

June 07, 2022

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C / 1, G Block,  
BandraKurla Complex – Bandra (E)  
Mumbai – 400051

**NSE Symbol: ICEMAKE**

**Sub: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'listing Regulations') -Earnings Call Transcript for the fourth quarter and financial year ended March 31, 2022**

We are enclosing herewith the Earnings Call Transcript of investor conference concall held on June 03, 2022 Friday pertaining to the Financial Results for the fourth quarter and financial year ended March 31, 2022 of the Company. Please take note of the same.

Thanking you,  
Yours faithfully,  
For **Ice Make Refrigeration Limited**



**Mandar Desai**  
**Company Secretary & Compliance Officer**



Encl: As above

## **ICE MAKE REFRIGERATION LIMITED**

AN ISO 9001 : 2015, ISO 14001 : 2015 & ISO 45001 : 2018 CERTIFIED COMPANY  
Commercial & Industrial Refrigeration Equipment Manufacturer

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**C.I.NO : L29220GJ2009PLC056482**



**Ice Make Refrigeration Limited**  
**Q4 FY22 Investor and Analyst Conference Call**  
**June 03, 2022**

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**Moderator:** Good afternoon, ladies and Gentlemen, I am Mitchell, the moderator for this conference call. Welcome to the investor and analyst conference call of Ice Make Refrigeration Limited, hosted by Aaryana Matasco, emerging company reputation management and communication service provider to discuss the financial results for Q4 FY22 and year ended 31<sup>st</sup> March, 2022.

At this moment, all participant lines will be in the listen-only mode and later we will conduct a question-and-answer session. At that time, if you have a question, please press ‘\*’ and ‘1’ on your touch tone phone. Should you need assistance during the 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 over the conference to Mr. Aryan Rana from Aaryana Matasco. Thank you and over to you, sir.

**Aryan Rana:** Thank you, Mitchell. 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 and full year ended 31<sup>st</sup> March, 2022. Ice Make is a leading supplier of innovative cooling solutions and manufacturer of 50+ refrigeration equipment in India. The company has been successfully satisfying the needs of its customers from production to after-sales service for the last thirty years. The company is engaged in the business of providing customized cooling solutions to diverse set of clients across a wide range of industries by manufacturing and supplying high quality refrigeration products and equipment.

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 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 would cost future results performance or achievements from what is expected or implied by such forward looking statements. To discuss the results and address the query of investors, we have with us the management represented by 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. We will start the call with CMD’s remarks, brief overview of the year gone past and also the



highlights of business updates and then we will open the floor for the Q&A session. With that said, I will now hand over the call to Mr. Patel, over to you sir, thank you so much.

**Chandrakant P. Patel:**

Good afternoon, ladies and gentlemen, I Chandrakant Patel, welcome you all at investor and analyst conference call to discuss Q42022 & FY2022 financial results and road ahead. I am very pleased to announce that with the positive change in the environment for business and strong growth in our various verticals as well as growth in e-commerce & export businesses, our revenue has crossed Rs. 200 crore figure for financial year 2022. I would like to inform you that despite increase in the raw material prices, we managed the growth due to high demand. We had also revised the price list two times this year and passed on to the customers. We believe that we will manage the growth journey in coming years and overcome from all odds, we have also launched our solar cold room with a new brand name; 'SOLOPerifresh', recently. We received good numbers of order of solar cold room business in recent past, we have a strong pending order book in hand of Rs. 50 crore. Now our CFO will provide details of financial performance and our Vice President – Strategy will provide business updates and future road ahead. Once again, thank you for joining the call, thank you.

**Ankit Patel:**

Good afternoon to all of you. The company is able to put strong financial results despite pressures like raw material price, volatility, transport price hike where the company took steps like increasing selling price in couple of times in last financial year 2021-2022. The overall business not only recovered the lost ground due to Covid-19 related issues but also took a leap forward, with 50%+ growth in top line and 100% in net profit for FY 2022. We are able to generate healthy cash flows due to various cost realization, capital preservation and prudent working capital management measures. The measures enable the company to close financial year 2021-2022 with a strong balance sheet, healthy liquidity and cash flows. Now let me give the glimpse of quarter ended consolidated financial performance for Q4 of financial year 2022.

