

Certified for PED Modules H & H1  
by HSB IE Limited (NoBo # 2833)

IBR Certified  
ASME "U" / "S"  
NATIONAL BOARD "NB"  
MEMBERS OF : HTRI-USA



**MAZDA LIMITED**  
**INVESTOR CONFERENCE CALL**  
**HELD ON 21<sup>ST</sup> SEPTEMBER, 2023**

**Management: Mr. Percy Avari- Whole Time Director**

**Mrs. Shanaya Mody Khatua- Whole Time Director**

**Mr. Mohib Khericha- Chairman & Independent Director**

**Mr. Cyrus Bhagwagar- Chief Financial Officer**

**Mr. Nishith Kayasth- Company Secretary & Moderator for the meeting**

**Sales & Admn. Office :**  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

**Works & Registered Office :**  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

**Works :**  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

**Works :**  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

**Works :**  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

**Works :**  
Unit-5  
Plot No. 7610, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
(M) : 9879113091

## Nishith Kayasth (Moderator)

I welcome you all to the Investor Meet of MAZDA LIMITED. I would like to introduce the Management of MAZDA LIMITED present at the meeting. Mr. Mohib Khericha, Chairman of the Company, Mr. Percy Avari, Whole-Time Director of the company, Mrs. Shanaya Mody Khatua, Whole-Time Director through VC, Mr. Cyrus Bhagwagar, CFO and myself Nishith Kayasth, Company Secretary. Now, I will hand over to Mr. Khericha Sir for his opening remarks.

## Mohib Khericha (Chairman)

Good Evening to all. It is my pleasure to welcome you all at today's Investor Meet. Please restrict yourself to only general questions which you want to know about Mazda or any detail which Percy or Shanaya can provide.

OK. Thank you. Let Percy start. Himanshu we will answer it later. Thank you.

## Percy Avari

Yeah. Good evening, everyone. I think, from the names that I see, we have met most of you last year as well. So, you are all familiar with the company how the products are faring and what type of industry do we cater to. But nevertheless, having said that, I would like to start that up till now, this year seems to be a good year as far as our company is concerned and our products are concerned. And we are doing reasonably well in the engineering part of the company.

Most of the segments of the industry that we are catering to are doing good, including the power, the edible oil, a few chemical plants. So, our growth is accordingly in line with that. We have, in the past, 6 to 8 months secured quite a few orders from refineries from petrochemical segment and from steel industry.

So, the applications are varied and the field that we cater to also is quite extensive as far as our business overseas is concerned which we are primarily doing with Croll- Reynolds who also seem to be doing reasonably well because of which the export part of our company has seen a growth compared to last year on the world to summit I would say this up till now has been a fairly slightly above average year or maybe better than average. But I am not very sure about the future because there is a certain degree of slowness or return in the speed of the inquiries or in the speed of the projects that are coming up. So, as I am talking only as of today it was good or is good future, I think. Might be below the performance of last year but and we are all keeping our fingers crossed, this is as far as the engineering division of Mazda is concerned. I, now, request Shanaya to give you a brief about the food division.

## Nishith Kayasth (Moderator)

Over to you, ma'am.

## Shanaya Mody Khatua

Thanks, Percy. Hi, everyone. Nice to see some familiar names from the last couple of years. I will also just give a quick overview of the food division right now before we sort of go and answer specific questions.

Let me begin by saying that most of the food division questions we usually get are surrounding the new facility expansion and our future prospects.

### Sales & Admn. Office :

Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

### Works & Registered Office :

Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

### Works :

Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

### Works :

Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

### Works :

Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

### Works :

Unit-5  
Plot No. 7610, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
Phone: (M) : 9879113091

To begin with, obviously, we went in for an expansion because we saw consistent consumer trends indicating demand for a product. And we saw customer bases grow with us and we also saw the demand grow for our products which made us go for an expansion in the first place and also as I think I clarified this last time that the nature of the size of the expansion was specifically so that we could get continuous process machinery which is required for the nature of these products which needs to be, you know, hygienic.

And also secondly, our food certifications are quite strict in terms of layout, for facilities, etc, which sort of contributed towards the size of the expansion. It is not that we went in for things that weren't planned or added in extra that the last minute, etc.

For this year, as we have finally now resumed all our production at our new facility, we are now kink free in the sense that we don't have any more teething issues. We sort of went into full-fledged production starting March this year our focus continues to remain; you know to the top line and scale for our products as it has always been. But the only difference is that with the new facility, we're already seeing an increase in the ability to take on more orders and larger scale production.

Regarding the nature of our business, we are of course predominantly export with about domestic contribution in FY22-23 about 18%, which means that our main bread and butter is still exports. The export market has been volatile. I think there was a question about the outlook for exports- the US and UK has picked up, which was substantially lower last year, but then again, we have instances like Sudan where there has been unrest and one of our largest customers in Sudan. So, the export market tends to be very volatile, giving us constant unpredictability, whether it is in dollar, price fluctuations, whether it is in African countries being able to access their dollar or the banking system etc., etc. So there remains a lot of volatility.

But of course, we are seeing products growing and our ability to supply as much we are in a much better position as well. So, we have, we are seeing an uptick this quarter and we should hope to see one towards the end of the year as well. We have started domestic sales and distribution through a traditional method whereas we do have super stockists etcetera through some parts of India once the model is established we will then proceed to copy and paste the model in different parts of India. Again, we see growth here as well, but we are being very, very cautious as we don't plan to have heavy investments in this because as you know any Indian domestic marketing and sales is very investment heavy which we don't plan to do with the stage so we are proceeding with a smaller sort of bits.

Secondly, we've done a lot of new things this year. We talked about new products last year. So, our soup range is firmly in place. We all we have sales of that already. We are on social media, we have now an online presence where people are able to buy our products through several websites. All of this is new within the last year we didn't have any of this before. We will later put up a list of places where you can buy our products, and secondly also our social media handles where we have all our up-to-date information on the contest we are running, you know, etc, etc.

Last year we talked about also our regular customers giving us a larger chunk of business. We continue to see that being the case. We, in addition to getting new business, also focus on adding to our existing relationships. So, for instance, our domestic, our biggest domestic client has given us about a 40% increase from last year. Our African client maybe another 40% increase, etc. So, we do see a lot of customer relationships grow with us as we grow and go through some of the years.

Sales & Admn. Office :  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : [vacuum@mazdalimited.com](mailto:vacuum@mazdalimited.com)  
Website : [www.mazdalimited.com](http://www.mazdalimited.com)

Works & Registered Office :  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

Works :  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

Works :  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

Works :  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

Works :  
Unit-5  
Plot No. 76/10, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
(M) : 9879113091

In addition to the capital investments that we have made to increase production capacity, there are strategic other investments that we have made such as:

- a. we've invested heavily in human capital,
- b. we've expanded our team and brought on some great talent.
- c. We've invested in operations.

So, we sort of want to get better at doing whatever we are already doing, get more streamlined and more efficient, obviously in terms of what the maximum revenues are, where we target our growth to be, etc, this new facility expansion is obviously a long-term plan and as we go along in the next 5 to 7 years, we will be able to see just how you know how good we can get, so to speak.

