

November 17, 2025

To,  
Department of Corporate Services/ Listing,  
**BSE LIMITED**  
25<sup>th</sup> Floor, P. J. Towers,  
Dalal Street, Mumbai-400001

**Subject: Submission of Transcripts of Post Earning Conference Call held on Wednesday, November 12, 2025, at 03:30 P.M.**

**Scrip Code: 544458**  
**ISIN: INE0FMZ01045**

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company is hereby submitting transcripts of Earning Conference Call held on Wednesday, November 12, 2025 at 03:30 P.M. to discuss H1 FY 2025-26 earnings with Investors.

The said information will also be uploaded on the website of the company <https://www.shreeref.com/>.

Submitted for your kind information and necessary records.

Thanking you,

**For and on behalf of**  
**Shree Refrigerations Limited**  
**(Formerly known as Shree Refrigerations Private Limited)**

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**Ravalnath Gopinath Shende**  
**Managing Director**  
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**Shree Refrigerations Limited**

**(Formerly Known as Shree Refrigerations Private Limited)**

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## **SHREE REFRIGERATIONS LIMITED**

**H1 FY 2025-26**

### **POST EARNINGS CONFERENCE CALL**

November 12, 2025, 03:30 PM IST

#### **Management Team**

Mr. Ravalnath Gopinath Shende – CMD  
CMDE. Sunil Kaushik NM, VSM (Retd.) - WTD  
Mr. Abhijit Saoji - CEO  
Mr. Manoj Kothale - CFO  
Ms. Devashree Nampurkar – WTD

**Call Coordinator**



Strategy & Investor Relations Consulting

## **Presentation**

### **Vinay Pandit:**

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the H1 FY26 Post Earnings Conference Call of Shree Refrigerations Limited. Today on the call from the management team we have with us, Mr. Ravalnath Gopinath Shende, Chairman and Managing Director; Commodore Sunil Kaushik NM, VSM (Retd), Whole Time Director; Mr. Abhijit Saoji, CEO; Mr. Manoj Kothale, CFO and Ms. Devashree Nampurkar, Whole Time Director.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to run us through the investor presentation detailing us about the business, performance highlights for the period ended September 2025, their growth plan and vision for the coming years, post which we will open the floor for Q&A.

Over to the management team.

### **Ravalnath Shende:**

Thank you, Vinay. Welcome, honourable members in this conference call of the first H1 earnings call from Shree Refrigerations Limited. As a tagline, we don't manufacture products, we manufacture pride. That is by way of level of being mission critical, complex technical, HVAC solutions for the Indian naval warships and submarines.

Inside Shree Refrigerations, leading defence-oriented manufacturer of high-performance refrigeration and air conditioning solutions for the Indian naval warships and submarines. To begin with, I have to tell my honourable members in this call here that we are the only Indian HVAC manufacturing company who have been qualified by three professional directorates of Indian Navy, Directorate of Marine Engineering for air conditioning plants, Directorate of Architecture for Air Conditioning, and Directorate of Electrical Engineering for the electrical control panels. All three registrations together enable us to provide a totally in control end-to-end solution for the Indian defence, naval warships, and submarines.

Indian defence, thermal air conditioning was facing challenges in terms of dependence on high-cost inputs, lack of local support, and Shree Refrigerations decided to accept the challenges. In terms of engineering to meet the naval standard, will integrate specification,

cost effectiveness, as well as comprehends of the defence and industrial standards of Military Grade.

What drives us is the mission to provide reliable, high-quality equipment for the defence needs. Vision is to build a stronger nation by way of very strong supported indigenous products and cooling solutions. And the purpose is to contribute or participate in the Make in India and Atmanirbhar Bharat initiative of the Government of India, creating a locally manufactured design, develop manufactured products, which will meet the exact standards of Indian Navy.

The journey of Shree Refrigerations started by me way back in 1990 as a manufacturer of domestic and heavy chillers, which makes us to switch to industrial applications like milk, cooling and newspaper printing chillers, which graduated into making spray damping systems for newspapers. And in the process, we also made critical imports substitute products for testing, the cooling capacities of Compressors, by way of making calorimeters, the cooling capacities of air conditioners by way of psychrometric rooms and balanced ambient calorimeters being the only company in India to do that.

In 2012, it became started its journey in the marine refrigeration and air conditioning, a very struggleful four to five years. Started getting fruits in 2016, and we did the first major warship air conditioning of INS Dhruv. 2017 was a watershed event in the company's history and even India's indigenisation success story of developing the submarine air conditioners for the Scorpene Submarine completely in India without any further collaboration by the company.

And I'm glad to inform all the august audience here that the last Scorpion Submarine INS Vagsheer is completely installed in Shree Refrigerations make air conditioners, powered by Shree Refrigerations make panels. The next challenge thrown to us to induct oil free magnetic bearing companies of chillers in the Indian naval scenario, air conditioning plants, and we accepted that in 2018 by way of bringing a technology demonstration, by way of participating in a tender for P17A alpha warships and eventually meeting all the multi-national companies to win that contract.

Subsequent growth in the market has been astonishing even by any standard that we went on to win Shallow Water Corvette contract. We went on to win Fleet Support Ships contract. All the three contracts of Fleet Support Ships which are being currently manufactured in Hindustan Shipyard, Vizag like refrigeration plants, air conditioning

and air conditioning plants are run by Shree Refrigerations, which of course required expansion in the capacity, expansion in the financial strength by way of securing strategic investment from Maharashtra Defence and Aerospace Venture Fund.

Then focused in 2024 to shed the private limited tag and become a limited company, and then in 2025, all my august members here have been aware of get an opportunity to be a part of the growth journey of Shree Refrigerations. Something that started in 1990 with a INR 10,000 investment. Today, posting INR 100 crores turnover last year. Subsequent numbers will of course be shared by the CFO.

The team that we just discussed myself, Mrs. Rajashri, our Executive Director; Devashree is a Whole Time Director; Commodore Sunil Kaushik has been through various stages of Indian Naval segment of warship production, running the warship, maintaining the warship, the whole lot of Portfolios with his esteemed career with two awards NM and VSM is we are going to have him as a Whole Time Director of the board.

**Vinay Pandit:**

Before we move to the next slide, due to your bad throat, the voice is not audible. Could somebody else continue with the presentation, sir?

**Abhijit Saoji:**

My name is Abhijit, Abhijit Saoji. And let me continue with this presentation. Coming back to the Board of Directors, the Board of Directors which you have seen is from our promoter family. The slide which is right now you are viewing are our Independent Director that was Lalit Rai who I don't have to introduce him, he is a war veteran, our Kargil War veteran, medal winner, and as well as been a big name in the HR industry.

Commodore Vivek Karnawat, who's an Executive Officer, retired from Indian Navy have a long career into a financial segment, handling insurance, handling lot of investment in a lot of other companies. Mr. Athawale, Ex-Vice President of L&T Precision Engineering, dealing with the defence industry. Mr. Shastri, who's a CA and CS. He has handled a lot of CFO position in various Kirloskar companies. Currently, he is an Independent Director with us.

This is Shree Refrigerations team. You can see the average experience of this particular team is around 25 odd years of experience. So it's well headed by our various people. I will not get into a detail of it.

Let's look at our business review. When we talk about a business review, the picture that you see in this slide is actually what we are proud of and I can tell you, rather than from this presentation. This is the chiller which we have supplied to a project called as P-17 Alpha. This is the first big order which we got. The order value was around INR 150 crores and I'm proud to say we had completed this project in given time frame by the Indian Navy.

