ICE Make Refrige.

18 August 2026

Operator: Good evening, ladies and gentlemen. I am Rana Aryan, and I will be your moderator for today's conference call. A warm welcome to ICE Make Refrigeration Ltd.'s Q1 FY27 earnings and investor interaction for the quarter ended June 30, 2026. We are pleased to have investors, analysts, shareholders, media representatives, and other stakeholders with us.

ICE Make Refrigeration Ltd. is an established provider of industrial and commercial refrigeration and cold chain solutions, with offerings across cold rooms, commercial and industrial refrigeration, transport refrigeration, ammonia systems, PUF panels, cold storage infrastructure, and allied solutions. The company's sectors include food processing, agriculture, pharmaceuticals, healthcare, hospitality, retail, dairy, seafood, and logistics. The company has also created significant value for stakeholders over the years, with the stock delivering over 3,000% returns over the past 5 years.

The company enters this phase with strong revenue momentum and an important strategic development: the proposed Rs 180 crore investment by Japan's Galileo Holdings Company Limited and the proposed strategic joint venture.

Before we begin, please note that certain statements made during this interaction may be forward-looking and are subject to risks, uncertainties, and assumptions. Actual results may differ. Participants are advised to refer to the company's regulatory filings for detailed information.

We have our management team with us: Mr. Chandrakant P. Patel, Chairman and Managing Director; Mr. M. Sreenivas Reddy, Chief Executive Officer; Mr. Nikhil Bhatt, Vice President, Strategy; Mr. Ankit Patel, Chief Financial Officer; and Mr. Mandar Desai, Company Secretary and Compliance Officer.

The format for today's session is that management will cover Q1 FY27 performance, financial priorities, and business strategy, followed by an interactive Q&A and closing remarks. In the opening, we will have our CEO, Mr. M. Sreenivas Reddy, followed by the financial performance review by our CFO, Mr. Ankit Patel, and a business and strategy update by our Vice President, Mr. Nikhil Bhatt. Investors and analysts will then have a Q&A session, followed by closing remarks from our CMD, Mr. Chandrakant P. Patel, and a vote of thanks from the Company Secretary at the end of the conference.

This conference call is being recorded. Questions are welcome in Hindi or English, with a preference for Hindi. For verbal questions, please use the microphone icon, which is seventh from the left. Written questions may be submitted through the question icon, which is fifth from the right. Please keep your questions concise and limit yourself to 2 initially so that more participants can be accommodated.

With that, let us begin. I invite Mr. M. Sreenivas Reddy, Chief Executive Officer of ICE Make Refrigeration Ltd., to share his opening remarks. Over to you, Mr. Reddy.

M. Sreenivas Reddy – CEO: Thank you, Aryan. Good evening, ladies and gentlemen. Thank you for joining ICE Make Refrigeration Ltd.'s Q1 FY27 earnings interaction.

Q1 FY27 began with strong revenue momentum. Consolidated revenue from operations increased by about 60% year-on-year to Rs 178.88 crores from Rs 111.50 crores in Q1 FY26. This builds on FY26 total revenue of Rs 668.20 crores, which is the company's highest annual revenue to date. Growth was supported by healthy demand across the refrigeration and cold chain segments, with newer categories such as chest freezers and continuous panels gaining excellent market acceptance.

The key issue for us now is profitability. Higher commodity and raw material costs, together with investments made to build future capacity and capabilities, impacted margins in the quarter. Our immediate focus is therefore on capacity utilization, operating efficiency, product mix, and cost management. As the assets and capabilities built over recent quarters are utilized more efficiently and effectively, we expect operating leverage to improve going forward.

A significant development is the proposed Rs 180 crore strategic investment by Galileo Holdings of Japan. We view this as a strategic partnership that can combine Galileo's excellent technology and global expertise with ICE Make Refrigeration Ltd.'s manufacturing capabilities, Indian market presence, and execution strength.

The proposed 60:40 joint venture, with Galileo Holdings holding 60% and ICE Make Refrigeration Ltd. holding 40%, will initially focus on commercial refrigeration products such as commercial upright and table refrigerators. The proposed capital will also support capacity expansion and modernization, the JV's center of excellence and development and testing laboratories, balance sheet strengthening, and selected growth opportunities.

Our approach remains disciplined. The objective is profitable, sustainable, and scalable growth supported by strong execution, better utilization, improved margins, and careful capital allocation.

With that, I hand over to our CFO, Mr. Ankit Patel, for the detailed financial review. Thank you.

Ankit Patel – CFO: Thank you, Mr. Reddy. Good evening, everyone. I will focus on the key financial numbers for Q1 FY27 and the company's financial priorities.