During Q4 of FY2022, the revenues from operations saw a robust 43% year-on-year growth compared to Q3 of FY 2022, revenue was up by 57%. Consolidated revenue in Q4 of FY 2022 stood at Rs. 76.90 crore compared to Rs. 53.80 crore in corresponding Q4 of FY 2021. Net profit during Q4 of FY 2022 stood at Rs. 5.53 crore as against Rs. 2.98 crore in Q4 of FY 2021, registering strong 86% year-on-year growth, moreover compared to Q3 of FY 2022 net profit made over threefold gain.

There are some key highlights of consolidated full financial year performance. Net profit registered a strong 103% growth on year-on-year basis and led by sharp jump in revenues. In fiscal year 2022, the company posted a strong 53% year-on-year growth in revenues to Rs. 206 crore as against Rs. 134.6 crore revenue posted in fiscal year 2021. Increase in input cost and commodity prices led to jump in raw material cost, afford to control material cost and other fixed costs have then resulted in maintaining good profitability. During fiscal year 2021-



2022, cost of material consumption ratio was up by 4.36% on year-on-year basis. Despite input price pressure, the company maintained a good profitability and the EBITDA grew by 31.6% on year-on-year basis to Rs. 15.2 crore. EBITDA margin in this period stood at 7.3% compared to 8.5% in FY 2021. Financial costs fell by 9% on year-on-year basis, it stood at Rs. 1.73 crore. The company is also considering improving return on capital employed and its overall profitability.

Recently, the company has inaugurated Vamaj plant, which will result in reduction of rent expense approximately around Rs. 35 lakhs. The board recommended a final dividend of Rs. 1.20 that is 12% per equity share of Rs.10 each for financial year 2021 - 2022. The current pending order book and order on recent order booking in new financial year are very healthy. We are sanguine to post good numbers in upcoming quarters also. Thank you.

**Nikhil Bhatt:**

Good afternoon to all. Let me brief you regarding our remarkable growth we have received in FY 2022. I would like to just brief you in regarding the zonal wise contribution of the revenue. So where we are based is the west and it is our biggest contributor as half the business is coming from West zone. It is almost 60%. We have got the business from the East zone region, that is 11.3% and Southern zone which is 10.35%, North it is 7.15% and whatever the National dealers are there, we are having OEMs national base that is overall 4.4% and our export businesses contribution was 6% to our revenue.

So as far as our verticals are concerned, Cold room is the highest revenue vertical, that is with almost more than 50% and the second one is the commercial refrigeration, which contributes about 22.6%. Third one is the Ammonia refrigeration, where for a year it has contributed 12.45% and Reefer van business has contributed 9.83% and our industrial refrigeration vertical also contributed 5%.

In FY 2022, we are having a very good business flow in the current year also, but let me introduce some key highlights of the FY 2022 that we have obtained an export order of solar cold room for the African country. We have also expanded our footprints by delivering a complete food processing plant with 1000 liters of our capacity in Kenya. The company is also expanding its customer base in international and domestic market. We have specifically designed and installed over 60 freezer & chillers cold rooms for a 10-Minuties Delivery start-up company "KiranaKart" for its Zepto brand outlets across India in different locations.

The Company also executed multipurpose dairy processing plant at Kota, Rajasthan for milk, paneer, curd and butter milk with a milk handling capacity of 30,000 litres

As our MD said, the Company recently launched our innovative solar powered cold storage product brand under the name "SOLOPerifresh" -the power of tomorrow. SOLOPerifresh works to increase the bargaining power of the farmers by saving their perishable produce from getting spoiled. Powered by green technology, the eco-friendly system will enable our



Annadata farmers to earn more income, prevent spoilage of their valuable produce, maintain quality, freshness, increase shelf-life of temperature prone produce and contribute in reducing carbon emissions and global warming. "SOLOPerifresh " is a long-term solution to the farmers' lack of cold storage and low income problem. By adopting this powerful solution, they can easily increase their "power of tomorrow" which this branded standalone and portable solar equipment offers.

We are also planning to launch our other products also in new brand. We are also looking forward for the business expansion and we are searching for the suitable location as well as we are exploring one of the products which is relevant to our refrigeration industry. It may be with a CAPEX of almost Rs. 25 crore. We are also looking for the geographical expansion at the national level to cater our business. That is all, thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question. The first question is from the line of Sanjay Shah from Broking Limited. Please go ahead.