I think that sort of covers is, you know, covers an overarching view of where we are at today.

If we can go back to Nishith, please.

Thank you.

### **Nishith Kayasth (Moderator)**

Thank you. Now I request Percy Sir to answer the questions we have received in advance.

### **Percy Avari**

Yeah, I think I think there are quite a few questions we have received over email in advance and the best thing is that I will reply to certain answers and then if you feel that there are some questions still to be answered, then please feel free to ask. So, I think this is a better way there because we have collected and we have got quite a few questions.

So, the main questions I'll try and reply. I hope it's alright with you all.

This was one of the most common questions. So, I'll start with that.

What is the outlook for year 23-24 in terms of top line and bottom line? So, the top line is expected to see a growth of around 15% compared to last year when the bottom line will also be more or less in line with that.

What is the main factor for the increase in the year-to-date dispatch compared to last year? What is the main reason? So, one of the main reasons for that was the backlog that we had or all the leftovers that we had. In the last year, you people or clients are not lifting due to various reasons like payments, delaying projects.

Those things, those got over and fortunately we were able to dispatch the leftovers from the last year. So that has pushed our turnover to quite a substantial level. So that is the main reason.

Second reason is that we had as I had spoken to you last time, that a few petrochemical and refinery projects orders we had got. So those got dispatched in the first half. And that is why the dispatch looks good. So, these are the 2 main reasons for the increase of, the relative increase of dispatch compared to last year.

What are the emerging technologies like chill water systems or anti scaling or crystallizers?

What is the future that you see and why has it not picked up till now? So, this was one of the common questions. So, I would like to explain that all these new products that we are trying to work are unknown technologies, not that these technologies are in use in India or there are available technologies. They are something that we are trying to develop and they are not prevalent in India. So, we are developing on our own and that is why it is taking substantial amount of time.

But having said that, I would first of all like to tell you that freeze crystallization results are not up to the mark or the purity that we have been able to achieve at a pilot plant are not really up to the levels that we expected. So as of now, we are not spending much time on crystallization technology.

And our focus right now as far as the new product is concerned is anti-scaling technology and we have in the last couple of months, have got orders from private refineries, have got orders from hospitals, have got orders from various other type of companies which use chillers and cooling towers and RO systems. So, these are the main applications of our anti-scaling product and they are all reputed companies that we have got order from.

And since they are reputed companies, we are sure that other companies will not hesitate now. And we do see a bright future as far as the anti-scaling technology is concerned. As far as chilled water vacuum systems are concerned, we have now got more than 10 installations. And we are thinking of having a dedicated team of engineers to cater to this the product. We were, up till now, you know using the old existing manpower to sell these and that is why the push was not as intense as it should have been. So, we are in the process of hiring a few people and making it a dedicated team to push this product because there are various advantages and we have seen the advantages that our clients enjoy.

Yeah. So, the other Common question was what is the market share in both Vacuum systems and evaporators? So, as I have told you that in vacuum systems our market share is somewhere about 30 to 35% as far as the Indian market is concerned and Evaporators for ZLD or zero liquid discharge for, mainly for effluent, we have market share about 8 to 10%. I'm glad to tell you that we have in the recent 15 to 20 days back have got large orders of evaporation plants from certain industries in Gujarat and we are very happy that we have these have come to us in addition to evaporators for Zero liquid discharge, we have just got orders for process evaporators also. So, this is something that we were not looking at but we have managed to get the orders from process industry not for effluent but for concentration of product. So, we are adding about it and we expect to get repeat orders from such type of applications.

Yeah. So, then people have asked that how do you see the customers giving you advice or why is the Advance increased compared to last year?

So, you know that every company tries their best to get the payments favourable to them and we have been pushed by our CFOs also and Mohib Khericha Sir to get more advanced and that has trickled down to our sales people also and that is why we have started getting better advances than what we usually get.

And we have also tried to restrict the retention amounts that we usually have to keep. We are trying and convincing our clients to accept guarantees instead of retention. So somewhere we have been successful in certain areas and that is why our advanced inflow has increased.

Exports, so this was also one of the common questions that what is your exports forecast and how do you see? So, as I explained earlier that our exports primarily depend upon our partners for all in all for the vacuum systems and they are doing quite well and when they had come here in the month of

Sales & Admn. Office :  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

Works & Registered Office :  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

Works :  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

Works :  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

Works :  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

Works :  
Unit-5  
Plot No. 76/10, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
(M) : 9879113091

December we had explained to them about diverting more and more orders to us instead of giving to other countries and they understood what we wanted to convey to them and they have been really sincere and are trying to divert more orders to India, that is, to us instead of getting it fabricated in other countries and we have definitely seen an upward swing as far as orders from Croll- Reynolds is concerned. About evaporators, we just received news that Middle East is now going for ZLD i.e., zero liquid discharge. The entire Middle East is very serious about going in for ZLDs. They were always going for partial liquid discharge, but now they have to go for zero liquid discharge. So, we have to work 3 installations, fortunately, in the Middle East and we are in the process of hiring agents in Middle East so that Middle East at least evaporators we can export and we can have a good reference list over there.

Our current order booking usually varies from the amounts that you knew last time and this year also it is the AutoZone end is more or less constant. Though it should increase with the more dispatches that we have done last year. So, we are in the process of increasing our orders on hand, but it is almost in the same vicinity as it was last year.

Yeah. Then again, this is, uh, quite a common question that what is the maximum revenue that you can generate from the existing facility? As far as the Engineering division is concerned, so as Shanaya explained to you, we have shifted the food division to another location. So, the food division that was consuming the space is now available to the Engineering division and therefore the total area that we have now, we can cater to around 250 crores only for the Engineering division. So, we do not envisage going in for expansion Capex at least as far as the Engineering division is concerned for the next 2-3 years, because we can really scale up to, we did a thorough study and we think that we can do a dispatch of 250 crores. As far as only the Engineering division is concerned.

So, we are not going for Capex, as far as the engineering is concerned.

What type of revenues do you expect from the new products like Nano Bubbler, Anti scaling? So, this has just picked up actually, maybe it could give a boost of around 10% in the turnover to us in the next year, but after that I see a quantum jump for these new products.

How is the competition where the competition is very, very severe? This is one of the reasons why we are really we have to pull up our sleeves. Day by day competition of indigenous manufacturers as well as overseas manufacturers, is increasing. Competition is becoming very intense. It is almost like a price war going on. Margins are under pressure always and we have to really fight it out, slug it out to get us one order. For a single order we have to fight every time.

So, this is here moderation for us that all of a sudden after COVID, there are many players that are coming in this field and we are trying to highlight our advantages or trying to pitch in what people will benefit by going for Mazda which has been a branded product.

So, definitely this is a matter of concern as far as the competition is concerned, yes, our margins are also under pressure though you might feel that this year the profits are higher than last year.

But yes, I'm talking about the future, the future I envisage, or I am of the opinion that our margins will be under pressure.