Consolidated revenue from operations for the quarter was Rs 178.88 crores, up 60.4% year-on-year from Rs 111.50 crores. Profitability, however, remained under pressure. EBITDA was Rs 3.09 crores versus Rs 4.53 crores in Q1 FY26, with the EBITDA margin at 1.7% compared to 4.1%. Profit before tax was a loss of Rs 2.23 crores versus a loss of Rs 1.84 crores previously, while profit after tax was a loss of Rs 1.65 crores versus a loss of Rs 1.47 crores in the corresponding period.

The margin pressure was mainly due to elevated commodity and raw material prices and the costs related to investments in capabilities and organizational capabilities.

Financially, our priority is to convert the strong top-line momentum into healthier profitability. We are working on capacity utilization, cost discipline, product mix, and operating efficiencies, with higher utilization expected to support operating leverage.

Our proposed Galileo transaction, involving an Rs 180 crore investment, is proposed through a preferential issue, with an additional Rs 10 crores proposed to be raised from other investors. The funds are intended for capacity expansion and modernization, the proposed JV, completion of the corporate office, development of the center of excellence and development and testing laboratory, repayment of certain borrowings, and selective inorganic growth.

The capital deployment will be phased and disciplined, with a focus on strengthening the operating platform and generating sustainable returns. The transaction remains subject to applicable approvals and customary closing conditions.

In conclusion, our 3 financial priorities are sustained revenue momentum, improved margins and operating cash generation, and prudent capital deployment while strengthening the balance sheet.

Now I hand over to Mr. Nikhil Bhatt, Vice President, Strategy, for the business and strategy update. Thank you.

Nikhil Bhatt – VP Strategy: Thank you, Ankit, and good evening, everyone. I will focus on the business mix, market opportunities, and the strategic directions for the next phase of growth.

ICE Make Refrigeration Ltd. is building a broader refrigeration solutions platform across commercial refrigeration, cold chain, food processing, hospitality, pharmaceutical, retail, and industrial applications. Newer categories such as chest freezers and continuous panels are also gaining traction.

Our strategy has 4 priorities. The first is capacity: expanding and modernizing manufacturing capabilities to support demand and improve service levels. The second is products: broadening the portfolio and building sustainable positions in attractive segments. The third is technology: strengthening product development through the center of excellence and development and testing laboratories. The fourth is market reach: deepening our presence across India's refrigeration and cold chain ecosystems.

As mentioned by Mr. Reddy earlier, the proposed Galileo partnership is strategically important because it combines complementary strengths: Galileo's refrigeration technology, product development, and manufacturing expertise with ICE Make Refrigeration Ltd.'s Indian market presence, manufacturing platform, customer relationships, and execution capabilities.

We expect the benefits to build progressively as investment, product development, manufacturing setup, and market development take place. Investors should therefore view the initiative with a long-term perspective.

The objective is not simply to add capacity or products, but to build businesses capable of generating sustainable revenue, stronger margins, and attractive returns on capital.

Our order book on hand is about Rs 220 crores plus, and we are quite confident of achieving our goal for the current financial year.

Thank you. I now hand the session back to Aryan for the investor and analyst questions and answers.

Operator: Can we start the Q&A now?

Management: Yes.

Operator: Yes, we can start. For the Q&A, you can use the microphone icon. We will take your question and unmute you.

Our first question is from Kanishk Gupta. I will unmute you, sir. You can go ahead with your question. Kanishk, are you there? You can also type your questions in case you have any. I will read one question that I have from an investor. Please give me a moment and let the question flow.

The first question is from one of the investors from Ahmedabad. He says, "The company has reported revenue of Rs 178 crores in Q1 FY27, representing 60% growth from Q1 FY26. If I take the revenue split in FY26 percentage-wise for each quarter and perform a rough mathematical calculation, FY27 revenue comes to Rs 1,000 crores. Can you confirm whether this is possible while maintaining an EBITDA level of 8-8.5% for simplicity of understanding?" Over to you.

Kanishk Gupta: Did you get my question?

Management: Yes.

Kanishk Gupta: What he is saying is that if you have Rs 178 crores in Q1 FY27, and since Q1 normally contributes 16-16.7% of full-year revenue, can we reverse-calculate the implied full-year revenue for FY27?

Management: The question is valid, of course. We have delivered excellent growth of 60% in Q1. However, investors should note that last year's Q1 base was actually low in terms of the new businesses. If you look at the chest freezer and continuous panel businesses, it was their first year, so the base was very low. Therefore, we posted excellent growth on a low base.

Going forward, our guidance for the year continues to be the same as stated before. Having said that, we will look at every possibility and opportunity to maximize revenue.