**Sanjay Shah:** Yes, good evening gentlemen. Sir, my question was regarding a better understanding about our company. My first question is regarding our presence in these cooling solutions since last several decades and we have reached to this remarkable milestone. If we are leading solution provider, can you highlight how you rate our company among other and competitors in India and number two, why our margins are low, our RMC to sales so high, which is around 73%, 74%, then what is the value addition we are doing to, for that equipment?

**Management:** Hello, I will now address your first question that whatever our raw material consumption cost that is there, that comes to maybe around 70% to 75%, right. Actually, if we look at the past track record; from 2019-20 till now, then maybe around 68% to 70%, that is our raw material consumption ratio to sales and DP would be more than 30% relatively and if we talk about the last year or look in the last year, then the raw material commodity prices were quite volatile. And I think if we look in the past history also, then the metal prices, which is our prime product, in which we use the metals, its prices have been more than doubled. So even we have done price revision once or twice but if once the price is quoted in the order booking or order finalization and there is a little delay in the booking, then immediate pass on does not take place, it may take one or two quarter's time also and it was an impact on the industry as a whole. So I feel, over a long term, if we look at the margin, then we should match around 8% to 9% of the EBITDA that is our planning. And return on capital employed we can expect around 20% because our prime focus now is to increase the top line and we are not focusing on the margins so aggressively. So over a period of time, we will try to achieve the 25% to 30% growth that is there, with this rate of interest which I said just now; 8% to 9% EBITDA and 20% something ROCE.



- Sanjay Shah:** We will do the 25% sales growth every year that is our target every year for the next two to three years?
- Management:** To bring 25% to 30% growth and the demand that is there now and our two months that have gone by now, we feel that it will not be that difficult.
- Sanjay Shah:** We will be able to maintain the margin also on 8% because historically our business was of 2%, 3%, 4% and first time we have done 8%, in spite of higher inflationary pressure. So you are sure that we will be able to maintain at 8% now, profit margin going forward?
- Management:** If we talk about the EBITDA margin overall, then in the last year our EBITDA was around 10%, 12% but it was compressed a little in the last one or two years, I would say majorly last year; in 2020 – 2021, It had compressed around 7.5%, so in this year we feel that this 8% that was there we will be able to maintain that to, 8% to 9% because we have some turnkey solution projects and also we have Ammonia vertical from which we expect the growth. So that is such kind of a project in which the volumes are more, the ticket size comes to more than 50 lakh. So, it is not that type of a business in which there will be this kind of a healthy margin but in that our factory premises, operational expense all that will be less. So, there is a bulk volume business in that and the margin will be compressed in it, we can consider may be around 10% gross margin in it.
- Sanjay Shah:** 10% operating margin?
- Management:** Yes, 10% operating margin and along with that we feel that the e-commerce sector, Ammonia sector are such a sector in which our growth will come going forward
- Sanjay Shah:** Will you elaborate on what is Ammonia refrigeration that you are talking about?
- Chandrakant P. Patel:** Actually, Ammonia as you are aware is used in big dairies and projects, earlier like multistory cold storage used to be there which stores potatoes or other commodities storage. Ammonia is a type of refrigerant like in fuel petrol and diesel is there and in your house, the refrigerant that is there in your air conditioners, is a different type of refrigerant for domestic purposes, which is not harmful. Ammonia is a refrigerant which is used in big scale projects and especially because it is a natural gas. The other thing is Ammonia's energy efficiency ratio is higher, so for big scale projects ammonia is used. We have started the Ammonia vertical 3-4 years ago to tackle the bottleneck issues we were facing.
- Sanjay Shah:** Sir usually, how does our product cycle gets time lined? Do we take the orders, we take the advances or else we do not take it and if at all we do, how much do we take and how soon do we deliver the product?