Could you get orders from refineries with healthy profits? So yes, we have got quite a few orders from refineries with reasonable profit and few of the orders have been dispatched. Few of the orders are under execution. But yes, refineries we are there and we are doing quite a bit in refineries now.

**Sales & Admn. Office :**  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax: +91 (0) 79 2656 5605  
E-mail: vacuum@mazdalimited.com  
Website: www.mazdalimited.com

**Works & Registered Office :**  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

**Works :**  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

**Works :**  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

**Works :**  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

**Works :**  
Unit-5  
Plot No. 76/10, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
(M) : 9879113091

Bioethanol is always as far as refineries is concerned bioethanol refineries, there are around 300 to 400 refineries that are going to come up in India. 150 or 250 are already there. Another push will be for 200 more refineries, biorefineries.

So, we are doing a reasonably good business though for each refinery, our product value is not very large, but I think we are supplying to majority of the bioethanol plants that are coming up in India. We are trying to, you know, push more products in bioethanol plants. I don't know which products as of now, but we are looking into how to service the bioethanol plants in a better way and larger way.

How do you see the next year? As I said, the riders are there, the competition is increasing, the prices are the pressure and our observation is that though quite a few segments are doing good, like power which especially is doing fantastically well.

Soda ash, all the caustic are doing well, but dye's intermediates API, Textile are not doing so well and the products that we usually use to sell to these types of industries there I see definitely a drop in the coming times though power is there of course edible one is there.

But in totality, the next year seems to be or the future seems to be average as of now.

Can't say, but we are optimistic. That's all we can say.

So, I think most of the questions which are asked by quite a few, I've tried to answer, but I am sure that there could be other questions which are still unanswered. So please feel free. Thank you.

### **Nishith Kayasth (Moderator)**

Now we will open the floor for the questions and answers.

First, Mr. Sunil Kothari, please unmute yourself. And you can ask the question.

### **Sunil Kothari**

Thanks for opportunity, Sir. My hearty congratulations for very good results during last year and during first quarter and very well managed cash flow and investment. Congratulations to our finance team and operational team.

First, my one or 2 question is to Percy bhai.

Basically, it seems we have developed some new products like anti-scaling, hardness related products and you say it is very promising and doing good. Even we developed this process in operators maybe old products I'm not aware but now there is seems to be a demand.

Is what Mazda doing at large in terms of engineering or the talent pool or investment in R&D new product development? Maybe some high level of technology usage which makes other to compete less or there becomes entry barrier because we are not in consumer products, we are B to B business. So, we have to be always ahead of others in terms of technology. So, what efforts we are taking in terms of our R&D and development skill if you can little bit elaborate that will be really helpful?

### **Percy Avari**

Yeah. Thank you, Mr. Kothari.

Your question is a tough one to answer, not a state, and we are also always on the constant lookout of other products. Some high five products, some sophisticated products and as you know, everyone loves

to build a product where the competition is less. Of course, you also are on the lookout of such products, but now I would say India is such an evolved Country. Even European countries, we are ahead, I mean, say in terms of range of products that we manufacture. So, it is very difficult to really identify certain products or where we can develop and we could have a monopoly for 3-4-5 products. It is true in pharma line.

But in Engineering, I think, years back, if you take, say 10-15 years back, we could see opportunities in various products. Here the competition is less, here the product is worth developing, but now that is not the case. And if you see the history of our company, we are always evolving. We started this company with valves, simple safety valves, we went to reducing valves and to control valves then De-superheaters, Ejectors systems, Gland Steam Condenser, Surface condensers, then multiple effect evaporators, then food division. So, in this short period of 20-25 years, I mean we have developed or we have always been you know we have never been static. These products have always evolved and come you know. We just started as a valve company. And as I'm talking to you, I said that we are in the process of developing 2-3 more products where we see that we can cater to all our existing clients. Our main criteria of selecting any product is to, you know have synergy as far as the list of clients are concerned. We want to develop products where we can cater to the same products with the same manpower with the same marketing efforts and that is why, you know, we are not trying to develop a drastically different product from what are current ranges. Otherwise, we can't really go to other segments like mining or those type of infrastructure. We are trying to cater to the clients that we already have good repo with and it is difficult, I'm telling you. But we have always developed products and we are right now also developing products as far as extremely good products are concerned where there's no competition, If, you come across some products, please let us know. We'll be happy to, you know, have a look at it and we'll also try to, you know, develop that product. But as of now it looks difficult because India is quite a mature country and there is competition in all the products everywhere.

### Sunil Kothari

So, my point was, Sir, are we investing enough in terms of say, technology upgradation?

### Percy Avari

Yeah, all these products also that I said don't come free. We constantly for 2 years have been investing in developing these small 3 products that we have started so there also there is lot of investment and lot of time, lot of manpower that has gone in term. It is not only the product development but then putting it in other clients, factories, visiting them, monitoring the results, sending our people so to and for everything. So, all these expenses we have been doing quietly and I'm sure we will be successful. So yes, we have been definitely investing in new products. We have never static.

### Sunil Kothari

Right, Sir. And, Sir, the next question is- as you said during December people from Croll-Reynolds had come and we convinced them to take more products from us so, what are we lacking or what we require to add in terms of our capability to export more because last year unfortunately, degrowth, but I'm sure you'll be growing this?

With this so on exports, what is the more capability or what you else required to increase or with this capability?

Sales & Admn. Office :  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

Works & Registered Office :  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

Works :  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

Works :  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

Works :  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

Works :  
Unit-5  
Plot No. 7610, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
Phone: (M) : 9879113091



## Percy Avari

It is only more effort we have to either do here or there. Right now, India is a growing country and we see good opportunity. India itself, Europe or other countries are not doing so well. And so, we are trying to consolidate in the Indian market only but future we don't know. We might, as I said, that ZLD we are trying to do in the Middle East and we might progress over there.

Thank you.

## Sunil Kothari

Thank you. Yeah, one more to Miss Shanaya.

Ma'am, we have really invested after many, many years. We have invested very heavily from Mazda on this food division. So, if you can give a little bit clarity, what is your ambition? What you want to do, if not numbers, what is your reason because this is a very sizeable investment we made?

This is my last question. Thank you.

## Shanaya Mody Khatua

Nishith, would you prefer that I cover questions at the end or would you like me to?

## Nishith Kayasth (Moderator)

You may answer now.

## Shanaya Mody Khatua

OK, I touched upon this a little earlier. Yes, you're absolutely right. It is a sizable investment. If you've noticed ever since our inception, more than even 15 years ago, we actually hadn't even invested in machinery or made any fresh investments for the whole duration of our time when we grew from zero to, say, 20 crores. Yes, this is a sizable investment. The reason being, I sort of lightly touched upon the product requires continuous process machineries right from raw material manufacture right to the end of packing and sealing these. These machines are very expensive. We didn't have these specific ones or this kind of process machinery in our last factory, which was this the sole limiting factor for that and space of course sole limiting factor for the reason that we couldn't really push up our turnover.

