to that. The possibility is there that it can become one or two years before or after depending on the external factors, but same scenario is there and everything goes according to the plan the around 6 to 7 years we can generate a topline of Rs. 1,000 crores.

Moderator: Thank you very much. The next question is from the lines of Shridhar S an Individual Investor. Please go ahead.

Shridhar S: Good evening, sir. I have couple of questions, so first one is I just wanted to know for the remaining 6 months what can be the growth percentage in revenue we can expect?

Management: We just told that this year we are expecting to do a topline of Rs. 270 crores and Rs. 280 crores on a conservative side.

- Shridhar S:** And the second question is roughly what would be the gross margin currently and going forward depending on the metal prices?
- Management:** If the metal price remains the same then may be around a consumption ratio around 30% or close to 30% plus for our gross margins will be for this year.
- Shridhar S:** So what is your expectation on the metal prices, it will be the same for the next 3 to 6 months?
- Management:** The prices which are now, if same prices will be there then we can maintain our financial performance.
- Shridhar S:** Thank you very much and all the best and congratulations on the wonderful set of results.
- Moderator:** Thank you. The next question is from the lines of Shyam Garg, an Individual Investor. Please go ahead.
- Shyam Garg:** I have only one question, how much inventory of raw material do we keep for metals and other products?
- Management:** Currently, our pending order book is around Rs. 90 crores, so around Rs. 30 crores is our raw material stock currently.
- Shyam Garg:** We keep around 33% of our order book?
- Management:** We cannot say that this much only we keep, means based on our order book and some basic material that we keep, so we assume around Rs. 25 crores to Rs. 28 crores, but according to the recent demands and order book inventory level is increased a little, I am just talking about raw material.
- Shyam Garg:** Sir, apart from metal, any of our specific raw materials which we use to import from outside or which we keep?
- Management:** Basically, the imports which we do is copper tube and copper and a few comes from China which check accessories otherwise we do not have direct import and if we see our import has reduced because of our coil plant that we have setup, then 85% of our imports are copper which we are doing with Malaysia and Vietnam.
- Moderator:** Thank you. The next question is from the lines of Arvind Kothari from Niveshaay Investments. Please go ahead.
- Arvind Kothari:** Sir, if breakup if we see our EBITDA margin has jumped then how much raw material price from downward revision and how much percentage would have happened with better capacity utilization?

Management: Right now break up data is not available. We can tell you by doing some working, but more or less whatever price revision has happened after that we have not revised our product price list. By chance if little is needed then we figure out in discount by waving 1% or 2%. We have not revised our price list majorly it is on this, but we can tell by doing little internal workout.

Arvind Kothari: In our order taking process, when we take the order and say in between metal prices changes very much then how do we manage that situation?

Management: Actually, the order book capital generally we do orders with customers advance. We generally do order whatever project-based order or our in-house manufactured product so that much is our order book so there is no impact on on-hand order, but a capital sold product if you dialogue for 6 months then afterwards order happens so in between raw material price increases then that price does not convinced that is the effect, in past also the effect was the same. At that time commodity price was increasing consistently every month, it does impact and on hand orders with advance, same advance we give to supplier and we book the order that impact is not with us currently.

Arvind Kothari: And what overall is it percentage of the cost that we will price it to our customer or you know because if our margin changes if due to change in commodity price then is it because we want to make a fixed margin per Cold Room in terms of sales, the amount is suppose Rs. 50,000 or Rs. 1 lakh or whatever on volume basis or KG basis how do we think of prices that cost plus percentage we want to do or one Cold Room is I get you can say in terms of amount has to be made is that we understand?

Management: No, we have our percentage margin. A factory has its own internal price list costing like factory cost which self-stream factory cost one margin guidance will work that on factory cost with 6% margin have to take the order then it will be under their power and when going one step downwards GM power then if we go beyond that then it will be director power, so we focus on percentage margin, unit margin is not there, but in every customer margin focus is not done. Sometimes in factory cost on zero margin also work is being done, in future it is seen that with that customer any new reference is created or any good customer where we have to beat a competitor, in such cases specific special cases we work in lower margin. On average, there is a margin guideline, there only orders are booked on margins.

Arvind Kothari: Has something changed like our margin volatility going forward we feel will be less volatile? Or in the past also in commodity prices when big changes come and in future if it happens next year then again our margins will remain volatile or you think that industry structure or in pricing structure some changes you have done because of which the volatility would reduce?