- Chandrakant P. Patel:** Actually, there are various baskets in the product, you also know that, so prior to 3 weeks there are no products that could be delivered, 2-3 weeks is minimum. And it may also go up to 8-9 weeks, like for Ammonia projects, so some projects go up to 9 months also. Payment terms is such that for small orders less than Rs. 5 lakh, we take 50% advance condition for private customers, but there is average advance of 30% and now also we have advance amount of Rs. 14 crore against Rs. 50 crore order book in as on date. So, you can say we receive 30% as average advance.
- Sanjay Shah:** Sir presently, what is our capacity utilization? Because last 2-3 years if I see we have not done any major CAPEX, so what do we plan to do now, how do we grow from here on?
- Chandrakant P. Patel:** See, you are also aware of the COVID-19 situation and everyone wanted to get out of that phase and keep the business stable and maintained. We had expansion plans 2 years ago also but now the business environment is better and in the coming few months we are planning to implement these plans, we will let you know, we will announce for which product we will do expansion in this industry, It will be near to similar product range. We are also planning for geographical expansion to reduce logistics cost. So that is one major focus and we will add on new products to the existing range and will do good expansions which have not happened in the history of the company so far.
- Sanjay Shah:** What is our export percentage currently, and what plan do we have for doing exports in the future?
- Management:** Our last year's exports were Rs. 14.5 crore, prior to that we had done Rs. 6.5 crore worth of exports, this year we have done more than double, during COVID-19 times there were travelling and export restrictions but now exports are our one of the key focus and for this year we have kept a sales target of around Rs. 18-20 crore.
- Sanjay Shah:** What is our current capacity utilization?
- Management:** We are around 67% capacity utilization.
- Moderator:** Thank you. The next question is from the line of Zakir Nasir. Please go ahead.
- Zakir Nasir:** Congratulations for the excellent performance in the last quarter and the full year. Mr. Chandrakant a question for you. Like Ice Make is an emerging company from a small to a larger one. What is your vision for Ice Make in the year 2025? That is my question number 1. Question number 2, the expansion that you just mentioned about, would you want to raise fresh funds or it will be from internal accruals? Thank you, sir.
- Chandrakant P. Patel:** By 2025, if we do not do any major CAPEX, then we can reach up to Rs. 400 crore, if we do CAPEX which is the plan currently, and if everything goes well, then by 2025 only we will be

able to reach to Rs. 500 crore and what you asked about the finance sources of our expansion plan, so that is something that is not decided yet because this is a core finance subject and we are open to all the available options, may be internal accrual would be difficult for such a big amount needed for financing, bank is also there, equity is also there but it is too early for me to give an answer to this question, but all the options are open to us and we will take a call.

**Zakir Nasir:** But sir if we have to reach out to Rs. 500 crore by 2025, what would be the amount of CAPEX needed in that sir?

**Chandrakant P. Patel:** See to become Rs. 500 crore company by 2025 we cannot decide the CAPEX but the projects that are there in our pipeline and the capital investment needed in those, in accordance to that we have roughly thought about and it should be around Rs. 25 crore may be Rs. 5 crore here or there, so we can assume Rs. 25 crore for now.

**Zakir Nasir:** Okay I think so this could be funded through internal accruals. And sir the new product that you are introducing, SOLO Perifresh, what is its feel in the market because the product seems to be very interesting, can you elaborate a bit about this product?

**Chandrakant P. Patel:** Actually, SOLOPerifresh is a rebranded product, till now we used to introduce it under the name of solar cold rooms. Solar cold room's main customers are government, institutional and NGO's where tender processing happens. In the last 2-3 years we had made this product but the time was not appropriate because government's funding was not aggressive on agriculture, so there were not many tenders happening there. Now the business is good and we feel so go ahead from here, looking at the State and horticulture board's movement. But this business is pure tender base and you know the style and speed of government orders, so there is not everything in our control. Approximate estimate including from our nearest peers in this product range, all of them say that in the current year approximate 300 solar cold room demand would come, supply will happen. Let us see how much we can do. Although we are lead players in this product range.

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

**Dharmesh Solanki:** My question is regarding the export part, how many countries you are exporting and in the next two, three years, what is your plan to export in how many countries? That is the question number one. Another question is and which is mainly repeated question, what is the plan for some big investors invest in the company, either an institute or any other investor? Those are the two questions, thank you.