The reason we went into an expansion, of course we haven't done any capital expenditure in the last almost 20 years for the food division. The reason we went into expansion we were in dire need of space, we needed better machinery, our certifications and our regulations for food export and the tough places that we export to are so stringent, they have regulations for infrastructure, how building is to be laid out, what is to be included, areas that need to be created etcetera, etcetera. So, all of this is what led to the expansion being sizable, not that we've added anything, you know, fancy or tried to sort of go over the top. It is the basics that sort of led to the investment being the size it is just because of the kind of multiple product lines that we have. We have also grown right from zero just from instant drink powders to over, you know more than 12 products now. And we keep adding different flavors and product lines, even in sub segment of our products.

What is my view going forward? The reason as I said again, I touched upon this a little briefly earlier. The reason we actually went in for an expansion because we have very strong consumer demand. As you know, FMCG in India and globally is growing. The Indian market is now consuming a lot more

Sales & Admn. Office :  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax: +91 (0) 79 2656 5605  
E-mail: [vacuum@mazdalimited.com](mailto:vacuum@mazdalimited.com)  
Website: [www.mazdalimited.com](http://www.mazdalimited.com)

Works & Registered Office :  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

Works :  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

Works :  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

Works :  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

Works :  
Unit-5  
Plot No. 7610, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
Phone: (M) : 9879113091

domestically versus buying, you know, earlier we used to have a lot of exports and brand loyalty for products that were actually exported into India. This is not the case. The consumer is now well aware there is a lot of, there's a lot of scope in FMCG because now the health segments are opening up. There are a lot of new segments opening up even for children, etcetera, etcetera. So, it is a really big market. We want to have a larger and larger share of that market. We see very strong consumer demand for our products we see continuous growth in not only our existing customers and their demand, but also new customers and the products that they are asking of us.

I will touch upon this a little later, but you know, we already have videos up of our factory and our internal working on all our social media handles. So, you know, if you do follow us, you will be able to sort of follow us step by step there.

Nishith, you can proceed.

**Sunil Kothari**

Thank you very much. Thank you.

**Nishith Kayasth (Moderator)**

Over to Mr. Anuj Sharma.

**Anuj Sharma**

Thank you. two questions for Shanaya on Food business and one on Engineering.

I'll start with the Food business, Shanaya.

So, you know, what do we believe are our competitive strength in the food business and how are we becoming stronger in our areas of strength? That's question number one.

And you know over the past 3-5 years, what have been our key learnings in this business and what changes have you made to the business model apart from Capex and the process industry?

**Shanaya Mody Khatua**

OK. I was actually going to answer that. I think we had already received your questions earlier. Anyway, sorry. The first was what are competitive strengths and what was your second question, could you please repeat that?

**Anuj Sharma**

Yeah, the key learnings in the in the food business and what changes we have made to the business model?

**Shanaya Mody Khatua**

Yeah. First of all, our competitive strength more so than anything is our focus on consistency and quality. We have customers who place their first order with us maybe back in 2005 and they are still with us. This is very rare for an Indian company because somewhere along the way due to price or due to, you know, whatever change and thoughts etcetera, a lot of Indian companies change the product or try to you know, add additives etcetera that are that don't match the product that was promised.

So we are, I think our competitive strength, number one is integrity in the way we do business in the products that we supply. If we have for instance if we already have tie up to the customer for us for another region no matter what another customer promises us, we will not break their contract or their trust.

A lot of customers have grown with us because of this, but I think people globally appreciate that we are, you know, we do have integrity as a business. So, I think that would be one.

Number two is a of course a focus on quality whilst keeping prices competitive. So, our product, this is the mass product. We're not making you know we have to sell the 22 tons to make money for us. So, each unit is so small, but we only make money if we sell many, many of those small units, which means the focus on quality is absolutely key and necessary for us. So that's our competitive strength. The fact that we have consistency in our quality.

Key learnings, I mean, I think we're still learning to be honest because I mean just this last two years, we have now entered the domestic market. So, we're sort of learning about that over the last 15 years, we have gone, as I said from one product to a basket of over you know if you count all the different flavors and sub flavours of over 30 to 40 products.

The key learning is that in this business we have to constantly evolve-

- a) follow customer trends
- b) packaging materials are very important
- c) that our focus on quality that we have had all this time is important and continues to remain important to us and the world.

So, there are a lot of learning, so to speak, but we are still learning and I don't think that sort of ever ends because customer trends evolve and customer needs evolve and the business so to speak evolves according.

### Anuj Sharma

Yes Shanya, that's helpful. Thank you so much.

I have two questions for Percy as well.

Percy, you talked about a buoyant environment, but also at the same time you caution that some segments are not doing well now. These are at this point of time and you believe that the buoyant sectors will cover the gap? or you believe, you know, you will face some issues later in 25-26. That's one.

And second is, you know, which have been the key areas where we improved in the last 3 years and where do you want to focus on in the next 3 years? Thank you so much.

### Percy Avari

Yeah. So definitely the gap is going to be there. I don't think the segments which are buoyant would fill the gap completely. So, there is no doubt that if this scenario doesn't change, we could see things going a little bit south. So that is one thing. Second thing is that about what focus, I think what was..

### Anuj Sharma

Where you have improved in last few years and 3 years focus?

<b>Sales &amp; Admn. Office :</b> Mazda House, Panchwati 2nd Lane, Ambawadi, Ahmedabad - 380006. INDIA Phone: +91 (0) 79 40007000 (30 Lines) +91 (0) 79 2644 2036, 37, 38 Fax : +91 (0) 79 2656 5605 E-mail : vacuum@mazdalimited.com Website : www.mazdalimited.com	<b>Works &amp; Registered Office :</b> Unit-1 C/1-39/13/16, G.I.D.C., Naroda, Ahmedabad - 382 330 Phone: +91 (0) 79 40267000	<b>Works :</b> Unit-2 Plot No. 11 & 12, Hitendranagar Sahakari Vasahat Ltd., N.H. Road, Naroda, Ahmedabad - 382 340 Phone: +91 (0) 79 40266900	<b>Works :</b> Unit-3 C/1-A5, G.I.D.C., Odhav, Ahmedabad - 380 015 Phone: +91 (0) 79 22874945	<b>Works :</b> Unit-4 Plot No. 17/1, Phase-III, G.I.D.C., Naroda, Ahmedabad - 382 330 Phone: +91 (0) 79 40147000	<b>Works :</b> Unit-5 Plot No. 7610, Phase-IV, G.I.D.C., Vatva, Ahmedabad - 382 445 (M) : 9879113091
---	---	--	--	---	---

## Percy Avari

Yeah, improved is of course that we have our qualities, as far as our improvements I would say our factories are really improved on the way they function. The systems are in place. Now we have got dedicated team to continuously upgrade our entire lot of people that we have at the company and we are being very, very responsive as far as services are concerned because one thing that we have learned is that you can never take a customer for granted in the last 5 years and we have learned that you can never take any offer, even though how close he is, we can't take him for granted and the only thing that we can do price, of course, we can't be the lowest oil one. We can never be. That is to make him happy as far as our services are concerned. So, we have been trying to focus much on our services and on the quality and the aesthetics of the products that we serve. Thank you.