This is the first time this kind of a technology got introduced in a naval platform in India, and we are delivering it, meeting the stealth requirement. We are right now handling an HVAC solution where we design, manufacture, supply, install, and obviously handle the services and spare parts of all the Indian naval ecosystem. The business comes from this. When we talk about design and manufacturing supplies, basically for a new build ship as well as retrofit ships. And as all of us are aware, the defence segment or defence ecosystem also has a service and spares business at a substantial level.

Even though the product which you see for the first half may not give my statement a credence, but when you will see probably at the end of the year, you will realise that what the schedule which we are making are very true.

These are some products which we are designed. Few of the products. If I talk about the Marine Split Air Conditioner, they will have been done. Most of the ship has over a period of time has lot of what do you call the heat pocket where they have been buying the split domestic air conditioner which has resulted into lot of accidents. So on the challenge given by Indian Navy, we created a Marine Split Air Conditioner. The product which you see are the submarine air conditioner, everything else. Let's look at it up.

This shows you the manufacturing facility which we have currently. We are operating at two manufacturing facilities. Around 40,000 square feet of our manufacturing facility is available for us currently. We are also in the phase of building up our own new manufacturing facility around 50,000 square feet. This is the first phase of it. We will have a few more phases coming as and when the business potential gives the green signal to us. All the manufacturing facilities are located around 180 kilometres of Pune towards Bangalore.

This is the most important slide according to a defence ecosystem. Because when we talk, when we create an equipment, all the equipment has to be tested 100% level. There is a testing protocol,

which has been given by the defence ecosystem. And those are the most critical most important. And the best part about it, all this testing equipment are designed and manufactured by ourselves. I don't know whether you recollect Mr. Shende in his slide of journey of Shree Refrigerations mentioned about test equipment.

Today, we have our own test equipment almost installed on all the refrigeration appliance manufacturing company, whether it's LG, Godrej, Emerson, Tata Motor and get the cycle of the name. But when you come back and look at this facility, the right-hand side picture when you read controlled ambient AC test room. In fact we are the only people who have this kind of a test room which test the HVAC system. All my friend in the industry are testing the HVAC system in a normal open environment temperature. So today, these kinds of facilities are only available with Shree Refrigerations.

Where are our presence? And, obviously, you can see all our presence are near to the port, because the most of the customer are near to the port. Sorry the team has not added one more name. There's Chennai, also we have now installation service team.

When we talk about this kind of a manufacturing facility, when we talk about this kind of a product range, obviously, we need to have our own competitive strength. One strength which we have is basically having a certification from all three Directorates. That's important. Second is obviously in-house manufacturing. Today, most of my friends in the industry are a system integrator.

We have created that difference with this industry by having our own manufacturing facility. Today, it is completely backwardly integrated and forward integrated manufacturing facility we have, as well as we have a huge design office, which we will see in subsequent slides. We have almost 21 people in design as of today. An important thing, I just showed you on our earlier slide where we have an after-sales service across all the ports.

Strength, weakness, and analysis. I believe all of you must have done SWOT analysis for the Shree Refrigerations. Let me go to the strength most important like design, manufacturing, service. And I having all the certification and as well as the quality, clearance from the defence ecosystem are our strength. Opportunity, do I need to say more? The defence ecosystem today has bring it with a huge opportunity. We'll talk about a number probably when we will discuss with you separately.

Okay. These are the few certifications and registrations which you see. As we've been mentioning, we have a certification of registration from all the defence directorate. That is, quality warship, electrical engineering, mechanical engineering, and as well as construction. We also have a ZED Gold. Zero defect in our manufacturing given by Government of India, IRS, DQA certification, and CE, obviously, for some of the products.

Financial highlight. Let me pass on the baton to Mr. Manoj Kothale, who's a CFO, and he's the number man. Thank you

**Manoj Kothale:**

We put highlight on the financials for during the first half of our company. During this period, we generated revenue from operation of INR 50 crores. Our EBITDA margin remained at 11.2%, and net profit margin was 2.9%. The margins were impacted due to the new HVAC orders execution onsite and large onsite manpower, impacted the short-term margins.

We strategically expanded our team size from 247 to 323. The front-loaded employee costs that's impacted the market during the first half. The revenue recognition will be following in the subsequent financial periods. Nonetheless, we are expecting to maintain the long-term EBITDA margin somewhere between 20% to 22%.

Our opening order book as of April 1, 2025, remain at INR 215 crores to which we added INR 162 crores of new orders. Out of this, we executed INR 50 crores of orders. And at the end of 30th September, we are having INR 327 crores in orders in hand to be executed to upcoming two to three years. For which we are already employed our team. That's why, the employee cost went front-ended, and revenue will be calling in upcoming financial periods.

Here's the financial performance over the past three years. From 2023 to 2025, our revenue grew at the 40% CAGR. Our EBITDA grew at 50% CAGR. Our PAT has grown at almost 5 times as compared to FY 2023, and our EPS grew at 101% CAGR.

This is the figures we have already shared.

**Abhijit Saoji:**

Let Commodore Kaushik handle on this. He is the one who's actually also looking out.



**Sunil Kaushik:**

So, we are already well entrenched into the Defence segment, as you're all seen in the presentation. As we go forward, we are going to extrapolate this Marine segment and move away from not only defence but also the non-defence applications.

As you all must have heard, the Government of India trust on merchant shipping, merchant marine. We're expecting to have upwards of 200 ships in the coming orders for upwards of 200 ships being constructed within our country in the next three to five years. It's a huge, huge potential, and Shree Ref is absolutely well poised to take advantage of what we've done in the Naval segment into the non-Naval segment.

We have also gone into from sea onto land by entering into an agreement with one of the global leaders in providing data centre cooling solutions. That is M/s Smardt. With this, we are intending to leverage our expertise in oil free compressors, which so far, we've been using at sea onto land. And we are going to be in partnership with Smardt providing cooling solutions for data centre cooling. This also represents a very, very big opportunity as all of you are aware.

It's a number which is expected to grow almost double in the next three to five years from the present level of about 600 million to almost upwards of 1 billion in the next three to five years. So the opportunity for Shree Ref is huge, and we are very, very well poised to leverage these opportunities.

So I don't have to, say this again. As that already mentioned in the previous slide, there's a huge opportunity which is in front of us. We have already taken steps to be able to meet that opportunity or whatever challenges it throws on to us. We've already got our manpower in place. We've already got our factory spaces in place. And going forward, we are expecting to grow in about 40% to 50% CAGR because of the kind of opportunities that are there.

Well, we've got our own, these are some of the people whom we are working with. I don't think I need to elaborate much on this. We go next, please.

So thank you. That's in a nutshell. What we do at Shree, and what we've done in the past six odd months, what we presented you. I think we are now going to take any questions.

## Question-and-Answer Session

**Vinay Pandit:** Sure. All those who wish to ask a question may use the option of raise hand. In the initial round, we'll request you to ask only two questions and let others have a chance to ask questions. We'll take the first question from Garvit Goyal. Garvit, you can go ahead, please.

**Garvit Goyal:** Hi, good evening. Sir First question is on the order book. The current order book that we are having, what is the execution timeline for it? And while we're speaking about 40% to 50% growth year-over-year, so this year, how we are going to meet the targets? That's my first question.