**Management:** We will first talk about the first question; that in export, our regular exports are in East African countries, Nepal and surrounding countries, we have one OEM in US also through



whom our regular export has just started. In the previous financial year 2021-22, we have done exports of Rs. 14.5 crore+, in the year 2020-21 our exports were around Rs. 6 crore. In this year we are expecting around Rs. 18 crore to Rs. 20 crore, that is what we are projecting in this year 2022-23.

And the other question I think was regarding, some leading investor, right? Many inquiries are there, they keeps our company in the radar. We had discussions with few but what is their strategy and in which way they will enter, we are not aware of that exactly, whatever information they ask for, we do share it with them but what they are thinking, even we do not know that exactly, but the way the communications take place, it looks like we are in the radar, they may take their call.

**Dharmesh Solanki:**

Sir, I actually wanted to know that you said you export in Nepal, US and East African countries, can you show it to me in numbers? For example, now we are exporting in 10 countries and maximum in the coming two or three years, the remaining countries which we are thinking of doing exports with, so our plan is that we will do exports in 20 or 25 countries and we will do all the necessary things to get the related licenses which are required to do exports in those countries and do the processing whatever we need to do.

**Management:**

Actually, if we go to see even now, our exports take place in nearly 20 to 22 countries and if we talk about the target country, then where the potential is. Now it looks like there is a lot of potential in African and basically East African countries and other countries. And we will try only where the markets are open, we do not make targets country wise but make targets where we feel there is potential. So, we will target the countries potential wise and due to Covid-19 there were some restrictions in the movement in the past two, three years in both ways. So, there are many clients who are interested to coming to India and talk further with us, there are few OEMs also, who looks interested to do some tie-ups with our products. So we feel that we will work in that direction only.

**Dharmesh Solanki:**

Okay, that is fine sir, thank you so much. It means I expect that in the next two years, another five or ten countries will get added in the exports, right?

**Management:**

Yes, we are also expecting.

**Moderator:**

Thank you. The next question is from the line of Sanjay Shah from Broking Limited. Please go ahead.

**Sanjay Shah:**

Yes, thank you once again. My question was the warranty, guarantee that we give on our products and do we get maintenance contracts in it, do we generate any income from it? Any opportunity on that side? O&M opportunity?



**Management:** Normally, there is a 12-month warranty in our products and that is our primary responsibility and secondary as you said, from the revenue point of view, we can definitely do it but in our service network and our business, our primary responsibility is that we should give good service in the 12-month warranty period. So now due to network and limitations, limitations in terms of manpower control, so due to that we do not focus that much in AMC from the revenue point of view but our all-India base OEM and dealers that are there and our technicians, cater all over India and we also give a priority to our dealer associates that the customer should be connected to him only for the services point of view.

**Sanjay Shah:** Yes appreciate, but my advice is just that we should focus on AMC, it can improve our brand value and also there is a good margin in it. Only this is my suggestion.

**Management:** Definitely, your suggestion is very good and we also focus on that. It is not that we do not focus on AMC but wherever we do like Gujarat, West Zone and in South we have a unit in Chennai, so from there definitely we are focusing on AMC along with the servicing and we will keep your suggestion in mind, we can plan something in future.

**Sanjay Shah:** Sir my next question is, our subsidiary Bharat Refrigeration Private Limited; what is it for and what do we do in that?

**Chandrakant P. Patel:** Bharat Refrigeration Private Limited is our wholly on subsidiary company of Ice Make and similar product range is there, but size is very small. So we cater many products in certain states from there but here the product range is a little less than the Ice Make but definitely it is on a similar line. In refrigeration; cold storage, chilling plants, bulk milk chillers, Reefer vans and many refrigeration systems, commercial; Milk Plants, dairy plants, ice cream plants, we can cater all that from there.

**Moderator:** Thank you. The next question is from the line of Rajeev Bagla from Euro Trade Support Services. Please go ahead.

**Rajeev Bagla:** Hello Mr. Chandrakant, compliments for a good performance. I would like to ask you that, can you summarize a little and tell us all about your strength weakness opportunity and threats. I will then ask my next question. I feel the interest in your company is quite good and I see a multifold growth opportunity but I am failing to understand that, this is very slow and why is it taking so much of time? So if you can help us with the SWOT, then we will be able to discuss on the next questions. My purpose to look at it is that how you can go on, you know what the further growth strategies are? I would like to give my introduction; I am a growth market strategist and with the global business experiences and planning; logistics, supply chain. So I wish to see synergies and explore the growth opportunities with you.