## Nishith Kayasth (Moderator)

Thank you, Sir. Now moving to Samarth Singh.

## Samarth Singh

Yeah. Good evening. Thank you for the opportunity. I had one question on the engineering business and one question on the food business. Proceed.

Last year you had mentioned that we're seeing a rise in exports of surface condensers and in the feed were water heater segment to German companies. As we're looking for alternate suppliers from China.

So, do we see that sort of opportunity still continuing and do we see that in other products as well?

That was one the engineering side.

## Percy Avari

Good evening, good question. We had hopes on field water heaters really picking up from Europe, especially through companies like GE or Alstom or Siemens, but most of these companies are now buying through their Indian offices in India and therefore, as of now, we are supplying to Siemens or to Triveni or to GE. Many of them are for Turkey, many of them are for Indonesia and Russia. So, via these companies say Siemens Baroda or GE Delhi, there is an increase, but when I spoke last time, I thought that we would be doing directly that. Unfortunately, where we could have taken a greater profit or could have had a larger profit that has not happened. The people are smart and they know that if they do it through their local offices, the pricing, everything is known. And therefore, that has picked up indirectly, but not directly. Thank you.

## Samarth Singh

Thank you. That's helpful.

And Shanaya on the foods business last year we saw headwinds on margins because of higher raw material costs as well as higher freight costs. I think the freight costs would sort of would have would probably be benefiting us at this point. So should we expect some sort of margin benefit due to low freight rates? and if you could give us an update on what's happening on the raw material front, please. Thanks.

Sales & Admn. Office :  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

Works & Registered Office :  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

Works :  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

Works :  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

Works :  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

Works :  
Unit-5  
Plot No. 7610, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
(M) : 9879113091

## Shanaya Mody Khatua

Thank you. We are in a much better position in both raw material freight rates. I mean the recent price and crude of is of course now depending on where it will go here onwards. But so far, we have been in a much better, I mean the freights have almost come back to sort of pre COVID almost pre COVID levels. We are in a better position also with raw materials I will talk about as I go on, I will talk about our profitability etcetera, which you know in Q1 this year was mainly suppressed due to the depreciation that is added on and that will continue to be reflected over the next couple of years because depreciation for us will be large and here to stay for a while until we sort of get a much, much larger top line. But to answer your question specifically, we're in a much better position and also the strong dollar and the strong pound is really helping us, so all these, they're all positives for us, at least for the, you know, rest of the foreseeable future till the end of the year.

Thank you.

## Samarth Singh

Thanks. Thanks very much.

## Nishith Kayasth (Moderator)

Thank you, Sir. Now moving to Himanshu, you can ask your questions please.

## Himanshu Upadhyay

Yeah, hi. Very interesting comments by you, Percy.

## Percy Avari

Thank you.

## Himanshu Upadhyay

One of the things what you stated was despite our order book have increased, intensity of competition remains very high in the market and new players are continuously coming, but generally what we see is once the order books fills, the pricing just tends to improve for various players, but you are saying that it's not really happening which is very contrary to what we hear, because some of your customers also. We have seen the margins have increased by 203, 100 basis points. OK. Why? Why is such a scenario?

## Mohib Khericha (Chairman)

Yeah, Himanshu. What he's trying to convey is that competition is intense. Mazda gets order only because of the reputation name and the relation- brand value. Yeah, and the brand value that's why. But to get the order the guy who is giving us an order will show other quotation from someone else and will ask us to match. So, you have to break your head to see that you give me the one. So, it is becoming tougher by the day, definitely it is becoming tougher.

But we will do whatever has to be done. We will do. Maybe we'll help as I said that we'll try to give them better services, better finishing of products. Somewhere, we'll try to, you know, see that is benefited more. But we are under tremendous pressure as far as pricing or as far as getting the orders are concerned and because of this competition, even in terms of payments, people or clients fight, you

know, make it such a way that it is in their favor. So, things are getting tough, but we will survive. That is for sure. But things are definitely getting tougher.

### Himanshu Upadhyay

And the second comment was, India has become far more matured market and the gaps are much lesser. OK, so it was much easier to find new products which were not there in India and bring those products from outside and scale those products and all that thing.

In the new scenario or the scenario currently what you are seeing what would be our strategy to grow and gain market share? and will it also mean that we'll need to focus more and more on our cost and servicing because of the way the market is maturing?

### Percy Avari

Definitely, Himanshu. So that is why we are constantly evolving and we are not even trying to, you know, always look at bigger products. The products that I talked about right now, the new products are not so big. They are also products but with a larger reach, with the larger requirement in the industry.

And it is believed it is not easy now to identify products that are unique, even if you take someone has written that why is Mazda not going to hydrogen generation?

If you see hydrogen generation, we tried but now there are more than 100 people who are now going for 100. We tried to hold for some other product also, which was new, but Indians are so smart and people are so risk taking now that 6 months back you could have 5 people and within 6 months you have 500 people in one field. It is like this. It is swinging in a crazy manner and that is why our focus is not now limited to only large or lucrative products. But wherever you feel that will you will add 15%, 20% to our bottom line. We are trying to do so. The only growth you know only way to grow is to keep on adding new products. I don't think increasing the market share is really what we're looking at because to do that we have to lower our prices, we have to squeeze on our profits, we have to then compromise and cut corners somewhere, which we don't have in Mazda. Mazda is not known to cut corners or really operate at the wafer-thin margins. So, we are not looking. really again, I'm repeating at increasing the market share but increasing or growing by adding good products, small and big, to our profile. Thank you. Thank you.

### Himanshu Upadhyay

Yeah, very interesting. One last question to the chairman, OK. See, as an organization, we hear about the organization and every detail every year. OK for last 4 years now at least. But can you elaborate on how has the organization evolved and why is it better than what it was 5 years back?

If you can just respond to that thing. It will be much more helpful.

### Mohib Khericha (Chairman)

Young blood is coming. That is the only thing. Mazda's average age of employee earlier not varied very much but now we are very happy that the new engineers are coming and giving results.

### Himanshu Upadhyay

OK, OK. Yeah.

And any focus areas for Percy specifically for next 2 to 3 years.

Sales & Admn. Office :  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006, INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

Works & Registered Office :  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

Works :  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

Works :  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

Works :  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

Works :  
Unit-5  
Plot No. 76/10, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
(M) : 9879113091

## Percy Avari

Their focus area is, as I said, that these 3 products or 4 products that we are trying to grow have a large, large reach, though they are small. So, we are in the process of really setting up our network of people through agencies or through, you know the specialized marketing agencies, or various other things that even social media we are now trying to involve for these types of products which we never used to do so, at least for the next 2 or 3 years my personal focus really on trying to increase our bottom line by the help of this these new products. Thank you. Thank you.

## Himanshu Upadhyay

Yeah, thank from my side.

## Nishith Kayasth (Moderator)

Thank you. Now, Rohit, you can unmute yourself and ask the questions.