As far as EBITDA guidance is concerned, we are currently impacted on profitability in Q1. We are giving guidance of around 6-6.5% for the full year.

Kanishk Gupta: The first question is about the fact that, despite the 10-11% price increase indicated by management and the fact that a substantial part of the distribution and channel investments were already made during FY26, Q1 FY27 EBITDA margins came in at only 1.7%. Would you help us understand the key factors behind this significant margin pressure in Q1, apart from raw material prices that were largely offset by our price hikes? This is the question from Kanishk.

Management: The main issue was related only to the raw material price hike. We increased our prices a couple of times. However, after the price increase, there were further impacts due to the war and the strengthening of the dollar.

Our peers increased their prices more than twice, perhaps 3 times, whereas we raised our prices only twice. There are a few verticals where we have not fully passed on those prices because they are our new verticals.

Therefore, we feel that in the upcoming period, from H2, the impact of our price revision and margin improvement will begin to show. For the full year, we are comfortable delivering an EBITDA margin of approximately 6-6.5%.

Operator: The next question is from Swati Bhadnani. Her question is: Can you share the vertical-wise revenue bifurcation and how much the new verticals contributed during the quarter?

Management: Cold rooms contributed approximately 43%. Industrial refrigeration contributed approximately 3%. Traditional commercial refrigeration contributed 7%. Transport refrigeration was also approximately 7%. Ammonia and projects combined contributed approximately 5%. Continuous panels contributed approximately 17%, and commercial freezers contributed approximately 19%.

Operator: Another question from Kanishk Gupta is: What is the key rationale behind reducing the EBITDA margin guidance instead of expecting another price hike to protect EBITDA margins?

Management: The main impact was due to the war. Because of the war, margins have been impacted across all companies, including our peers. We had also taken price hikes, but in the new verticals that we had started and in the dealer network expansion, we were also considering the position of our new dealers. We did not want to impose back-to-back price hikes on them within the same year because we thought that the impact of the war would not last very long. We therefore kept a short waiting period for that.

However, we now feel that this war situation will continue. Since our peers have also taken price hikes, we are in the process of doing the same. As soon as we take the price hike in H2, our margins will improve.

In addition, because of the dollar, our indirect imports, which account for approximately 22-25% of our total purchase composition, have also been affected. This includes indirect imports as well. The impact was high this time, and we booked a foreign exchange fluctuation loss of approximately Rs 50 lakhs.

We will pass on the margin impact once because we have an ample order book. As of now, we have a pending order book of Rs 222 crores. We have ample orders, and our funnel is also quite strong. Therefore, we do not believe that our top line will fail to grow. Once the margin is passed on, I do not believe that we will be unable to deliver the margin.

However, because we have built future-ready capabilities during this financial year, and because the performance of this quarter and possibly the upcoming quarter will need to be offset, we are saying that we will achieve an EBITDA margin of approximately 6-6.5%.

After averaging out these 2 years, we will achieve EBITDA of 6-6.5% for the full year.

Operator: The next question is from Kaustubh Yauli from Blue Bridge Capital. He has 3 questions. The first is on margins. You have implemented 10-11% price increases, yet Q1 margins declined. How much of the raw material inflation has been passed through, and what is the current pricing lag?

The second question is on the Galileo JV. ICE Make Refrigeration Ltd. is investing Rs 35.3 crores for its 40% stake. What revenue, EBITDA, and ROC are you targeting from the JV over the next 3 years?

The third question is on the order book. What is the current order book and Q1 order book inflow compared to the earlier Rs 230–237 crore order book in Q4 and the Rs 50–60 crore monthly run rate? These are the 3 questions from Kaustubh.

Management: Regarding the price hike, we increased prices selectively by approximately 11%, but the overall industry impact was approximately 15–18%. We still have not passed on approximately 6–6.5% of the price hike. I am referring to the overall product mix. Therefore, we have still not passed on that margin impact.

Operator: Hello.

Management: The second question was regarding the investment in Galileo. Regarding Galileo—

Operator: Your voice is coming through. Hello? Ankit, your voice is coming through properly. You have gone on mute. Your microphone is muted.

Management: In Galileo, we have a 40% stake, and against that, we will invest approximately Rs 38–40 crores. The business plan is that production will begin only after 18 months. It will take another year for the margins to come in.

Therefore, after 2.5–3 years, we will be able to sit with them and make a more exact product projection. It is difficult to state the exact figure at this stage. However, it is a profitable business, and there is a significant gap in this product category in India. Manufacturing capacity in India is not sufficiently high compared to market demand.