**Abhijit Saoji:** If I understood your question, I had to divide into two parts. One is the order book position and the execution time of it. The second one is about the CAGR rate, how we are going to do? Okay. Let me answer in the correct order book position. As of today probably you are aware of it is INR 327 odd crores rupees and execution time for INR 327 crores of order book position is around two years' time. That's one.

The second part of the story, whether how we will grow by 40% to 50% CAGR, right. The market is growing at this ratio, and we will grow along with the market.

**Sunil Kaushik:** So, Garvit, just to add on to what the CEO has said, you are all aware and you're all reading how the government, our government is actually giving acceptance of necessities or giving approvals for growth in the defence sector in general and the navy in particular. So, based on the kind of approvals that the government has given and the kind of future approvals that are expected from the government, we see that the market is growing at about 40% to 50%.

And our growth is going to be absolutely mirroring what the government is going to approve. That is actually at a conservative level because what we're talking about is only the defence of the marine sector. Right now, we've not factored the data centre ecosystem, which we are going to add on to this. So we are very, very confident that we will meet this kind of a growth target.

**Garvit Goyal:** No Sir, I was specifically asking about FY 2026 like, first half is more or less muted for us, as compared to first half last year. So I just want to understand like to achieve that 40% growth this year, how are we going to do it? Like, what for that purpose, we need a significant execution in H2. So what is giving you that confidence?

- Manoj Kothale:** The first half, we're as per the requirement of the customers. Second half delivery requirement from the customer are much higher as compared to first half. And we will be meeting the targets as has have been projected by us.
- Ravalnath Shende:** And we are responding to the scenario by renting another 20,000 square feet of factory and recruiting a whole lot of manpower to be able to make the customer delivery expectations.
- Garvit Goyal:** And Sir regarding the net margins, last year, our net margins were around 14%. So what is the trajectory here? Like this year maybe because of the higher employee expenses and other expenses as well. So what is your target for this year like, and how the trajectory will be going on going ahead?
- Manoj Kothale:** We think to maintain the net profit margin as of last year for this year also.
- Garvit Goyal:** No. That's what I'm trying to understand. How is it possible? Like employee costs are significantly elevated, right? So I'm trying to understand, like how is it going to be possible?
- Sunil Kaushik:** See it's very robust order book. As we can see, right? And there is a very clear visibility of the revenue. It's not what is the expectation of delivery by the customer. So what you've seen this half is exactly what the customer needed or wanted. So we made what the customer's expectation was. Going forward, there is a heightened requirement that the customer requires for delivery over the next six months. All those deliveries are already at various stages of manufacturing. So we are very clear that we are going to meet the customer's expectations over the course of the next year as well. So it's based on that that, we are indicating to you what the figures are.
- Ravalnath Shende:** Just give me a second. And Mr. Saoji already told in his presentation that in-house manufacturing is the strength of Shree Refrigeration that gives us the total control quality, cost, and delivery. And we are strengthening our manufacturing processes by introducing robotic building at some places, assembly line production, the variety of products, which will reduce the delivery time, which will enhance the throughput time in the factory, which will add directly to the margins.
- Manoj Kothale:** One minute. To add this, our revenue in the second half will be much higher as compared to first half. And the fixed overheads will not be

increasing at the same ratio. This leveraging of fixed expenses will contribute to the bottom line, and we will be meeting the last year's Profit Margin this year also.

**Garvit Goyal:** So on full-year basis, we will be, like, INR 140 Cr top line and maybe INR 20 Cr kind of PAT is what you are targeting. Is that understanding, correct?

**Abhijit Saoji:** We will be probably in the range of around 140 to 150 crores of a top line with a similar percentage of a bottom line as compared to last year.

**Garvit Goyal:** Thank you very much, sir, and join back the queue. Thank you.

**Abhijit Saoji:** Thank you so much.

**Moderator:** Thank you, Garvit. We'll take the question from the line of Meet Katrodiya. Meet, you can unmute and go ahead, please.

**Meet Katrodiya:** Yeah. Congratulation, on the gold order book in the core defence business. Sir, I want to set some context. Earlier, when we have tap with a Smardt duty for navy chillers, we were successful to drive the MNC out of the market, but maybe, it was maybe due to the smaller market and maybe even MNC was not even focusing on the navy business.

So my question is on the data centre opportunity like, globally, large data centre chiller market is dominated by very few multi-national OEMs. And as per our feedback, getting approved by the hyperscalers and even consultant is usually quite difficult. So could you help us to understand, like, what specific edge you have versus the large global players? I know that we have tied up with the Smardt, and it is an oil free magnetic bearing technology, but our core competitor also have these tag. So just want to understand how you are penetrating this market?

**Ravalnath Shende:** I'm glad to inform, my honest audience here that Smardt have already approved vendor with most type of scalers like NTT, AWS, and a whole lot of their beta. The only thing that has changed in the Indian context is now we have partnered with the Smardt to provide the local support system. So, the market is now wide open with pre like you can maybe case registered and we were leading the show. In this case, Smardt already registered with one of the most high skills and we have that advantage of getting into the segment, this one. No special

approved procedure needs to be taken up in India, getting into the data centre market, mainly for the high scalars.

**Meet Katrodiya:** Okay. So you're telling that my understanding is that if you can correct me if I'm wrong, Smardt is already registered, let's say, maybe JOTA, SW and we are only providing the support system currently, right?

**Ravalnath Shende:** In the early part of the story, definitely, yes.

**Meet Katrodiya:** Okay. Nice. Great, sir. Secondly, on the data centre solution, like, you must already be in the discussion with the multiple customers. So what kind of feedback are you getting from the market so far? Like, what are the top concerns maybe which at Shree Refri and adding to it also, what are the key approval milestone we need to tag from the Shree Refri if this milestone is clear let's say two, three years down the line, we can expect that Shree can scale in that part of the business also.

**Abhijit Saoji:** Mr. Meet, let me put your question in two or three different questions. The first is the initial feedback from the market when we announced our tie up with smartdt with a lot of hyperscalars as well as the local big players, and when they realise that we are coming on with a different solution, which is not available in Indian market as of today. So people are well secured, because data centre as such is a technically very advanced ecosystem. So when we are coming over the oil free chiller which has the impact, very sustainable solution. High efficiency, so obviously, people are curious and people are aware of that. So the first the immediate feedback is people are very, very positive about this tie-up. Second is, we are always known in the refrigeration and the HVAC industry as test equipment supply to most of the refrigeration companies.

Whether it's Carrier or a BlueStar, they are my customer. So our name as such is creating a critical equipment, always well known in the industry. So that is all going to obviously help us in putting off our hold in it.

**Ravalnath Shende:** Most important point is the location of my service team for the Navy, which is doing again ultraheat chiller solutions and the strategic locations of data centres where the cables are going to land are the same. It's going to be Mumbai. It's going to be Chennai. It's going to be Vizag. That's an added advantage. We have over the competition.