## Rohit Balakrishnan

Thank you, Sir. First of all, I would really congratulate the team for a very good show last year and also this quarter. So, I have a couple of questions for you, Percy and also one question for you, Shanaya.

So, Sir, in the engineering segment, so you sort of made some sort of contradictory statement.

One you said that while so far things have been very good and orderbook has also increased but you feel the competition has increased and some areas which have not done well. My understanding so far of what we have been tracking the company for 7-8 years has been the areas that you mentioned were not so good, like textiles, dyes, etcetera. We were not so strong anyway there, but areas like power, steel, those are much stronger for us. So, in the previous question you mentioned the buoyancy of the good areas may not fill the areas which are not strong, I mean, which are not growing. So, despite you being very strong in those areas you are you feel that that's not enough for you to cover up. That was my first question.

And my second question was also related in terms of order book, if you can just broadly share what is the mix between evaporators and vacuum systems, if you can share that?

## Mohib Khericha (Chairman)

Wait, I'll, I'll answer that. Percy, he looks on a day-to-day liaison. The pipeline is little bit slow. He is upset that it is not coming. He is very excited but the number, the bottom-line number today is the good. So, what happens is that like what you are in the capital market in 3 days if the market falls, you will become absolutely bearish. In 3 Days, Market will go up, you will become bullish. It's like this.

But see in last 15 years of this, whether because of festival season, because of rains, it slows down. He feels that there is something wrong. That is the only concern.

And as far as the order book is concerned, we don't share the numbers as such, but it is considerably good to make us from there, we will not like to share the numbers but as far as the current year order book is concerned, it is safe enough for one year. There should not be a problem.

## Rohit Balakrishnan

Now I will ask. Sir. Sorry. You were saying something?

Sales & Admn. Office :  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

Works & Registered Office :  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

Works :  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

Works :  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

Works :  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

Works :  
Unit-5  
Plot No. 7610, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
(M) : 9879113091

## Percy Avari

No, no, we were not there in these, but we were there definitely in lot of chemical plants. We were there in lot of polyester plants. It is not that we were not there. We had quiet, not substantial, but some business from these industries which are not doing good. And power is not like it is doing exceptionally well that it can fill up the gap so I'm cautious and I am making you aware that what it is. So, I'm not like, you know, want to give you an optimistic picture of everything. So, for you it is a realistic picture that I'm giving you.

## Rohit Balakrishnan

No Sir. Absolutely appreciate that and that is much appreciated. Most people only give optimistic view. So, this is much, much appreciated.

## Mohib Khericha (Chairman)

Next year we have to face you once again, absolutely.

## Rohit Balakrishnan

No, no, absolutely, Sir. On the order book, my question was not so specific number, but in the past, you have sort of given a break up that evaporator is more or Vacuum system.

## Mohib Khericha (Chairman)

Right now, right now vacuum system is more.

## Rohit Balakrishnan

OK, got it. Thank you, Sir. And my question for Shanaya was on the food side. So, Shanaya again, congratulations on getting the plant up and running and all the teething issues sort of behind us. So, I mean this first quarter, did you face any issues in the quarter that went by?

Wanted to understand that. And is it fair to say that Q2 onwards we'll see the full capacity that we've got to sort of reflect on the numbers is that, is that a fair assessment.

## Shanaya Mody Khatua

Yeah, yeah. Good observation. The first quarter, yes, we did still have sort of bits of the teething issue, mostly because we had to close a bit for certifications etcetera. To get everything sort of up and running. So, we did have quite a few days of closure, whether it was machine kinks, you know, figuring out either on the machinery end or from the certification end. So yes, the first quarter did have all this.

Q2 onwards, we will not have any of this. So, yes, that is an answer to a question. Also, profitability was suppressed the first quarter, but as I said this was this was mainly because of the effect of depreciation which is being added. If you take the depreciation out, we were even in Q1 in a way better place with a slightly lesser turnover because of all these shut down days. Then we were in Q1 2022. So, we were doing much better in terms of the bottom line. If depreciation as a chunk is taken out of the profitability. And you're absolutely right. Q2 onwards, we will see much better movements- upward movements in both top line and bottom line. But again, I keep saying because this is a large investment, the depreciation amount that affects us is large. So, this will continue to be in the in the bottom line until we sort of reach sort of a break-even so to speak with that, thank you.



## Rohit Balakrishnan

So, one question on food again, was that in terms of, I think, comment you had made in the past as we're trying to get some domestic FMCG players also to get sort of give us volume so that we can fill up the capacity? Any anything you want to share there in terms of any new customers? Or the approval cycle, I know, is fairly long or longer than the normal business, so if you can just share anything there that will be helpful.

## Shanaya Mody Khatua

We don't have any large player tie ups, if that's what you're specifically asking. But we do have a large domestic presence now. We have gone from zero domestic presence to all 18% or almost 20% of our business. Coming from domestic sales, which are sold and consumes only in India.

Yeah. So, to answer your question, yes and no.

Yes, we are growing the domestic, but no specific large brand FMCG tie ups yet not because I mean we have the space and capacity for it. But we are also filled with other orders enough, you know to sort of grow on a domestic side without the need of a specific large brand tie up.

## Rohit Balakrishnan

Now this last question. Any capacity utilization you're targeting for this year, I mean exit rate or from Q2 or Q3, anything that you can share?

## Shanaya Mody Khatua

Not specifically. I mean as Percy said, we don't have these numbers specifically don't usually share these numbers, but I mean, this is, in terms of capacity utilization, this is obviously a longer-term play. This is, as I said in the last fact in the last 15 years or in at our old facility, we didn't have any Capex at all. So, this is going to be a longer-term play to be divided over you know, a larger sort of denominator rather than specifics of 1 quarter.

## Rohit Balakrishnan

Thank you very much.

## Nishith Kayasth (Moderator)

Thank you. Now, Varun, you can unmute yourself and ask the question.

## Varun Badjatiya

Yeah, Hi. Thanks for the opportunity.

Most of my questions have been answered. Just 2-3 questions in Engineering division. So, one broad question. Globally, vacuum ejectors get good business from semiconductor industry for clamping alignment, surface mounting and lifting. So, with Croll on our side as a technology partner, how do you look at this opportunity in domestic market?

## Percy Avari

Varun, good evening to you. It is good that you know this, but the type of product or the type of vacuum system that we manufacture is a steam ejector vacuum system, which unfortunately are not used in

### Sales & Admn. Office :

Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

### Works & Registered Office :

Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

### Works :

Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

### Works :

Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

### Works :

Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

### Works :

Unit-5  
Plot No. 7610, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
(M) : 9879113091

semiconductor business where they use dry vacuum pumps small. Dry vacuum hose, which we do not manufacture. Neither does our partner manufacture it. Our type of vacuum systems goes only in the process industry or they go in the food business or in the pharma business. So unfortunately, we do not do it in the semiconductor business within the field. Thank you.

### Varun Badjatiya

OK, OK. And within various segments like vacuum systems, evaporators, condensers, so is there a business that you think is recurring in nature, something that needs periodic replacement?