Therefore, we are confident that this will complement our existing verticals. The two businesses will support each other. Our partner also has significant experience in this product segment. After considering all these factors together, we will be able to provide you with the exact figures.

Can you hear me? What was the third question, Aryan? Could you repeat it?

Operator: The third question was on the pending order book. What is the current order book and Q1 order inflow compared to the earlier Rs 230–237 crore order book and the Rs 50–60 crore monthly run rate that you mentioned last time?

Management: Our total pending order book is currently Rs 222 crores. Cold rooms account for Rs 39 crores. Traditional commercial refrigeration accounts for Rs 29 crores. Industrial refrigeration accounts for Rs 5 crores. Transport refrigeration accounts for Rs 4 crores. Ammonia accounts for Rs 87 crores. Projects account for Rs 45 crores.

For commercial freezers, we have an estimate based on our dealers. As of now, we have pending orders of approximately Rs 2–3 crores. Continuous panels have a pending order book of Rs 11 crores. The total is Rs 222 crores.

Operator: The current top line in the order book is Rs 222 crores. Another question from Kaustubh is: Given that you have taken fewer price hikes than your peers, have you seen any meaningful market share gains? Has your market share increased after the price hikes? What is your expectation for the raw material cycle over the next 2–3 quarters? What will happen to raw material costs?

We are also waiting in the queue for Manisha Kela. Can you go ahead and unmute yourself? Manisha, are you there? Mukesh, please check. The call has not been unmuted from there, although I have done it from here.

Management: Please ask her to refresh once.

Operator: Manisha, please refresh your system once. There may be an issue with it. In the meantime, please type your question. If there is another question, I will take that one.

Aryan, please translate the question into Hindi.

The question is that we took 2 price hikes, whereas our peers took 3. Did we see any increase in market share? What is our outlook for raw material prices over the next 2–3 quarters?

Management: It is difficult to quantify the market share gains. However, demand was quite strong across all the categories that we address.

I can comfortably say that we have made good progress in continuous panels as well as the chest freezer business. These 2 businesses have grown significantly, while we maintained market share and even improved it by a few basis points in cold rooms and the other segments in which we operate.

Regarding raw material prices, we expect volatility to continue over the next quarter, meaning Q2, with some impact carrying over into Q3 as well. We do not see any indication that raw materials will stabilize or that volatility will come down. We do not expect that possibility right now because you all—

Management: —know better, and you share my opinion that global uncertainty continues as before.

Operator: We are now halfway through Q2, with the winter season approaching. Would you give us some sense of the demand environment so far and the outlook for the upcoming winter season? How should we think about seasonality in H2? This is the question from Swati Bhadnani.

Management: Swati, this is a good question. We have a few business verticals that are season-agnostic, especially cold rooms. Demand for cold rooms is season-agnostic and will continue to grow because we operate across pharmaceuticals, food processing, seeds, and a couple of other segments that consume our cold room solutions.

Our new business line, continuous panels, is also season-agnostic. Although there will be some seasonality in the business, I can confidently say that these 3–4 lines in which we operate are themselves season-agnostic.

One business that is highly seasonal is chest freezers. However, demand for those products will also begin to pick up from the festive season. As the festive season begins, the impact of seasonality also gradually decreases because the festive season drives some demand for chest freezers, as we have seen in the market over the last 2–3 years.

Operator: The next question is from Manish Kela, and it is about the sponsored market. If you look at the sponsored market for visicoolers, why are we not targeting this segment?

Management: To cater to the sponsored market, you need to have larger capacity, and for that you need a significant amount of capital.

Currently, what we are trying to do is optimize to full capacity whatever we invested in during the last 2 years. If you talk about the margin scale, margins actually lie in the retail market and not mainly in the sponsored market.

Therefore, our first focus will be strongly on the dealer market and the retail market, where we want to establish our brand through the dealer channel and not under the name of Coke or Pepsi.

The first point is that it requires significant capital. The second point is that we want to establish ourselves in the retail market first, and then, in the next phase, we will enter the sponsored market on a mass scale.

Although this is a new product for ICE Make Refrigeration Ltd., we want to establish our product in the retail market, achieve good margins, and use those margins to expand into the next product lines and this new market.

Operator: The next question is from Kaustubh. Earlier, you mentioned that utilization in the newer facilities would be approximately 55-57%. Where does utilization stand now? How much revenue can the existing capacity support?

Chandrakant P. Patel - Chairman & Managing Director: The utilization of the increased existing capacity is quite satisfactory, but these products are seasonal. Both products are mass-produced and seasonal. They sell the most in the third and fourth quarters.