**Meet Katrodiya:** Understood, understood.

- Moderator:** Meet, I would ask you to please join the queue because there are a lot of participants waiting for it.
- Meet Katrodiya:** One last, can I?
- Sunil Kaushik:** Meet, can I ask you a question. You asked a very interesting question as to what are the cardinal points that, you feel that you should monitor for assessing the growth of Shree Ref or the penetration of Shree Ref into the data centre market, right? Actually, I would like to quoted to you actually? And I understand from the market, as you are a representative maybe of the market as well as, of course, you are definitely part of the Shree family. As to what is it that you expect us to do so that we can meet your aspiration?
- Meet Katrodiya:** Basically, it's very hard to comment from our side, that as an investor, we like to see the company scaling in the data centre also. In the Navy and the Defence segment, we have scaled up very well through the help of Smardt and through the help of yours also, sir.
- So if in the data centre, there was a concern only that there are many MNCs, and they are focused on the chilling solution because chilling is a major cause of the data centre, right. So when the MNCs are dominating this market in the globally also, then, Shree Ref as a small company, how they can scale this market in India, it will be very interesting for us to track. Yeah, so we are very happy to see that if Shree can scale in this business and how we are trying to penetrate.
- Sunil Kaushik:** Understood, Meet. Thank you for your trust in Shree Ref and you can be rest assured that in the coming years, you will find some great amount of penetration that's happening.
- Ravalnath Shende:** Thank you, Meet. Thanks.
- Meet Katrodiya:** Thank you.
- Moderator:** Thank you, Meet. We'll take the next question from the line of Darshil Jhaveri. Darshil, you can unmute and go ahead, please.
- Darshil Jhaveri:** Good evening, team. Thank you so much for taking my question. So some of my questions have already been answered, but so just wanted to ask, like when we say we are delivering as per customer's expectation or customer schedule. So is this going to be a recurring thing for us like is H1 going to be a bit weaker always, and H2 will be

the more profitable quarter? Or how would we consider seasonality for us?

**Sunil Kaushik:**

Okay. No. Darshil, it is not like that. See, shipbuilding itself is governed by the kind of orders, that the government approves and the kind of order thereafter that the shipyards give to sub vendors. At this point in time, it is such that the revenue cycles have been, and the final impact was similar last financial year as well, when roughly 20% to 30% deliveries were maybe in the first half and about say 70 odd percent were there in the second half. That same thing is continuing this year. But going forward, it's not going to continue to remain like this. The deliveries or the revenue realisation is going to be more even. This is based on two factors. The first factor is the existing status of the existing orders.

Whereby the deliveries are going to be more evenly spread across the year. And the second factor is the higher number of orders there, that are there on the annual and that we have either won or expecting to win. So when the consideration of orders increases, which is almost happening, the order delivery will also become very, very smooth. So to answer your question with the present delivery schedule, as I mentioned, the revenue realisation on in the next financial year is expected to be relatively even across the year. And going forward, that's going to become the norm.

**Darshil Jhaveri:**

Okay, okay. That helps a lot. So just wanted to know, like, so we even at the small dip in terms of our gross margin this year, like we usually were around 50%. And right now, we are at 45%, I think. So EBITDA, we can consider like, their higher employee cost. But so it's just the thing that even we are guiding for around 20% EBITDA margin, but previously we've done higher than that. So just wanted your commentary, like, how do we see the EBITDA margin target? Are we being conservative when we give the guidance or what do we see that?

**Manoj Kothale:**

So one of the reasons for - one more reason for EBITDA margin reduction is change of product mix. So last year, the revenue from spares were almost 40%. And this year, it is, amounting for almost 8% of the revenue. So this has impacted the margins. Going forward, the product mix changes, the EBITDA margin will also do.

**Darshil Jhaveri:**

Okay, okay. Fair enough.

**Manoj Kothale:**

EBITDA margin is somewhere between 20% to 22%.

- Darshil Jhaveri:** Okay. Okay. Because I think that in FY 2024, we are 30%, and FY 2025, we are around 27%. So that's where I was coming from because the significant reduction on the margin that we have.
- Sunil Kaushik:** So the peculiarity of defence business is that once you win an order, there is a certain amount of revenue visibility, which is there for a very, very long-term. Because after you deliver, install and commission, after you deliver, you install and commission. And after you commission, thereafter you sustain or you support it, supported by way of services as well as by way of spares. So these two factors continue to give you a very robust revenue stream. So, there is a good amount of visibility as far as because we've got a large amount of orders. There is a good amount of visibility for a long-term.
- Darshil Jhaveri:** Okay. Okay. That's fair enough. And I just wanted to know, like, H1, we have revenue saying FY 2027, we'll have more even delivery. So what kind of revenue targets we can have? Like, I think the way we are seeing about our order book to be executed, we should be able to cross like INR 200 crores, right.
- Abhijit Saoji:** So to answer your question, probably, we could do our presentation also. We are expected to grow around 40% to 50% CAGR rates for next four to five years easily. So you can easily make out what kind of a revenue realisation we will have from the next financial year.
- Darshil Jhaveri:** Okay. Fair enough. Just sorry, one last question from my end. So this revenue we're speaking is about defence, right, data centres will be completely additional to whatever we have that, right?
- Sunil Kaushik:** Not only data centre, even the non-defence marine that will also be in addition. So it'll all become plus plus.
- Darshil Jhaveri:** So when would that start approximately? I don't want any exact, but we wish to start that when?
- Abhijit Saoji:** Sorry. We didn't get your questions.
- Darshil Jhaveri:** So the non-marine defence and data centres, those part, will they start coming in from FY 2027 or how long would we have to do?
- Sunil Kaushik:** It's not middling from the coming financial year. It will start with the trickle. But I'm sure that all of you have seen in the past month or two months, the amount of trust that the Government of India has given in,



by way of the ship building financial assistance scheme, by way of marine development fund, by way of setting our greenfield, new greenfield shipyards. So there is a huge amount of policy trust that the government is giving. And for this realisation, it will take about three to five years. Thank you, Darshil.

**Darshil Jhaveri:** Yeah, thank you. I'll get back in the queue.

**Moderator:** Thank you, Darshil. We'll take the next question from the line of Chintan Parikh. Chintan, you can unmute and go ahead please.

**Chintan Parikh:** Yeah, thank you, Vinay bhai. My question is to Manojji. So on the reasons which impacted the margin, it is mentioned that the new orders required on-site execution. But usually, when we bid for this, we have this kind of escalation clause or change in delivery location. So shouldn't that have covered the additional expenses which were incurred on this? And the second question is on the point, which was mentioned called revenue recognition to follow in subsequent financial period. If you can help me understand what does that mean?

**Manoj Kothale:** What was on-site site execution was we have hired, we required to hire additional manpower for on-site execution. That has result impacted on margins

**Abhijit Saoji:** Let me answer you. So what' has happen you know, the execution part of the story. We realise the revenue of certain orders in the last financial year for which certain execution expenses has been put in first of this year. Is that what you're trying to say?

**Manoj Kothale:** Yes. We have hired the team. But the deliveries will be following the second much higher part of the deliveries will be in the second half of the financial year. The delivery are as per the requirement of the customers only. And the deliveries which are expected to be given in the second half, are much higher as compared to both of these years.

**Chintan Parikh:** Okay. And so what do you mean by revenue recognition part?

**Manoj Kothale:** Expected delivery dates from the customers.

**Chintan Parikh:** Okay. So, we mean to say that the revenue could not recognise because the delivery timeline got extended by the customer.

**Ravalnath Shende:** I'll create one point here. For something which is getting invoiced in was the week off say December, would that be starting manufacturing

in the month of April, March? It's a long manufacturing process for some equipment. And the line item in the deliveries need to be clubbed. Like, if I need 80 equipment and orders for 90 equipment, I will dispatch all of them in one lot.

**Chintan Parikh:** Okay. And our subsidiary, Trezor, is it doing any business as of now? Are we planning to set up manufacturing with the help of Smardt or are we going to just do the trading of or implementation of their products into contract.

