

About Shree Refrigerations Limited

Shree Refrigerations Unlisted Share - Company Report

1. Business Model

Shree Refrigerations Limited functions as a manufacturer and supplier of Heating, Ventilation, and Air Conditioning (HVAC) systems, as well as refrigeration equipment. The company is dedicated to providing tailored cooling solutions, especially for defense applications, thereby supporting India's 'Atmanirbhar Bharat' initiative by presenting economical alternatives to international competitors. Their business model prioritizes innovation, quality, and customer satisfaction, underpinned by a strong commitment to research and development aimed at delivering advanced and efficient solutions.

2. Products

The product range offered by the company encompasses: - Air and Water Cooled Condensing Units - Chillers - HVAC Systems - Spray Dampening Systems



These products are designed to meet the needs of various industries, including defense, marine, and commercial sectors.

3. Clients

Shree Refrigerations caters to a wide range of clients, particularly in the defense sector, such as the Indian Navy and defense Public Sector Undertakings (PSUs). Additionally, major media organizations like Hindustan Times and Eenadu have adopted their products, reporting notable energy savings and enhanced print quality following the implementation of the 'DuoSpray' spray dampening system.

4. Management

The management team consists of:

- Ravalnath Gopinath Shende, Chairman & Managing Director
- Rajashri Ravalnath Shende, Executive Director
- Devashree Vishwesh Nampurkar, Executive Director

This skilled team is responsible for steering the company's strategic initiatives and operational activities.

5. Competition

In the HVAC and refrigeration sector, Shree Refrigerations encounters competition from both local and global manufacturers. The competitive landscape includes risks such as pricing pressures, product advancements by rivals, and the emergence of alternative products. To counter these challenges, the company prioritizes innovation, quality, and customer satisfaction, dedicating resources to research and development to provide efficient and state-of-the-art solutions.

6. Risks

The company is exposed to several risks, including:

- **Limited Scale of Operations:** Shree Refrigerations operates primarily on a tender basis, focusing on defense PSUs and the Indian Navy. Delays in the tendering process and challenges like the pandemic have contributed to decreased revenue in recent years.
- **Working Capital-Intensive Operations:** The company has substantial gross current assets, largely due to significant work-in-process inventory and lower revenue recognition, leading to high working capital demands.
- **Average Financial Risk Profile:** Elevated gearing ratios and weak debt protection metrics, stemming from reduced revenue and limited profitability, have negatively impacted the company's financial standing.

To mitigate these risks, Shree Refrigerations is concentrating on enhancing operational efficiency, managing working capital judiciously, and improving overall performance.

Fundamentals

Fundamentals			
Shree Refrigerations	225 Per Equity Share	Market Cap (in cr.)	598
Unlisted Shares Price		P/E Ratio	57.99
Lot Size	5000 Shares	P/B Ratio	9.47
52 Week High	225	Debt to Equity	0.6
52 Week Low	225	ROE (%)	16.86
Depository	NSDL & CDSL	Book Value	23.77
PAN Number	AAJCS9377A	Face Value	2
ISIN Number	INE0FMZ01045		
CIN Number	U29191PN2006PTC128377		
RTA	Link Intime		

Financials (Figures in cr)

Balance Sheet			
Assets	2022	2023	2024
Fixed Assets	5.75	5.62	6.2
CWIP	0	0	0
Investments	0	0	0
Trade Receivables	21.28	31.57	65.36
Inventory	28.11	29.9	32.2
Other Assets	26.85	27.86	20.47
Total Assets	81.99	94.95	124.23
Liabilities	2022	2023	2024
Share Capital	23.09	23.96	4.89
FV	10	10	2
Reserves	0.69	22.82	56.31
Borrowings	33	32	36.7
Trade Payables	12.21	10.17	12.33
Other Liabilities	13	6	14
Total Liabilities	81.99	94.95	124.23



P&L Statement			
P&L Statement	2022	2023	2024
Revenue	45.31	50.57	80.3
Cost of Material Consumed	27.63	25.72	36.59
Gross Margins	39.02	49.14	54.43
Change in Inventory	-3.71	-1.58	3.45
Employee Benefit Expenses	6.26	7.08	8.73
Other Expenses	3.14	7.46	7.35
EBITDA	11.99	11.89	24.18
OPM	26.46	23.51	30.11
Other Income	0.09	0.32	1.09
Finance Cost	4.35	4.4	4.54
D&A	3.7	3.56	3.82
EBIT	8.29	8.33	20.36
EBIT Margins	18.3	16.47	25.35
PBT	4.01	4.23	16.85
PBT Margins	8.85	8.36	20.98
Tax	1.06	1.23	6.53
PAT	2.95	3	10.32
NPM	6.51	5.93	12.85
EPS	1.28	1.25	4.22
Financial Ratios	2022	2023	2024
Operating Profit Margin	26.46	23.51	30.11
Net Profit Margin	6.51	5.93	12.85
Earning Per Share (Diluted)	1.28	1.25	4.22

Cash-Flow Statement			
Cash- Flow Statement	2022	2023	2024
PBT	4.01	4.23	16.85
OPBWC	11.99	12.02	24.99
Change in Receivables	-18.56	-10.29	-31.98
Change in Inventories	-3.61	-1.78	-2.3
Change in Payables	5.18	-2.38	2.15
Other Changes	-0.04	3.45	2.03
Working Capital Change	-17.03	-11	-30.1
Cash Generated From Operations	-5.04	1.02	-5.11
Tax	0	0	0
Cash Flow From Operations	-5.04	1.02	-5.11
Purchase of PPE	-1.38	-5.31	0
Sale of PPE	0	0	0
Cash Flow From Investment	-6.34	-5.76	-1.19
Borrowing	16	-6.56	6.2
Divided	0	0	0
Equity	0	20	3.98
Others From Financing	-4.84	-4.88	-4.54
Cash Flow from Financing	11.16	8.56	5.64
Net Cash Generated	-0.22	3.82	-0.66
Cash at the Start	2.25	2.02	5.86
Cash at the End	2.03	5.84	5.2