Therefore, it is somewhat difficult to state the average utilization so far. Can you hear me? Together, the 2 new verticals have contributed Rs 62 crores. You can understand that approximately 35-36% was their contribution to capacity utilization. Capacity utilization in the first quarter is 60%, while the second quarter is somewhat average for these products.

Kanishk Gupta: Can I ask a question?

Operator: Yes, please go ahead. You are Kanishk, correct?

Kanishk Gupta: Yes.

Operator: Please go ahead.

Kanishk Gupta: Thank you. Coming back to the question that Manish asked on the sponsored market, you commented that our first priority is the dealer market and that we need capital to expand our capacities to cater to the sponsored market.

With the approximately Rs 180 crore investment coming from Galileo, how do you plan to utilize it? Could you provide some details?

Management: Of the total amount for the various objects, Rs 58 crores is allocated for multiple purposes. One of the objects is also capacity building for ICE Make Refrigeration Ltd.

We will most probably have the funds available next month. Therefore, we will be able to increase the installed capacity in a phased manner. It will most probably take 5-6 months to deploy the funds and build capacity.

The benefit of the capacity upgrade will begin either around the year-end season of this financial year or, most probably, in the next financial year.

Kanishk Gupta: Apart from the Rs 58 crores, what would the rest of the capital be used for?

Management: There are multiple objects. We have specific upgradation plans for continuous panels and commercial freezers, and there are also multiple upgrades in the traditional verticals. Therefore, there are various objects within these Rs 58 crores.

In addition, there are some acquisition-related opportunities that are under discussion. We are still exploring them, so we cannot comment precisely on their status. Once the matters are finalized, we will update you in due course.

Kanishk Gupta: Since phase 1 has largely been completed, can we consider the future investment as phase 2 capex?

Management: Yes, this is phase 2 capex, which will be funded through Galileo.

Kanishk Gupta: My last question is that, in the opening commentary, you said that margins were impacted because of raw material prices, while revenue also grew significantly. Can we expect operating leverage to play out, given that revenue is growing very strongly but is not yet converting into the bottom line?

Management: The current situation is due to the war, which made it somewhat difficult for us to predict. Therefore, you will see this margin impact in the first half.

However, in the second half, as we said earlier, we are passing on the margin impact. Regarding the operating expenses that you mentioned, the company does not only want to reach Rs 1,000 crores; it wants to go beyond Rs 1,000 crores.

For the company's management to govern and run the business professionally and independently, we have to incur the cost in our books today. As we said, when the company grows beyond Rs 1,000 crores, the top line will increase. We will also take margins into consideration, but operating expenses will not increase by an equivalent amount beyond certain points.

What we see is that, given the business and opportunities we are currently observing, it is equally important to focus on building operating capabilities because the growth ahead will be rapid. If we wait until that time to invest, it will be too late.

This is the right time. Some cost will come into our books today, but if we look at the next 2-3-4-5 years, the benefit will come at a very substantial level.

When we look at large companies today, if we want to bring such independent operations into our company, we have to build the cost base today.

Operator: Thank you. We now have Mr. Tejas Patel. You can go ahead with your question. Can you unmute yourself? Tejas, are you there? Can you unmute yourself?

In the meantime, we will take one more question from Mr. Mausam Shah. His question is: What is the peak revenue potential from the existing capacity?

Management: After the first phase of capex, our installed capacity can contribute a top line of more than Rs 950 crores.

Operator: Kaustubh, we are unable to unmute you. You have another question for Mr. Chandrakant Patel. With the Galileo JV that you have entered into, how has your strategy changed to compete with larger players? How will your comparative strategy change against larger peer-group players that have strong pricing, cost advantages, and market share? How will pricing, cost competitiveness, and strong market share develop in the future?

Chandrakant P. Patel – Chairman & Managing Director: Is your question regarding the Galileo product in the JV?

Operator: Yes, it is regarding the Galileo JV.

Chandrakant P. Patel – Chairman & Managing Director: In this product category, I can say that in India there is only 1 good manufacturing player, and there is significant room in the market for a second player. There is a considerable gap because the complete need of the Indian market is currently being met by unorganized players and products imported from China.

We will manufacture in India with a Japanese partner. Because of ICE Make Refrigeration Ltd.'s own service network, brand reputation, and dealer service network, we will work as the second player in the market.

Price does not matter as much in this product category because the HORECA segment operates on a different scale for quality. Our chest freezers and visicoolers have become somewhat like commodity products.

However, with our own dealer network, brand reputation, and Japanese technology, we believe that we will be able to operate effectively within the trade practices currently prevailing in the market.

Operator: Are there any other questions? For any further questions, please unmute yourself or ask them on the Q&A panel.