**Sunil Kaushik:** At this point in time, we are not going to be doing the manufacturing. Going forward, it's very much one of the options which is there on the table. That's not a demand at this point in time. At this point in time, it is to be able to establish ourselves in the market.

**Chintan Parikh:** So, because in earlier question, mentioned that the revenue from the data centre business will come in subsequent years. So if we are not manufacturing, why that revenue will be delayed? Why can't we kick start that with the help of Smardt?

**Sunil Kaushik:** The revenue will only come once the project is executed.

**Ravalnath Shende:** I'll break it here. Chillers that's not getting invoiced in this financial year may have been placed two years before.

**Chintan Parikh:** Okay. Understood.

**Ravalnath Shende:** Because it is finalised at the beginning of the project. The execution rate takes one, one and a half year. See let's come somewhere in between.

**Chintan Parikh:** But do you have any order book on the data centre chiller?

**Ravalnath Shende:** Yeah. We have an enquiry book.

**Chintan Parikh:** Enquiry. Okay. Thank you. I'll get back into the queue.

**Moderator:** Thank you, Chintan. We'll take the next question from the line of Paras Chheda. I would request all the participants again to please limit yourself to two questions, please, since many are in queue.

**Paras Chheda:** Yeah. Thank you so much for this opportunity. So just first things, just a clarification to another participant you responded. EBITDA margins expectation has been lowered to 20% because of product change mix.

Therefore, what would be the new normalised PAT margin now instead of that 14 percentage?

**Manoj Kothale:** PAT margin will remain somewhere between 13% to 15% this year.

**Paras Chheda:** Because we are now projecting a lower EBITDA margin? Yeah.

**Manoj Kothale:** But it will be on the higher revenue. Thereby meeting our PAT margin.

**Paras Chheda:** So I was trying to say, the PAT margin that you've mentioned is about 14 to 15 percentage points?

**Manoj Kothale:** Yes, sir. 13% to 14% for FY 25 - 26.

**Paras Chheda:** And in longer term also?

**Manoj Kothale:** Yes.

**Paras Chheda:** Okay. I wanted to know that we are you known, known for sector exposure, etc. With our current capitalisation, etc., what kind of peak revenue can be achieved? We have a capacity that is in place, right? We have got some space that we have leased in, and another manufacturing facility is being built at a, whatever, 1 lakh square feet, 50 plus 50. But given the working capital constraint, what kind of peak revenue capacity can we do and by when will that be hit before another equity dilution comes into play?

**Abhijit Saoji:** I can't understand the question. Mr. Chheda can you please repeat the question? I'm sorry. We're not able to hear you.

**Paras Chheda:** What I was trying to say is that our company is in a sector which is working capital intensive. We have currently capitalised our balance sheet with whatever funds, IPO funds that we've raised and the previous results. So with this current capital and whatever capitalisation that we have, what kind of peak revenue can we hit before we go for another round of equity dilution?

**Abhijit Saoji:** Your question is basically from a financial point of view. Let me rather than answering your question...

**Paras Chheda:** Yeah, Sir we may have data centre orders. We may marine ship building orders. We may have HVAC from defence orders. All of these orders, we may get benefit. But our balance sheet may not be

able to cater to all these, because of working capital cycle. So I'm thinking what is the peak revenue that can be managed with the current capitalisation without going for further equity dilution?

**Manoj Kothale:** So as far as working capital requirement is there, we are working on, improvising the working capital cycle. Further, our balance sheet is not generally leveraged, so we can raise enough working capital required for working capital required for further execution and as far as we are putting a 50% CAGR.

**Paras Chheda:** Sorry. Again, let me reframe one more time. Okay. So let me put it this way. We have certain capacity.

**Vinay Pandit:** Paras, let me try to help out over here. The question that he's trying to ask is that we've raised money through IPO. When is the next we'll look to raise money until we reach what size? Till what size are we good to go with the current funds that we've reached?

**Abhijit Saoji:** Yeah. Okay. So as of today, we believe that once we cross the threshold limit of a 500 plus crores, we will not need any more capital raise from the market. And from -- this is, let's say, from a capital side of the story, but let's look at it from our infrastructure point of view also. The infrastructure which we are today building up can cater to this kind of a revenue also.

**Paras Chheda:** Understood. Thank you. And just for some last query, what is our current bid, we have the order book which is ₹327 crores. What is our current bid pipeline or the enquiries sum total?

**Abhijit Saoji:** What is the next part of the question? I didn't understand.

**Ravalnath Shende:** Enquiries, what he says.

**Sunil Kaushik:** So I will tell you, Paras, the Defence Acquisition Council as in this year, approved 10, have given granted 10 AOLs, out of which RFP, for only three so far has been issued. So we are expecting RFPs to come out for about ₹1.52 lakh cores in the course of maybe another year or so. That's for the existing events. The Indian Navy is also aspiring to become a very large force. And we're looking at somewhere the target is from the present size to go to about a 160 ship navy somewhere around 2030 which is just about three years from now and grow to about a 175 to 200 ship navy by the year 2035. So that represents almost about 60 odd ships that are going to be. Is there any further clarification, I mean.

**Paras Chheda:** Just okay. So what is the current bid that you've done for these projects? And there is a vast opportunity. I have understood that.

**Sunil Kaushik:** Thank you.

**Vinay Pandit:** So what is the current bid pipeline that he's talking?

**Abhijit Saoji:** The current bid pipeline for today, till let's say March 2027. If I would pay some period, so I'm taking a period till March 2027 will be around ₹800 odd crores rupees. Only from a new ecosystem, if I add another marine ecosystem, we can add another ₹200 crores.

**Paras Chheda:** Okay. Thank you.

**Abhijit Saoji:** Thank you, Paras.

**Moderator:** Thank you, Paras. We'll take the next question from the line of Aryan Singh. Aryan, you can unmute and go ahead, please.

**Aryan Singh:** Good evening. I'm Aryan from RKIS. My question related to financials. We had higher interest cost in stand-alone financials of ₹9 odd lakhs compared to consolidated financials. So what's the reason for that?

**Abhijit Saoji:** Can you repeat the question, sir, please?

**Aryan Singh:** My question is related to financial statements. We had higher finance cost in stand-alone financial statements rather than consolidated financial statement. The difference is of ₹9 lakhs. We have higher finance cost in stand-alone financial statements.

**Abhijit Saoji:** Can I keep this question on waiting list and answer to you by end of this meeting?

**Aryan Singh:** Yes.

**Abhijit Saoji:** Thank you so much, Aryan. Can we take the second question?

**Aryan Singh:** Okay, sir. Thank you.

**Abhijit Saoji:** Thank you for your cooperation. Can we have the second question?

**Swapnil Sontakki:** Hello. I'm Swapnil Sontakki. My question is on capacity expansion. Once the new, 1 lakh square foot facility becomes operational, then what incremental revenue capacity will it enable? And by when do you expect Phase 1 to start contributing to the top line?

**Abhijit Saoji:** I answered you for your first part of the question, we are saying that up to ₹550 crores to ₹600 crores. We will not need any further manufacturing capacity. Once we have 100,000 square feet of manufacturing capacity operational. That's first part of the question.

The second part of the question, the first phase of it, which is what we are saying is 50,000 square feet, will be up and running from next financial year. Start of financial year. Next financial year, our guidance are, we will be growing by 40% to 50% CAGR, right. And that will take care of itself.