Management: See in the last 1 year the commodity prices which has increased that should not be happened because many of our metal are there in which 60% price increased happened this is an abnormal situation, in that condition also, although we reduced our margins a bit but we felt

that after the price being so much increased then nobody will be able to give margin, but we reengineered capacity utilization, and in many other customer solution many pockets were there in which to dilute the price increase we had worked. So from time to time when challenges come then some solutions are also there. Then going forward, it was like that so much price increase happened, after increasing one time, two times then we thought now it will be stable, but consistently till 8, 9 months price increased. If it happens like this anymore in future then we will give immediate effect. From the past experience we learnt that if price increase happens then you pass on the price to the next customer, reduce your validity. At present our offer validity, when so much negotiation happens then we say one week or 15 days only for our offer validity. Before it was not like this we used to give offer validity for 6 months or 1 year. Going forward if commodity increases so much then effect will be little, but effects happens because this is CAPEX-incentive products.

Management: It is cyclical suppose if margin compresses then reverse trend also comes then that over a period of years sometimes metal prices increases then sometimes such situations come which favors the company then on seeing year-on-year then company's average margin over a period of time remains on that margin only. So it can happen, that one or two year it may be little compressed, but in the next year cycle gets reversed also.

Arvind Kothari: Sir, like now the prices are coming down, then will you pass on your pricing to your customer, lower prices or you would want to maintain higher profitability to conserve the margins for going forward? Which type of strategy will be there?

Management: A little price is passed on because we do not revise the price list, we use that component in negotiation, case-to-case customer, and how is it, from when the dialogue has started on it and gain a little bit on margin. Little bit will be margin and little will be passed on to the customer.

Arvind Kothari: Sir, one opportunity of solar Cold Room opportunity is there how are we approaching that division and Transport Refrigeration? If you tell can tell your views on these two and what types of growth experience are expecting? How are you taking inquiry from customers?

Management: Actually, Solar Cold Room's 100% customer is Government, semi-Government is also there then there the work is done on tender basis. Now the segment like dairy is not established that much like other segments because many states doesn't understand the importance of this product. So the scale and numbers which should be there in demand is not here. Solar Cold Room is a product which is produced in our in-house infrastructure, so we will use that capacity utilization anywhere else. After doing so much focus in Solar Cold Room we will not be able to make numbers because our peers who are older to us, we have also seen the numbers which they were able to make after 5, 6 years, so we felt that so much focus and dependency should not be done on that. So in Transport Refrigeration we see a growth of 35% - 40% and our recent production capacity is two times, three times of our current turnover, so there is a good scope under that in India generally you also know that for coach welding chassis it is very difficult to

bring at Ahmedabad office factory every region wise we have made a tie-up which in dismantling condition after doing product purchase in joined brand give solutions to customers. So all of these are joint ventures, we have approached all the big chassis manufacturer company like Eicher, Ashok Leyland, with Mahindra and with many other companies we have made dialogue and if in refer vehicle we do chassis manufacturer then there is a good benefit of GST. Today or tomorrow at the time of increasing the numbers if chassis manufacturer takes this product under his umbrella and do the work then it feels like there also scale can increase. Currently also our numbers are good, but it is like that the growth which we want, 100% growth that will come from the product, it is not so much.

Arvind Kothari: Sir, is the government focusing on or they are giving some benefits to the people who are building up the facility for Transport Refrigeration?

Management: Government has incentive of 35% - 40% particular segment like horticulture product like fruits, vegetables for that segment, now for logistics also government has given its policy that was an incentive policy in that if we add both state and central government subsidy then 50% - 60% benefit in logistics by doing Cold warehouse in commercial base you use. There is lots of Government's incentive promotion scheme, many industries plan to get its benefit.

Moderator: Thank you. The next question is from the lines of Zakir Nasir, Individual Investor. Please go ahead.

Zakir Nasir: Chandrakantbhai, this year our turnover of Rs. 275 crores to Rs. 300 crores or whatever, what is its geographical division, sir? And if you're lopsided geographical spread then in how many years you will level this with each other geographies, sir?

Management: If we tell you the geographical percentage of H1 then in East side we are 12% something, in West is 60%, earlier which was 68%, 65% before 2 years which is now 60%, in North side it is around 9% and in South is 12%.

Zakir Nasir: There is a good scope as how much is the West consumption, I think in South the consumption is equally high, the consumption of these things, so if you have a facility in the South then you can have a very fast growth, sir. So what are your thoughts on that, sir?

Management: You are correct. From South, in the last 4 years after doing such an aggressive topline growth we have our year-to-year contribution of 12% from the South and in South our Bharat Refrigeration Chennai facility, you also know that this facility is inside city then we see that to increase their capacity there we have to take new big space where we are manufacturing limited products there. So after running Bharat Refrigeration for 5 years, 6 years now it is easier for us to operate that unit, our team has also developed there. So in the next 1, 2 years like Ankitbhai told geographical expansion in which we will expanding capacity of our existing unit and in East also for new business we are talking with few people then if that opportunities also

materialized then there, we also know that in West we are in peak and it is difficult to grow more here, we have to go to other region and have to do work. With Logistic cost limitations we have to provide solutions to people at their doorsteps with which transport cost reduces and we can compete. So we work on both, along with expansion of Continuous Panel project and aggressively working in both regions to increase our sale and market share.