Operator: Swati has a question. Following the previous question, can you quantify the market opportunity for the product with Galileo? What will be the market opportunity for your product under the JV with Galileo?

Chandrakant P. Patel – Chairman & Managing Director: Since there are also unorganized players, it is difficult to determine the market size. However, I believe it could be a Rs 1,500 crore market. Based on our understanding of the businesses of our peer group, the market size would be Rs

1,200-1,500 crores.

Operator: Is there any other question? Please type it here. I think there is some issue with the audio today.

Tejas Patel: Am I audible? Hello?

Operator: Yes, you are. Please go ahead. Tejas, correct?

Tejas Patel: Yes. Thank you very much for the opportunity.

Regarding the first quarter, please help me understand this. I assume that although you took an 11% price increase, there were orders that may have been placed at the old prices. I believe the order book in Q4 was close to Rs 200 crores. Could you provide an estimate of how much revenue in this quarter was booked at the older prices, where the 11% increase had not been fully passed through?

Management: We are guiding that, in this quarter, we will try to pass on some of the increase—

Ankit Patel - CFO: —but maximum visibility will come from H2. We do not expect to have a significant impact in H1.

Tejas Patel: My question was slightly different. We had taken an 11% price increase this quarter, correct? However, we had an existing order book of Rs 200 crores. That order book would probably have been at the older prices because the negotiations had already been completed.

I am trying to understand what percentage of the Rs 200 crore order book was executed during this quarter at the old prices, without the 11% increase being included.

Ankit Patel - CFO: If you exclude the project business from our pending order book, the existing pending orders for cold rooms, commercial refrigeration, and continuous panels would be approximately {? 70-75 crores ?}. You can consider that, within the current pending order book, some orders may have been booked at the old prices, and there may be an impact from that.

Tejas Patel: So are you saying that the project business still has the old prices?

Ankit Patel - CFO: Projects work differently. You can consider the project business to be old because it is tender-based. When we submit a tender, the order comes into our hands after 2-3 months.

The tender business has a thin margin. Therefore, there is not much value addition for us in that business. The price hike will have an impact, but the impact will not be as significant as it is on our other products, such as cold rooms and our own commercial refrigeration products. In those products, the price hike has a more immediate impact.

Tejas Patel: Understood. However, I am still slightly confused. My question was that the Q4 order book, the previous order book, would have contained a substantial number of orders at the old prices. A significant portion of that order book may have been executed this quarter without the new price being included.

The current Rs 200 crore order book, I assume, should all be at the new prices, correct? We increased prices from April itself.

Ankit Patel – CFO: Yes. You can assume that 50%, or Rs 100 crores, of the orders are at the old prices, and those are project-related orders.

Tejas Patel: So there could still be an impact from those orders?

Ankit Patel – CFO: Yes, that impact could still occur.

Tejas Patel: Have the price increases been passed on in PUF panels? Have the price increases in PUF panels been fully passed on?

Ankit Patel – CFO: The price increases have been passed on in PUF panels, chest freezers, and cold rooms. The second increase has also been implemented, and we are preparing for the third increase.

You cannot pass on the entire increase completely at one time.

Tejas Patel: Is it possible to state what gross margin we achieved in PUF panels in Q1?

Ankit Patel – CFO: That will be somewhat difficult to state at this stage because there are also some common operations.

Tejas Patel: No problem. Understood.

I am trying to understand management's perspective. Prices have increased by 16-18%, as you mentioned, but on an incremental basis we have only been able to pass on 10-11%. We may not have been able to implement a third increase because we had just started this new business and did not want to put too much pressure on the dealers.

What is happening is that, on one side, our growth is quite good, but on the other side, it is not converting. The incremental growth is not generating any cash flow. Every time we need capital for new sales because the existing sales are not generating any cash flow.

Although we have so much demand, are we consciously deciding to let some orders go because of the current environment, simply to manage this phase? Our only limitation is that we cannot pass on more of the increase while prices remain elevated.

Ankit Patel – CFO: This phase was somewhat difficult for us. We had not envisaged how long the impact of the war would continue. When there was some stability in between, we put the decision to take another price hike on hold because we thought prices might come under control.

However, the war started again. We have now decided to pass on the price increase. During this phase, the industry will also not be able to operate for a long period without taking a price hike.

In the new verticals, we have established a dealer network for business positioning. We want to maintain the confidence of those dealers in ICE Make Refrigeration Ltd. Therefore, we are not currently considering a situation where we allow orders to go.

Going forward, our focus will be on passing on the impact of the price hike to the orders we accept. Prudently allowing business to go could potentially cause us to lose our connection with the business.