**Swapnil Sontakki:** Thank you.

**Abhijit Saoji:** Thank you.

**Moderator:** Thank you, Swapnil. We'll take the next question from the line of Srinatha. Srinatha, you can unmute and go ahead.

So we'll take the next question from, Rohan Chokshi. Rohan, you can unmute and go ahead, please.

**Rohan Choksi:** Hi. Firstly, congrats on the amazing results. I've done some research on the industry that you work in, and I've heard that it's very, very hard to crack in. And it takes at least five to seven to 10 years to get approved and get in the list of these big companies and to get to the level that you're at. So firstly, huge congratulations.

**Abhijit Saoji:** Thank you.

**Rohan Choksi:** Can you provide us some information on the industry landscape? Because it seems like you have cracked the moat of getting orders from these big companies. So how hard or how easy is it going to be for someone new to come and do what you have done is my first question.

**Ravalnath Shende:** My favourite question, that's not easy. And the one of the main results is the kind of focus of very, very committed in the semi-cap. Cannot be, seen in larger corporations very easily when it comes to Indian market. And we have replaced some of the very large format

companies, and within the defence ecosystem by virtue of pure strength, focus, and commitment. My team's commitment towards supplying quality equipment, maintaining it onboard, management commitment towards creating requisite capacity, hiring the correct manpower, and ending the proper designs, a lot of investment in the research development and tight testing of the equipment to meet the exacting level expectations is not easy for a company that is for results on quarter-to-quarter basis.

**Sunil Kaushik:**

Rohan, let me just add on to what Mr. Shende has said. You're absolutely right when you have concluded from the research that entering into the defence, not easy. I will add on to that saying it will also not be for the weak hearted. The reason for that is because one, defence equipment required is extremely stringent testing bigger equipment. There are very, very "cumbersome" processes that need to be followed, because they are essential. But to the industry at large, they're steam combustion, but they're absolutely essential from a naval point of view.

In addition to that many people fall down because of this. Second is the gestation periods, for trials, for certifications, for qualifications is very large. Thereafter, once you get qualified, these cycles for production, in fact, the company can produce fast, but the cycles for deliveries and the cycles for realisation of your revenue, they are all large. They have their own administrative issues. They have their own administrative lead times. So, again, that's the reason why I say it is not for the weak hearted. So because of this, there is a large number of people who not want to probably do not want to enter into the defence ecosystem or get deterred.

There is nothing to get deterred actually in my point of view because from my point of view, because I've been part of the defence ecosystem. And I know that everything is very, very streamlined and structured, but you have to meet the requirements.

**Rohan Choksi:**

And just my last question. I think everyone's asked questions about the top line, bottom line today, but my last question is just between the lines. So when the management, you guys come into room and discuss that you want to be here in three years or five years, then what are those discussions like? Where do you see yourself? Let's say three years and what are those discussions like? We would love to know that beyond the numbers.

- Abhijit Saoji:** You are more than welcome to part of one of the discussion Rohan. And then you will not see a jacket sit on my shoulder.
- Sunil Kaushik:** But you will see fold ups, right.
- Ravalnath Shende:** Anyhow, may I take this opportunity to please request all the honest investors on this call to please make a visit to my manufacturing facility because in a place, you will not very easily find on the map. This is called Karad. We have been able to create a company which gives the multinationals a run for their money.
- Rohan Choksi:** Thanks, guys.
- Ravalnath Shende:** Can we take another second question?
- Abhijit Saoji:** We will take it last rather than...
- Moderator:** Thank you, Roshan. We'll take the next question from the line of Tushar Gupta. Tushar, you can unmute and go ahead, please.
- Tushar Gupta:** Hello, thank you for the opportunity. I just want to know two things. First, you have mentioned somewhere that we are working on heat pumps. What is the market size for that and when we are going to supply these products and what sort of margin in that? And second question is also on, we are working in a retrofitting side of business. So what is the margin there and, how we are doing that at present?
- Abhijit Saoji:** Okay. Tushar, let me answer your second part of the question retrofitting. And then we will go back to the heat pump side of the story. When you talk about retrofitting is the existing ship where we had to remove the existing plant and HVAC system and put our system. That's an exciting business because it also adds in the future, adds revenue and service revenue to top line. Margin point of view, it gives you a little bit of margin as compared to the new bit. Definitely, but it is a little tedious process. About a heat pump, as of today, we even though we have a technology available with us, but our focus is on a data centre. And once we establish ourselves with a data centre, we will talk about a heat pump market.
- Ravalnath Shende:** Heat pump is a matter of interest because of our commitment to the green energy efficiency and sustainable heating solutions. Technology essentially being the same. But as of now, there is no market initiative in that direction.



**Tushar Gupta:** Okay, so retrofit margin, how many retrofit business segment, how much revenue contribution it is in the top line in terms of percentage?

**Abhijit Saoji:** This year, it will be around 32%.

**Tushar Gupta:** Okay, thank you.

**Abhijit Saoji:** On a whole year basis, not on first half basis on a whole year basis. I'm talking about.

**Tushar Gupta:** Okay. Thank you.

**Moderator:** Thank you, Tushar. We'll take the next question from the line of Ashish Soni. Ashish, you can unmute and go ahead, please.

**Ashish Soni:** Regarding this spares life cycle, because there's a higher margin product for us. So how does it typically work when you develop or retrofit the ship? So I just want to understand that?

**Abhijit Saoji:** Before Commodore Kaushik answers to this, let me answer your call very difficult one. See, in a defence ecosystem, the spares have been divided into two parts. One is called onboard spares where we supply the spares along with the equipment. And the second big chunk which comes is called as base and depot spares, which comes at the middle of a completion of a project. So these are the two different spare business which we are talking about. Now so that you can talk about the life cycle, that's a bit.

**Sunil Kaushik:** Ashish, it is like this that during a ship in its lifetime needs to get periodically updated quite obviously because of the changing requirements. And it is because of obsolescence or degraded performance over a period of time were very important. So that is why you have a retrofit business. Retrofit business is something which is extremely important for us, because it gives us an opportunity to create the market where we necessarily weren't already existing, where we weren't existing player. But it gives an opportunity to all players, equal opportunity to all players to enter into that market. So it is a very, very important, segment.

As far as the spare is concerned, well, like, Abhi has already mentioned, it provides spares, OBS, as well as the onboard spares because every ship when it gets deployed needs to be able to maintain its own equipment, so they have some spares with them. And they have recently four spares which cater to two. One is replenishing on

board spares, and second is to cater to depot type of repairs, which are major repairs. So, typically, you have on board spares which cater to about a two-year requirement and a base and depot spare which cater to about a five-year requirement.

**Ashish Soni:**

And next question on the export side, because a lot of our companies, Indian companies are doing exports also. There was announcement that Cochin Shipyard is doing tie-up with some company. So just want to understand what's your thought process in export because now we established in this area, you want to actually capitalise on this. So exports wise, are we open for tie-ups, and any friendly relations are we working with through government or whatever? Just give us a broad perspective on that?

**Sunil Kaushik:**

So what you're hearing whether it's Cochin Shipyard or whether it's any of the other shipyards, what they're executing are ship orders. At present, these ship orders are moving away from the markets in China, moving away from the markets in Korea, Japan etc and moving into newer markets like Vietnam and India. India is the absolute hot pit for new shipbuilding orders because the existing orders in the other countries are extremely full up in their capacities.

Plus, of course, there are some geopolitical considerations as well. Now, when a European shipyard or a Canadian shipowner places an order on to say at Cochin Shipyard or GRSE or any other shipyard, they come with specified vendors who provide the particular equipment.