Zakir Nasir: And Chandrakantbhai, currently in today's date the consumption of Continuous Panel which is in our country, is it imported currently and if this material is imported then how is import price in comparison to our production cost?

Management: It is not fully import, it is a 100% indigenous product. In India the project which we are doing like that 12 to 13 projects are there where manufacturing is done, so product is 100% made in India, imported cannot compete because project is little volumetric, so logistic shipping cost this market will be for Indian market only although some exports can be done in our surrounding countries. One more benefit is there for us if we want to go and work in Africa or North or in Middle East then in turnkey solution part we can do little export also.

Participant: How big is the market this type of materials, sir? How big is the market?

Management: We have the recent reports of market survey which has been done, but in the recent reports we are also not confident which figure they are giving, but we can say around Rs. 3,000 crores market we can say, who were working in existing India they see the top line of that.

Participant: And at least 3, 4 producers are there for this kind of materials, sir?

Management: If we look at our big competitors like Jindal Mectec, Lloyd Insulation, Bnal Prefab, Metecno and Rinac then we can say them as an established player in Continuous Panel.

Moderator: Thank you. Next question is from the lines of Sahil Chopra from KIFS Trade Capital. Please go ahead.

Sahil Chopra: Sir, how was our capacity utilization in Q2?

Management: We can say around 70% capacity utilization of infrastructure.

Sahil Chopra: So how much topline we can do at optimum capacity utilization?

Management: We can say a topline of around Rs. 400 crores to Rs. 450 crores, in that vertical of Ammonia Refrigeration is there in which existing infrastructure is not used much, so if it is added then a topline of Rs. 400 crores to Rs. 450 crores we can make in existing facility.

Sahil Chopra: So normally we are saying that like our Rs. 50 crores gross block 9x topline we can do on it, right?

- Management:** Yes.
- Moderator:** Thank you. The next question is from the line of Gunjan Kabra from Niveshaay Investments. Please go ahead.
- Gunjan Kabra:** Sir, congratulations for the very good set of numbers. Sir, I wanted to ask one question that if we see we have to take regional market gets establish because we have our transport cost, our regional market gets established then is it that our growth because the bigger companies and small companies are doing more expansions here and likewise Frick India has also reported very good numbers then is it that in the West region much expansions are being done or it is overall everywhere it is like this that so much growth can come?
- Management:** No, overall growth is everywhere. In North East the work which we did recently may be in Assam state, the sales which were there in previous years now it has become two times, three times, so all over India growth is there. Growth is always more in West, in West dairy is also strong, ice cream is also strong, and hence big projects come. Along with it if we see that in Jammu and Kashmir our sales were equal to nil, but now we have on hand order for Jammu and Kashmir worth Rs. 8 crores. We have put one tender for dairy, one more order worth of Rs. 35 crores of Government tenders we have done, so all over India uniform growth is happening. Size of West was big, market was big so in comparison to them west is also growing, but we are working all over India. In the West we are localized hence people will prefer us. We use to go to other region and do more aggressive work there with which we uniform can have market share for our next expansion we are planning to make readymade confirm business with which at the time of manufacturing setup we have confirm order.
- Gunjan Kabra:** Sir, further orders in terms of in the North East area also we are aggressively working for the order?
- Management:** Yes, we do much focus on North East, in North East comparatively competition is also low. In spite of transport cost people there work on a good price, there is not much competition as compared to that in West, South and North, although the market was small previously now there also markets have become big. We do projects of Ammonia in North East, Sikkim state, it is years old account of ours. So, in North East's Seven Sisters State Tripura, Nagaland in all these states our regular supply is done. Now many ice cream brands like Amul are there in every city and in every district or in state capital has its own storage warehouse so we do all of these work. We think North East will do much better in the near future.
- Moderator:** Thank you. As there are no further questions, I now hand the conference over to Mr. Mandar Desai for closing comments.
- Management:** Before we close the session, let me just make a couple of summary points from the management discussion. We are at a cusp of strong growth and the way forward taken by the

management to fulfill our reason of becoming a top player in our business space. Will help the company to create consistent growth and value for all our stakeholders. In the words of Thomas J Watson, and I quote “To be successful you need to have your heart in your business and business in your heart”. This is what Ice Make has done in the last 30 plus years to become a successful cooling partner to a large number of company in varied industry segments and the company is fully geared to take advantage of the efforts of the past and future opportunities to create our own unique legacy. Last but not least, on the behalf of Ice Make Board of Directors and management, we would like to thank each one of you for your participation in this Investor and Analyst conference call. Thank you for your listening and have a blessed time ahead. Thank you.

Moderator:

Thank you very much. On behalf of Ice Make Refrigeration Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.