We do not believe that, even after passing on the price increase, we will be unable to earn margins on future business. There are phases in a business when the quarterly outcome is not what we expect. However, that does not mean we should lose the potential business.

We currently have a strong pending order book and a strong funnel. When we take the price hike, its benefit will also be passed on. Our services are also quite good, so customers are comfortable with us, and dealers also have trust and confidence in us.

This is just a matter of time. In H2, we believe we will be able to show you the impact of passing on the price increase. For the full year, once the financial results reflecting the {? 6-6.5% ?} EBITDA margin we have indicated are published, investors will also gain confidence.

Tejas Patel: Understood. I have another question for Ankit. If I look at other expenses in Q1, they were almost Rs 30 crores. If I compare the same year-on-year with Q1 FY26, when the new business had not started and had not been capitalized, the figure was approximately Rs 22 crores.

If I assume that the normal expense for the old business was Rs 18-19 crores, then the incremental expense of Rs 8-9 crores this quarter—is it correct to assume that a significant part of this is fixed in nature?

My understanding is that our lines are largely automated. Therefore, whether I run the line at 30 or 60, the electricity cost will be largely the same, with some variable costs related to employees and consumables.

Is it correct to assume that, going forward, when utilization in the new business increases from the current 40-50% to 80%, this Rs 9-10 crore expense may not increase substantially beyond Rs 12-13 crores? Incrementally, it may not increase much and could go to a maximum of approximately Rs 13-14 crores. A major part of it is fixed cost.

Ankit Patel - CFO: We can say that this expenditure is more fixed in nature. There will also be expenditure of a variable nature.

The company has decided to establish the new products, invest more in branding, invest further in dealer networking, and continue with promotional activities. We have not stopped those costs.

Rather than compressing expenditure significantly, our first focus is to pass on the margin increase, grow the business, recover the costs against that growth, and show a profit.

There are activities where we can control expenses. However, we also have to look at the future. Even if one quarter or H1 becomes impacted, we do not see a reduction in future visibility. The profits we have delivered in the past give us confidence in the business that this expenditure will generate a payout in the future.

We are not thinking only about the current year. We want to take this business to a different scale in the future. It is possible that we may need to undertake further expansion in the future. At that point, this expenditure will prove to be an investment for us.

Tejas Patel: I understood. The purpose of my question was to understand how much of the cost is fixed in nature, so that I could understand whether the expense would remain the same against incremental revenue in the future.

I understand your point that there will also be marketing expenditure. However, for a broader understanding, if you want to quantify it, of the incremental Rs 10-11 crores incurred because of the new business, how much would be fixed in nature? In percentage terms, would Rs 6-7 crores be fixed, irrespective of utilization?

Ankit Patel - CFO: As of now, this information is not readily available. You can email us separately, and we will get back to you on it.

Tejas Patel: Sure. One more question is regarding the JV that we are planning with Galileo. Chandrakant said that it will take time, but the amount I have seen is quite significant. Together, the 2 companies will be investing approximately Rs 90 crores in this business, which is quite significant and provides a substantial starting point.

I am trying to understand when this capex will be committed. When can we start seeing revenue from this JV, and what is the plan for deploying these funds?

Ankit Patel - CFO: We have targeted production for February 2028. Our partner has provided an 18-month roadmap because the product also has to be designed after considering Indian conditions, Indian power standards, and environmental rules.

The complete product design and technology will come from them. Therefore, you can expect the product launch in India in February 2028.

Tejas Patel: Is this product being targeted only at the Indian market, or are you also considering markets outside India?

Ankit Patel - CFO: In the first phase, it will be the Indian market.

Tejas Patel: Understood. I also wanted to understand a broader perspective from Chandrakant. We are making a separate investment in the JV. I am trying to understand the rationale for Galileo investing capital in the company as well, instead of investing only through the JV.

How will that strategically help us? I wanted to understand the broader view based on your discussions.

Chandrakant P. Patel - Chairman & Managing Director: They have also invested in ICE Make Refrigeration Ltd. with a view to building a long-term relationship. To secure the JV, their principal company felt that investing in ICE Make Refrigeration Ltd. would enable us to support the JV effectively.

They had initially demanded a total stake of 20%. However, under the SPA, we had planned that they would not receive a controlling stake, and we had declined that. ICE Make Refrigeration Ltd. has multiple products, which is why they formed the JV and will also develop those products there.

Tejas Patel: Understood. The products we are considering for the HORECA segment are not currently being manufactured by us, correct? At least, that will remain a separate business.

Chandrakant P. Patel – Chairman & Managing Director: We do manufacture products for that segment, but it is not our focus in that product category. The products made using Japanese technology have no direct comparison with what we currently manufacture.