And typically, those vendors are obviously some people who provide or one for local missions. So if your equipment, it's got to be fitted on ships which are being built for, say a German owner, for example, or a Norwegian owner for example. There's got to be some local presence in that particular geographical area. Hence, at present, Shree Refrigerations does not have that presence and is not looking at that presence at this point. However, there are some discussions on which I think it's little premature or I would not like to disclose again them in entirety at this point in time. But there are some discussions at least to cover certain naval aspects with the marine aspects.

**Ashish Soni:**

Last question on EBITDA margin for data centre business. So what's a typical EBITDA margin we are looking? And is it only services business, what I understand from your earlier points on the data centre business?

- Ravalnath Shende:** That's right. So at present it is a commission plus service.
- Abhijit Saoji:** Let me also add what Mr. Shende just said. It is not only a commission. The top line will be added to those. So in much value will be added to my top line. So it's not only a commission. EBITDA margin is too early for us to talk about it, but we expect EBITDA margin to be in line with our defence business.
- Ashish Soni:** And this is our last question. This question...
- Moderator:** Ashish, there are many in queue. We'll request you.
- Ashish Soni:** Thanks. All the best.
- Moderator:** So we'll take the next question from the line of Akshay Badjate. Akshay, you can unmute and go ahead, please.
- Akshay Badjate:** Yeah. Hi, thanks for taking my question. So, very quickly, coming back to your EBITDA margins in the past, you used to do EBITDA margins of anywhere between 27% to 30%, which sort of converted into 13%, 14% on PAT, PAT side, right. Now you're giving a long-term guidance of about 20% to 22% of EBITDA margins. But however you are maintaining the PAT that your net profit margins will continue to be at 13% to 14%. So there seems to be a little bit of a disconnect here. How is it that my EBITDA margins are falling, but somehow, I'm able to maintain my net profit margins going high?
- Manoj Kothale:** So historically, the EBITDA margins were the lower side of revenue. The revenue increases, even when EBITDA margins are coming with, higher revenue will be, contributing more on the bottom line. So fixed overheads will not be they have the same rate. It will help us to basically, depreciation, cost not be increasing in the same issue that it is increasing.
- Akshay Badjate:** So which means that actually your EBITDA margins will be higher than what you have put in your presentation, right? Because if operating leverage is going to kick in and with the higher top line, then it means that you will actually end up achieving margins which were equivalent to what you did in the past or even better than that, right?
- Manoj Kothale:** So, last year's EBITDA margin achieved with the product mix, with a different product mix. This year, we will pay somewhere between

20% to 22%. Hopefully, going forward with the space revenue in this, the EBITDA margin will also increase.

**Akshay Badjate:** Understood. Right, my second question is on, so we wanted to understand the specific opportunity available to Shree Refrigerations out of this entire big build out which is happening on the Navy side. So like you said, our number of ships are going to go to 200 ships by 2030, 160 ships by 2030. There are about, 2 lakh crores of RFQs which have been floated. So out of these 2 lakh crores or 160 ships, right, what is the addressable opportunity, the market in which we are playing? And how many players in your view are operating actively in this particular segment?

**Sunil Kaushik:** So if you just take a very broad rule of thumb, the HVAC segment, value of the order of a particular ship project, the value is anywhere around 0.5% to 0.8%, 0.9% of the complete order. So that's the kind of opportunity that is available. There are three or four major players, while they're in the market. So theoretically, everybody has got an equal opportunity. 25% or 30% if you divided equally about all the players. However, we have been pretty successful in garnering 50 and upwards percentage of the market share.

**Akshay Badjate:** Understood. All right. I have a few more questions, but I'll come back in the queue again.

**Moderator:** Thank you, Akshay. We'll take the next question from the line of Deepak Mehta. Deepak, you can unmute and ask a question. So, we'll give the chance to all those who haven't got the opportunity to ask the questions. So we'll take the next question from the line of. Yeah, Deepak, please go ahead.

**Deepak Mehta:** Yeah. Good evening to the management team. My question is around what would be the revenue mix in FY 2027 or FY 2028 for defence and the data centre. And in the data centre, how you are planning to go into the market? It is through the partnership or, directly at a single entity for HVAC operation facilities.

**Abhijit Saoji:** Definitely go into data centre with the partnership with the Smardt that we have already published, announced. Already the agreements are signed. So we'll continue what we've got as Smardt to address to need of a data centre cooling solution as well. Now coming back to the question, the first part of the question is the guidance for 2027 or 2028, FY 2027 or FY 2028. That is what we've been trying to say all

the time is that we will grow approximately a CAGR rate of 40% to 50%, and 2027 and 2028 both. Does that answer your query?

**Ravalnath Shende:** Does that answer your query, Deepak?

**Deepak Mehta:** Yes, I wanted to specifically ask the revenue mix if you have any rough goal or...

**Abhijit Saoji:** But as Commodore Kaushik in his earlier answer, just said that we expect a trickling business in FY 2026. Major business coming in 2028 from a data centre. With our major business, business mix point of view, it will be in double-digit.

**Deepak Mehta:** Okay. I will get into it. Thank you.

**Moderator:** Thank you, Deepak. We'll take the next question from the line of Kannaya B. Mr. Kannaya, you can unmute and ask the question, please.

So we'll move to the next participant. We'll take the question from Mr. Vishal Kumar. Vishal, you can unmute and go ahead, please.

**Vishal Kumar:** Hello. Good evening. First of all, thank you very much for the opportunity. As a company, we are always ahead of the curve as well as R&D is concerned, let it be HVAC solutions or chiller or refrigeration solutions. So I just wanted to understand. You just said that each pair has almost around 25% of market share. So my first question would be, in the ongoing projects, which Navy is, I mean, the warship which are coming. What is our market share? I mean, the order book which we have told ₹327 crores, I mean, what is the percentage of orders which we have got from navy?

**Sunil Kaushik:** Just before Mr. Saoji comes in, I just like to correct you a little bit. It is not that all players have got 25%. What I said is if there are four players, theoretically, every player has an option of possibility of getting 25%. And doesn't necessarily mean that a particular firm get 25%. I mean, all the firms get 25%. Could then be some firm gets 40%, other firms get 10%, or things like that. Our market share, we have been able to capture upwards of 50%.

**Vishal Kumar:** Right. And follow-up to this. I mean, will be able to maintain the same market share as, there's a huge pipeline for warship coming in.

**Sunil Kaushik:** I don't think we have any doubt about it.

- Abhijit Saoji:** Your expectation is to just maintain our market share. And our expectation is to the market share.
- Ravalnath Shende:** And the anticipation of that is where we are enhancing the manufacturing and service capabilities.
- Vishal Kumar:** Right. And just to understand, let's say if some player wanted to enter this sector, I mean, there is lot of certifications and a lot of R&D involved. So how much time it should take for a new player to settle in in this sector?
- Abhijit Saoji:** Vishalji, any chance of you trying to enter into the segment? But jokes apart. We will take this question probably on a separate occasion on separate level.
- Ravalnath Shende:** I just share by the range. We imagine to get into the business in 2012 with a first alternative in 2016, 2017 framework.
- Abhijit Saoji:** That gives you the answer. We had gone through five years of gestation period.
- Sunil Kaushik:** Vishal answer to your question was given a little bit earlier also. I think when somebody asked how difficult it is for a new entrant to come in. Well, let's repeat that again. It's not -- it's difficult, and it's not for the weak hearted. There's a large amount of difficulties.
- Vishal Kumar:** Right. Lastly, you have already touched upon the opportunity as far as shipbuilding is concerned. So, I mean, in how much time should we expect the order? Or, I mean, we know we are already doing a lot of R&D, and a lot of things are going on. But in revenue this thing, I mean, how much time should it take us to get an order from, let's say, for some cargo ship or something?
- Sunil Kaushik:** Typically, what happens is the large shipbuilding is available in capital intensive, and there's a large amount of resources required for its construction. Luckily, we already got a couple of very, very capable shipyards who are already in existence who can handle such kind of big ships and merchant ships are usually much bigger in size and dimensions and in tonnage. So we only got two companies on it. A couple of shipyards were only capable of handling this kind of larger ships.