What would be those segments and how large would be that business for?

### Percy Avari

Again, unfortunately our type of products that we manufacture are not, you know, consumable type of products neither do they require large quantities of spares to operate that and because of this reason, our spares business is less than even 5% of our total business.

Yes, I would have loved if you had some type of business where it was a recurring business and spares, you could go continuously. But no, it is not the case right now with our products, though it can happen in other products for the future. Thank you.

### Varun Badjatiya

OK. And like in India globally also we are seeing strong pickup in capital expenditure and additionally I think other engineering companies are also talking about China plus one opportunity. So how do you look at opportunity in exports market?

I think we were looking to push some of our products to Croll as a China plus one strategy.

Is there a business that is coming through? How do you look at Croll- Reynolds performing for us as of now?

### Percy Avari

It has improved, it has improved. As I said that China plus one is there, but most of the businesses are being handled through their Indian operations. All the multinationals have got companies or offices or procurement centres in India who buy. So, we are exporting indirectly. Yes, we are doing that. But not directly. And they know people as I said, Indians are smart. They know that if you have to export it directly, the prices are higher. But if they buy it through the Indian operations, the prices are much, much less. They know and everyone now knows it and that is why direct Export have not really grown.

As far as Croll-Reynolds are concerned, they were doing very good business in Europe and other countries. But as you know that Europe is not doing well. It is US which is doing very well, exceptionally well. And for American it is US that is doing so for American or US markets naturally, they will not buy from India and bring it from India to US. It is done locally, even their exports to China have dropped considerably. So, whenever things improve, yes we have been assured of getting the first preference from Croll-Reynolds and we are optimistic that when things improve in Europe and other countries we will have a much bigger order book from Croll- Reynolds.

Thank you.

### Varun Badjatiya

Sales & Admn. Office :  
Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

Works & Registered Office :  
Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

Works :  
Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

Works :  
Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

Works :  
Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

Works :  
Unit-5  
Plot No. 7610, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
Phone: (M) : 9879113091

OK. Lastly on the order book, our order book was around 130 crores in May 2023. Is it lower or higher as of now? If you can just share that much?

**Percy Avari**

It is somewhere close to that, Sir.

**Varun Badjatiya**

OK. Thank you from my side.

**Percy Avari**

Yeah, yeah.

**Nishith Kayasth (Moderator)**

Thank you, Sir. Now moving over to Harsh.

**Harsh Dope**

Thank you very much for giving me this opportunity. My questions are mainly towards Shanaya.

You know over the next you know maybe 3 to 5 years now that you know the bulk of the Capex is done, we have capacity with us. How would the food business evolve over the next maybe 3 to 5 years-

- in terms of you launching new products?
- Ramp up from the existing ones.
- And see in terms of, you know, sustainable profitability that the business can actually throw up.

**Shanaya Mody Khatua**

Like so, I've touched upon this a little bit of it. Yes, with the Capex all in place now that we have spare capacity, we have the ability to take on new projects. In terms of addition to new products for instance, our old product was flavoring essences. Now we're moving into natural flavoring essences. So, we keep evolving our products based on consumer trends, based on consumer demand.

And yes, we constantly have new product development. Last year was soup. We have now 4 flavors of soup which are present in the market. We're adding variants to that. We have a new product launch coming up within the next 6 months as well. We will add variance to that as well. So, our evolution is sort of constant because trends are constant and consumer nature is evolving when it comes to preferences for food. Our main focus has always been sort of to grow the top line, because in a mass product sort of business, the focus the minute you pull up your top line, everything else you know is pulled up.

Well, so our focus is always of course top line and in sense profitability because we are actually very frugal. Besides this large Capex, we haven't really done anything over the last years and this was also sort of at a point where we had to have more space, otherwise it would just, you know, not be sustainable in terms of the order demands and us being actually being able to produce.

So, evolution is really constant. But I mean there's no real, there's no real end. We sort of move with the trends in the sense and we're always trying to add, it could be something even as simple as packaging

and sizes, packing materials now places are requiring countries are requiring larger recycled proportions of materials in their products, in their product packing. So, this is sort of constant.

In terms of the bottom line this is and I will reiterate, we do see depreciation affecting us for the foreseeable future in terms of an absolute figure, but as I touched upon earlier, if we remove the depreciation chunk, we are in a much better place profitability wise percentage wise compared to even Q1 2022 and we see it moving forward positively.

### Harsh Dope

Well, I appreciate. I just, well, a little more. So, for example, hypothetically, if you put in X crores of Capex, which has already been incurred over the next maybe 3 to 5 years, what kind of you know asset turn are you looking at from the foods business?

And I'm not looking at honestly next one quarter, 2 quarter or maybe you know even FY 24. It's more like, you know what kind of asset turns this business can actually throw up, which can lead to a really exponential growth if not now, but maybe in 3 to 5 years.

### Shanaya Mody Khatua

I wish I had a genie to tell me that, but that is a little difficult to answer right now. The last Capex that we had and that we did, we used for 15 years. With this even with we are still at a single shift. If we add in a double shift, the scenario is completely different. So, asset turn is really difficult to answer at this point in that sense.

Again, we are looking at a long-term horizon, so that was 10 years plus, but we obviously are ensuring in terms of asset and to ensure that our facility is fully loaded at least for a single shift in the immediate future, considering that we have just gotten fully running.

### Harsh Dope

Sure. Thank you. Can I ask, can I squeeze in one more question if you don't mind?

### Shanaya Mody Khatua

Yeah. Sure, sure.

### Harsh Dope

Now when you're thinking about, you know, launching new products, I'm sure you're looking forward to on board a lot of good talent from the industry. And if you can just share what kind of you know people you are inducting? At what seniority and what experience do they have in terms of launching products? Perhaps that will induce a lot more confidence. Thanks.

And if you can just also comment on the working capital, how is the working capital for the business and what kind of you know cash conversion cycle are you experiencing? Thanks.

### Shanaya Mody Khatua

I will leave that question with Cyrus, but just in terms of your first question, no, we're actually, as I mentioned, we're quite frugal when it comes to our investments right now. We just have a very big Capex investment and that it's sort itself is just answering all the backlog of things we could have done in the last 5 years. But we didn't do just because of space and you know production constraints. So,

#### Sales & Admn. Office :

Mazda House, Panchwati 2nd Lane,  
Ambawadi, Ahmedabad - 380006. INDIA  
Phone: +91 (0) 79 40007000 (30 Lines)  
+91 (0) 79 2644 2036, 37, 38  
Fax : +91 (0) 79 2656 5605  
E-mail : vacuum@mazdalimited.com  
Website : www.mazdalimited.com

#### Works & Registered Office :

Unit-1  
C/1-39/13/16, G.I.D.C.,  
Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40267000

#### Works :

Unit-2  
Plot No. 11 & 12, Hitendranagar  
Sahakari Vasahat Ltd.,  
N.H. Road, Naroda,  
Ahmedabad - 382 340  
Phone: +91 (0) 79 40266900