Therefore, we do not expect significant numbers from our existing and new businesses to be lost.

Tejas Patel: I have one last question, after which I will join the queue again. The JV may take 18 months. By when do you expect the acquisition to materialize?

Chandrakant P. Patel – Chairman & Managing Director: Acquisition remains an open possibility. Acquisition is one of the objects, along with expanding our own product portfolio and increasing manufacturing capacity.

There is also a need for geographical expansion because, considering the logistics costs of the products, we should have manufacturing facilities in 2-3 regions. Acquisition is one of the options among these objectives.

Therefore, we cannot say when an acquisition will happen or whether it will happen at all.

Tejas Patel: No problem. Understood. Thank you very much, and all the best.

Ankit Patel – CFO: Thank you.

Operator: There is an interesting question from the FDA, the Food Department of Maharashtra. The question is: Given the changes being seen in the market because of the FDA, and the way Mr. Tukaram Mundhe, the chief of Maharashtra's FDA, is encouraging businesses to ensure compliance with regulations, could this lead to an increase in demand for ICE Make Refrigeration Ltd.'s products? This is the question from Dhanesh.

Ankit Patel – CFO: These rules under FSSAI and the Maharashtra FDA relate more to food quality, the ingredients mix, and standard operating processes within hotels, among other matters.

We provide infrastructure, cooling infrastructure, and refrigeration infrastructure. I do not think these rules will have any significant positive or negative impact on us. However, they may help businesses comply with norms more effectively in terms of temperature hygiene and standards.

Operator: We have 2-3 more questions. One is from Mausam Shah. He is asking whether we are planning to reduce the Rs 180 crore debt that came into the company. The question is regarding the Rs 180 crore debt.

Ankit Patel – CFO: An Rs 40 crore debt repayment is included as an objective under our preferential issue. The other Rs 39 crores is classified as GCP, which is mostly toward working capital requirements.

The Rs 40 crores is specifically the amount we are planning to use to repay debt that was previously used for capex.

Operator: Thank you, Ankit. The second question is from Ankur Gulati. The question is: Why did depreciation decline from 449 in March 2026 to 205 in June 2026? This is a question regarding depreciation.

Ankit Patel – CFO: The company is undertaking significant capex in the upcoming period. The benefits of the capex we undertake will gradually begin to accrue to the business going forward, whereas under our previous WDV policy, the maximum depreciation was recorded in the initial year.

We felt that the benefit the company would receive from the investment would not align with the existing policy we had adopted. Therefore, to appropriately match the benefit with the cost in our books, we decided to change our accounting policy. This was thoroughly discussed by our Board, after which we adopted the revised policy.

The purpose is to match the benefit of our capex investment with the benefit of the top-line revenue that we expect to generate in the future. This will become aligned going forward.

The larger companies in the industry, including our peers such as Blue Star, also follow the SLM policy. Therefore, we felt it would be better to prepare our financial statements in alignment with our investment and this policy change.

Operator: I think we have already crossed 5-6 questions, so shall we close now? There are no further questions, I suppose.

I will now invite Mr. Chandrakant P. Patel, our Chairman and Managing Director, for his closing remarks. Over to you.

Chandrakant P. Patel – Chairman & Managing Director: Good evening. We saw strong revenue momentum in Q1 FY27, while improving profitability remains our immediate priority.

We are focusing on improving capacity utilization, efficiency, product mix, and cost discipline so that the investments made for future growth can translate into better operating performance.

The proposed Galileo transaction is an important strategic step for the company that brings together capital, technology, and new market opportunities. After the required approvals and closing conditions are completed, this transaction will help strengthen our commercial capabilities and can support the company's next phase of growth.

Our focus will remain on strong execution, disciplined capital allocation, improved margins, and sustainable value creation. We will continue to provide timely updates to the investment community as the proposed transaction progresses.

Thank you.

Operator: I now invite our Company Secretary, Mr. Mandar Desai, to deliver the vote of thanks.

Mandar Desai – CS: Thank you to all investors, analysts, shareholders, and other stakeholders for participating and for the constructive questions and discussion. Thank you, and have a very good day.

Operator: Since this is our first-ever earnings call on the V-Right exchange, I would like to acknowledge the early-stage technical difficulties we experienced during the Q&A session, including audio and unmuting issues.

We sincerely apologize for the inconvenience and truly appreciate the patience of all our investors and analysts who stayed with us.

On behalf of ICE Make Refrigeration Ltd. and Arina Matasco, that concludes today's conference call. Thank you for joining us. Thank you, everyone. You may disconnect your lines now. Thank you very much.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.