So I think, the kind of trust that the government is giving, the kind of impetus that is there and the kind of kick starting that the government has been giving, this should happen sooner than later. I think we're getting some of the smaller ships and it does. There's also a green transition policy which the Government of India has decreed, which requires all the auxiliary result which help the larger ships to manoeuvre in and out of the harbour. That's a requirement of about 300 odd which need to convert into green tons.

So those orders these have already started manufacturing that and orders have already started clicking it. So I think, for smaller ships or three vessels, we should start seeing some realisation in the coming years. But for the larger ships, it should happen sooner than later.

**Vishal Kumar:** That's all. Thank you, and all the very best.

**Abhijit Saoji:** Thank you, Vishal.

**Sunil Kaushik:** Thank you, Vishal.

**Moderator:** Thank you, Vishal. We'll take the next question from the line of Abhay Jain. Abhay, you can unmute and go ahead, please.

**Abhay Jain:** Hi. Thank you so much. I wanted to ask regarding the ₹175 Cr orders of L1 which you are in. So I wanted some clarity on that, how much you have received? How much you yet to receive? And what is our bid pipeline?

**Abhijit Saoji:** Sorry, 175 Crore total is something which I'm not even sure I understood it correctly. What is that question is about ₹175 crores?

**Abhay Jain:** Your L1 orders. That your L1 in that?

**Abhijit Saoji:** There is some mismatch in the figure which you're talking about.

**Paras Chheda:** I think this number was mentioned in the RHPs where he is referring from it seems.

**Abhay Jain:** Yeah.

**Manoj Kothale:** So all the orders have been already received. And as of the 30<sup>th</sup> September, we have an order say and which has already placed, our POs is already placed and the amount of which is ₹327 crores.

**Abhay Jain:** Okay. And your bid pipeline?

**Abhijit Saoji:** Yeah. I just told you that we have 800 plus 200. 800 from a Naval Ecosystem is 27 March 2027. 200 from a non-naval ecosystem. That is marine segment.

**Abhay Jain:** Okay. Thank you so much, sir.

**Abhijit Saoji:** Thank you.

**Moderator:** Thank you. We'll take the next question from Ramachandra G. Mr. Ramachandra, you can unmute and go ahead, please.

**Ramachandra G:** Good evening. My question is on the gross margin. So if we look at the six months, our gross margins were at 41%. So it has been come down from 45%. So my question was, do you operate on a fixed price contract or on a variable contract with you put a clause telling that we'll pass on the cost if the raw material prices go up?

**Abhijit Saoji:** Most of the contracts are on fixed price. You just compare that 45% to 41%. This we've been trying to answer this question by saying a product mix which you saw last year to this year about the service or spares revenue. So with this spares and service revenue as on a much higher percentage on the gross margin. So which you'll see a difference here. And which is what we are trying to say that, by end of this financial year, our PAT will be exactly at the same percentage level of the last year or little better than last year. Percentage point of view.

**Ramachandra G:** And my second question is you told us you'll do an expansion of 50,000 square feet. So how would that financing would it be like, equity dilution or, again, debt inclusion is going to happen, or would it be a mix?

**Manoj Kothale:** So the fund requirement for the expansion has been available with us. If we make one there out of general corporate purpose first. The expansion is expected to complete it by March.

**Sunil Kaushik:** Actually, just to ask answer your question, there is no additional requirement of funds for the planned expansion. It's already catered.

**Ramachandra G:** Okay. Fine Thank you.



- Moderator:** Thank you. Due to Paucity of time, we will take one last question from Mr. Kannaya B. Mr. Kannaya you can unmute and ask your question.
- Abhijit Saoji:** Vinayji, we need to also answer to Mr. Aryan Singh's questions. We will answer that at the end of our meeting.
- Vinay Pandit:** Sure. Mr. Kannaya's line, I think there's some problem. You can answer that question in the meanwhile.
- Abhijit Saoji:** Yeah. Go ahead.
- Manoj Kothale:** So the lower amount of the increase on consolidated financial statement is mainly due to elimination of intercompany transaction. The interest can lead to place out technology on the internal corporate deposits taken from place off. The same has been eliminated to further consolidation.
- Abhijit Saoji:** Mr. Aryan, are you there? I hope you have got your answer.
- Vinay Pandit:** Yeah. Yeah. Basically, inter corporate deposits have got offset and consolidation is what you're answering.
- Aryan Singh:** Yes. Thank you. Yeah.
- Ravalnath Shende:** If the meeting is closing. I had two points...
- Vinay Pandit:** Sure. We would like to invite you to give your closing comments.
- Ravalnath Shende:** The closing comment is I express my heart felt gratitude to all my members here for really asking highly qualified, better researched questions, and I hope we are able to answer back to the field. My commitment in doing that maybe goes beyond, numbers and all because the idea is to create a truly strong company which can cater to any amount of technically challenging jobs that the Indian Navy can throw at us, like in Scorpene submarine air conditioning. And we want to be a real beneficiary and benefit the Indian Navy through the government initiatives of Make in India, most importantly, Atmanirbhar Bharat.
- One important point, which does not reflect in any of these presentations because it comes at the end of a financial year and goes directly into the bottom line is that being located in a place like Karad, the Government of Maharashtra is giving us a capital subsidy to the

extent of 50% of the capital investment in the plant and machinery, including land and building. So we expect the substantial amount as we grow both expanding, the eligibility for the subsidy goes on increasing that is a period of 10 years. So there's a steady stream getting into the bottom line which just the company's financials in a big time.

And my request to all the present members here with the email ID where you can post your questions. We can have a lot of information request from you. You'll be only pleased to answer all the questions. Thank you for being a part of the growth story called Shree Refrigerations. Thank you.

**Vinay Pandit:** Thank you. And thank you to all the participants for joining us on this call. That brings us to the end of today's conference call. Sir, you would like to add something.

**Ravalnath Shende:** Abhijit, you can take over.

**Abhijit Saoji:** The point which I would like to add here is the closing statement is, again, assuring to the investor community. Even though H1 was a little muted, that's because of the results in the year of the business. And the H1 business, we had done on a lot of results behind it, but we can assure you and we are very confident about that our year end. We will meet our target. We will on the top line as well as on the bottom line. And we will still continue grow at the CAGR rate which we have been mentioning. Absolutely grateful.

**Sunil Kaushik:** Thank you, guys. That was very grateful for your comment. Thank you.

**Vinay Pandit:** Thank you. And thank you to all the participants for joining on this call. This brings us to the end of today's conference call. Thank you.

**Ravalnath Shende:** My pleasure. My gratitude. Thank you.

**Devashree Nampurkar:** Thank you.