**Chandrakant P. Patel:** Hello, the limitations are such that this product regarding the supply; service, installation, commissioning is there, then we cannot do it in more numbers like domestic and white goods



and sell it. Previously it was a little seasonal, now we cannot call it seasonal and price volatility is there. The industry is small, that is why there is a shortage of key manpower and these are the limitations. And in opportunity, actually the market has just opened. Refrigeration industries; if you will listen to other companies script then everyone has to say this only that in the coming years; commercial refrigeration or our core product that is there, a 20% to 22% CAGR market growth is there in it and comparatively with other players, we have a better opportunity.

**Rajeev Bagla:** Okay and what are the challenges you see, Patel sir?

**Chandrakant P. Patel:** Actually, challenges you see, our target is also 25% to 30% for the top line growth and we can achieve that and we may do even better. Challenges, you did not hear my reply or not, even after applying skilled manpower, there is installation and commissioning on the site also, price volatility is there, Industry is small and that is the reason the business certainty is not there, that you can design this much consistent production capacity and you could capture the market. And there is not much of limitations but looking at the liabilities that are there for the business post supply, till you do not improve that setup and the network, then the customer satisfaction is not there after the supply. This is a little challenge or you call it limitation, this is only there.

**Rajeev Bagla:** So that means, I would like to put the question in this way; that are you sufficient in the marketing, is the execution short? Or execution is sufficient and the marketing is short?

**Chandrakant P. Patel:** Execution is such that you cannot do the complete liabilities by yourself, you have to develop such vendors, you have to train people, so we can say that marketing is sufficient but during seasonal time the production shortage is there and execution in some remote areas like if you see North East or some States in South East, where they have just been skilled, we have our local partners over there, through whom we take the support for installation, commissioning and service. So after forming this network, our remote areas that are there, like in the North States like Himachal, Jammu or Uttarakhand, where we have just started a new market over there.

**Rajeev Bagla:** Okay and what does we consider as our uniqueness or strength, basis our USP?

**Chandrakant P. Patel:** Actually, our strength is that we are the core cold room manufacturer company. Today also in India, in front of the big players, in many places we take orders with premium and price because we are cold room experts, we do little customization and we provide better solutions; this is our strength. Secondly, our product basket is quite big, like food industry, hotels, restaurants, horticulture or agriculture penthouse, so for their retail outlets, logistics so we supply the reefer vehicle to them, we give the cold room that they require for distribution in their cold stream network and we give the refrigeration for their manufacturing requirement. Remaining our strength is the multi-product basket, to give



better understanding to people and how to give solutions to them; this is also one of our strengths.

**Rajeev Bagla:** Okay, so can you give me your top three products from this; which are the major hot cakes selling?

**Chandrakant P. Patel:** I did not understand your question.

**Rajeev Bagla:** In your product basket, which are such three or five products identified which are the hot cakes, means every person like it as soon as they see it; hot cake selling product.

**Chandrakant P. Patel:** It is the cold room that is our hot cake product. And in our top line's 50% contribution comes from that product. There are many commercial products, which are our unique products; we give a very good solution to medium-sized ice cream manufacturer, medium-dairy processing, Mr. Sodhi from Amul family from Gujarat also said that the organized milk sector is growing and the value-added product's demand that is increasing in dairy, so we are now catering the medium-sized dairy projects, which we class as the Rs. 20 lakh to Rs. 50 lakh ticket size, which gives processing, in processing it brings the business to each of our basket. So this is one of our strengths and that is the hot cake product, though we cannot say that its market is not that big now. Apart from this, we do refrigeration vehicle, in which due to our installation expertise. That product also, we manufacture in a better way keeping the regional player with us because this is such a product that in Gujarat, no one will give vehicle to Calcutta, so we have a partner in Calcutta who will sell that product with the joint brand, similarly we have one in Vizag, in Kerala, in Delhi also. So these all can be considered as hot cake products. In Indian market, whether you call it awareness or its acceptance of refrigeration, still people do not have the mindset to understand its compulsion but in the coming times, it looks like this will be even better.

**Rajeev Bagla:** Okay, and these major metros like Delhi, Mumbai, Bangalore, Chennai, Calcutta, I believe you are in all these four, five places, correct?

**Chandrakant P. Patel:** Like that we are not only in four, five places, we are in all the State's capitals of all over India, where our sales and service people are there.

**Rajeev Bagla:** Yes that I saw.

**Rajeev Bagla:** Yes, I mainly asked about Metros because in Metros the density is too much, so the consumption, branding and marketing opportunities increases, that is why I asked about Metros specially.

**Chandrakant P. Patel:** We are there in Metros already, in Metros everywhere we have our two people from sales and more than two people for service.

- Rajeev Bagla:** And in supply chain, how would you rate yourself out of 10; in the supply chain efficiency? I mean in general standard, I am not saying the best in the world, in general from an average Indian company standard, how would you rate yourself in supply chain efficiency?
- Chandrakant P. Patel:** See if you ask me, I will give 10/10 but if I talk keeping myself out somewhere, then between 7 and 9 is what we can give to ourselves.
- Rajeev Bagla:** Yes definitely, there is always scope for improvement, there is no limit to it but 7 to 9 is also reasonably very good. Thank you, Mr. Patel.
- Moderator:** Thank you. The next question is from the line of Mr. Sagar Shah from Phillip Capital. Please go ahead.
- Sagar Shah:** My first question is, if you see in this quarter performance, we have clogged almost highest EBITDA margins, if you compare in the last six, seven quarters, actually. So my first question is that, was there any one-off in this quarter? Was there a change in the segment?
- Management:** Our business is not such that we compare the margins from quarter to quarter, but if there is any one vertical, like Ammonia's dispatch will be little more in any vertical, so in that quarter the margins will be little compressed. As we have said that we had done price revision also. So the last price revision that we had done, its impact also comes in one or two quarters and it is also that in Q4 our business was also quite good and in that, the commercial segment's business was also very good. So the five verticals that we have, in that if the margin segments dispatch will be more then here our margins will show a little better, there is no other reason.
- Sagar Shah:** Okay, sure. Then can you at least classify; these five segments that are there, in which individually in which segments the margins are better, in which segments the margins are less.
- Management:** Yes. Say first, our commercial vertical that is there, it is the first in our ranking. I am talking about gross margins, gross margins without labor. I am showing you basis the raw material consumption.
- Sagar Shah:** This you are talking about cold room and storage products, right?
- Management:** Yes, commercial; commercial vertical means in which deep freezers and dairy machineries are there.
- Sagar Shah:** Yes, commercial refrigeration.
- Management:** Yes, commercial comes first wherein we do between 30% - 34% margin range. On second number, there is cold room, in this we have margin ranging between 28% - 32% and then third is industrial refrigeration which is chiller and IBT, its margin is also similar to cold rooms

between 28% - 31% and afterwards we have transport refrigeration, wherein we can expect the gross margins in the range of 15% - 19% and Ammonia vertical wherein we provide turnkey solutions for big projects, out there we have margins of around 10%.

**Sagar Shah:** So, basically going ahead, as sir had mentioned in his opening remarks that our order book is around Rs. 50 crore, right? So, out of that can you state, from these 5 segments what will be the proportion of your order book?

**Management:** So, for cold rooms it is maximum around Rs. 19 crore, Rs. 18.71 crore contribution is from cold rooms for the pending order book and on second position comes commercial, it is around Rs. 13.67 crore, after that there is Ammonia with Rs. 9.65 crore pending order book.

**Sagar Shah:** Okay, so the first is cold rooms, second is commercial? How much is that?

**Management:** Yes, Rs. 13.5 crore.

**Sagar Shah:** Okay and the third one is ammonia?

**Management:** Ammonia is Rs. 9.65 crore.

**Sagar Shah:** Okay, so going ahead I think you have given the margin of around 8% -9% of EBITDA, so do you think in the next 2 years, will we be able to sustain this EBITDA in the next year?

**Management:** We will be able to maintain 8% - 9 % EBITDA, this is our plan.

**Sagar Shah:** On a consolidated basis, right?

**Management:** On a consolidated basis, all the products.

**Sagar Shah:** Okay and basically as your capacity utilization is 67% and as sir said there is a huge demand especially in the dairy space and maybe due to awareness the demand for the product is increasing, so for the next 2 years, do you think that without CAPEX you will be able to double your revenues?

**Management:** The Rs. 300 crore topline, maybe next year, now we have kept target of Rs. 250 crore or Rs. 250+ crore for this year and as per the current situation we feel that we will be able to reach the target and this is the reason we are planning our CAPEX aggressively, so we feel basically we will be able to achieve.

**Sagar Shah:** So, basically, Rs. 250 crore of revenue you are targeting for FY23?

**Management:** FY22-23.

- Sagar Shah:** Okay and going ahead the CAPEX that you are planning I think is around Rs. 25 crore CAPEX you are planning, so basically, I think that it will be declared and then it will be commissioned, I think it will take up to 24 months. So, till then you are eyeing at least 20% -25% growth in revenue each and every year, till the new commission, capacity is commissioned?
- Mr Patel:** The new CAPEX will be used whenever our decision is made, till one year the manufacturing facility can be active and in the first year there will not be adequate contribution to the topline but it does not take more than one year's time for utilization in this product.
- Sagar Shah:** Okay my last question was - sir, in your products basically, any particular geographies you are targeting, that we have not focused in these geographies and we will focus in those areas?
- Management:** Yes, we are particularly working on the geographical factors. In West we have topline is of 67%, in North East we focus more, North is also in our focus, in South we are already there
- Sagar Shah:** So, what is the percentage for South sir? If 60% is of West, what percentage is of South?
- Management:** South is 10.35%.
- Management:** This 10.35% is for Ice Make, we have done a business of Rs. 14 crore through Bharat also, which is our only one subsidiary and that is Chennai based and we have not included it in this. So, in South and West, we are local and because of that the geographical demands from those regions we can easily cater to. In East we have plans for geographical expansion, in the North East side.
- Sagar Shah:** Okay great. So, basically going ahead you will have penetration in North, as per your targeting.
- Management:** Yes.
- Moderator:** Thank you. The next question is from the line of Lakshmikant Shah, a Retail Investor. Please go ahead.
- Lakshmikant Shah:** My question is, these 2 months that have gone by of April and May, can you let us know what your revenue income was in the last two months?
- Management:** You are referring to the topline of these two months, right?
- Lakshmikant Shah:** Yes, what is the revenue generation in the last 2 months?
- Management:** We have done topline of Rs. 40 crore in last 2 months, Rs. 20 crore per month.



- Lakshmikant Shah:** And sir what is the dividend that you have declared, I think there is nothing shown anywhere, what is the dividend you have declared?
- Management:** Yes, we have declared 12%, Rs. 1.2 per share.
- Lakshmikant Shah:** As per last know?
- Management:** Yes, as per last.
- Moderator:** Thank you. The next question is from the line of Rajeev Bagla from Euro Trade Support services. Please go ahead.
- Rajeev Bagla:** Mr. Chandrakant, you had earlier mentioned regarding the Kenya, East African markets, especially Kenya, due to some audio concerns you were not audible, can I request you to repeat about that it, what is the strategy for East Africa?
- Management:** Actually, in Africa and the Eastern countries are in touch with various parties and in Kenya and Nairobi we have two associates who sell in the local business market the part of refrigeration units that we make. Apart from that we are there in Uganda, in Kenya and Uganda you might be aware a lot of Gujarati folks are in dairy and food industry. After we achieve a decent size we are thinking to have a local representative setup there and after sometime one exhibition is going to be held and 4 years ago also we had participated in an exhibition in Kenya, so we will do participation in the exhibition and the embassies and trade officers that are there, we are planning to meet them, so in exports Mr. Rajeev it is not like that, now domestic market is also growing very well here and we are getting good margins as well and in export there is not a special price premium, it is not that we are getting attracted because profit margin is good out there. We are gradually increasing our presence, our team is getting experience of exports and to generate good revenue from there, so we will be able to do it.
- Rajeev Bagla:** yes, it is important because market spread and geographical spread is important for strategy. Very good. Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Management:** Before we close the session, on behalf of Ice Make Board of Directors and Management would like to thank you all for your participation in earnings conference call. Thank you for listening and have a great time ahead. Thank you.
- Moderator:** Thank you. On behalf of Ice Make Refrigeration Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.