#### Works :

Unit-3  
C/1-A5, G.I.D.C.,  
Odhav,  
Ahmedabad - 380 015  
Phone: +91 (0) 79 22874945

#### Works :

Unit-4  
Plot No. 17/1, Phase-III,  
G.I.D.C., Naroda,  
Ahmedabad - 382 330  
Phone: +91 (0) 79 40147000

#### Works :

Unit-5  
Plot No. 76/10, Phase-IV,  
G.I.D.C., Vatva,  
Ahmedabad - 382 445  
(M) : 9879113091

we're not diving deep into just hiring massive talent to, you know, running ads or doing big media budgets or things like that. Right now, we are just focusing with our current product basket dishing out more, capturing more market share, which is already happening and that's our main focus rather than incurring any sort of heavy expenditure for marketing or ADS or, uh, new talent we are we had a team of almost just 3 or 4 for just couple of years ago. So, we're actually just, you know, building a bigger, sustainable team because, but that doesn't mean attracting heavy names and talents for us at this point because again, we are very cost conscious and I will pass it on to Cyrus for the next question.

### Cyrus Bhagwagar (CFO)

Regarding the working capital, what you are asking is that working capital always remains a challenge because of the credit that we offer to certain clients. But we are right now in the manageable state and if at all there may be some required right now, we are debt free. We can go in for borrowings for working capital at the later stage. But right now, we don't feel the need.

### Harsh Dope

Yeah. Thank you, Sir.

### Nishith Kayasth (Moderator)

Now moving forward, you will be the last person to ask the question, Mr. Avinash.

### Avinash Agarwal

Yeah. Thanks for this opportunity. First question was on, you know, if you could explain in the applications of the anti-scale or you know removal system and also what would be the opportunity size and competition. You know who are the competitors in the industry for this?

### Percy Avari

Yeah. Good evening, Mr. Agarwal. Yeah, anti-scaling is I had explained last time that prevents, you know, scaling up, so it prevents scale buildup in heat exchangers in piping, in cooling towers and right now it is being done through chemical method that people dose chemicals and reduce or retard the growth of scales. So, we are doing it in anti-chemical way, without the use of any chemicals and this is aligned where there is less competition right now maybe one or 2 players will be there in India, but even then, methodology is different. Our is much superior I believe. And therefore, we do not, as of now while speaking to you, there is not much competition, but you never know the market size. As I said, each and every plant has a boiler, each and every plant has a cooling tower. Each and every plant now has an RO system. They have heat exchangers. So, these are all the areas where this product can go and therefore you yourself can gauge because there are so many plants having RO and all these boilers and cooling towers, so naturally the scope is very good. Only thing is that you have to canvas and prove that it is effective. That is, what is left to be done by us moving to the clients that this is really beneficial and that process has started and we have been successful in a modest way. But the potential is, I mean, there are no segments that we cannot cater to. Thank you.

### Avinash Agarwal

Thanks for that, Sir. And I had one question on the foods business.

Now, how do we decide on, you know which products we would want to enter? Does it come from the customer or there are only certain segments that we would be focusing on?

## Shanaya Mody Khatua

This is mainly on what production lines we have because any product that we decide to go for sometimes requires again massive Capex because end to end production machinery is needed. So, it is whatever a complementary product that can run on a line or is within our compliance with the factory in terms of materials that are allowed to be used with our certifications etc. So, it is largely determined by the production lines that we currently have.

## Avinash Agarwal

And one last question to both Percy and Shanaya is you know- What is our aspiration or you know for the next say 5 years? Where do we want to take our respective businesses, both of the businesses, not necessarily in terms of financials, but in terms of you know the positioning in the industry, the kind of products that we offer etcetera, if you could throw some light there?

## Percy Avari

Mr. Agrawal, everyone likes to grow. So, our ultimate aim is to grow and make it a 500 crore companies. I would say to answer your question in short, all efforts are only towards one goal is to increase the turnover as much and as fast as we can, but in the only thing that differentiates us is that we would not like to get our name tarnished in any way or would not like to be a one-time supplier to anyone or would not like to have unhappy clients. Our ultimate goal is to grow also, though not as fast as we could have, but to have a list of happy and satisfied customers who look to Mazda as a company which will never, ever, not keep up its word and to see that Mazda is a brand in the league of companies like L&T or Thermax or other large companies. That is the main award for us. Thank you.

## Shanaya Mody Khatua

Just to add to that, I mean, we do a lot of things. Maza has been a stable ship. There's a lot of work that goes behind the scenes to make sure that it has this stability. So, in the next 5 years, our basic aim would be to grow and make sure that we have bigger each, bigger sales, etc. etcetera. But we also want to continue doing whatever we are doing well, well and whatever we need to sort of fix to sort of improve ourselves in doing better where we have areas that we can sort of clean up. Thank you.

## Avinash Agarwal

Thank you, Ma'am.

## Nishith Kayasth (Moderator)

Now last one from Mr. Nikhil, you can unmute yourself and ask the questions.

## Nikhil Upadhyay

Thanks for this. Just 2 questions. First is to Percy.

Now if I divide our product segments one is around vacuum process-based technology, process equipment and another is on water treatment technology. And if we look at our 5 to 6 years annual reports, we've added product segments in either of these 2 technologies or 2 segment. If you have to understand how is our target market segment increased through new product launches in last 3 to 4 years?

And a sub question is in last year's Investor's meet you had mentioned that in the water treatment the customer is more focused on the pricing rather than the efficiency because it's basically just a regulatory requirement and not a yield or efficiency improvement product do you see that mind space or way of uh thinking changing at all? And do you see more products which can be launched in either of these 2 segments?

### Percy Avari

Thank you, Nikhil. Yes, that was the ultimate goal. When we, you know, trying to go in for freeze crystallization. We spent a lot of time, money, energy, manpower on developing crystallization but as I said earlier on the results that we got are not satisfactory and we never would like to as Mazda push a product with which we are not happy ourselves. So, we could have, you know, made up a story made up, packaged it in a such a way that it could have really started selling. But no, as Mazda, if we are not convinced, if we are not happy and we are not, you know, sure about the product, we would never like to sell that product. And so that was the first answer that we tried to do in this existing line up or we had tried to do something different, but as of now we were not successful.

What was the second question? Yeah, people like large companies are, yes, this is a very important point that you made. People are now conscious. Owners of good companies are now conscious of conserving water, are now conscious of recycling the water, are conscious of having a good plant not only to show it to statutory authorities, but to operate it at all times. So, this has come as a surprise to us and it is a good surprise that the owners of good companies want this product. They want to conserve water. They want to recycle water. So, this is slowly and steadily definitely changing. But small companies like dyes Intermediaries, all those will still have the same mentality of having it only for the sake of having it. So, it's good. Yes, things are looking bright for this particular product. Thank you.

### Nikhil Upadhyay

And one question to Shanaya.

See, whenever we do a Capex and this time, we did a large Capex and in the annual report we have mentioned that our share of revenue from existing customers have increase.

What kind of a visibility do you get from the existing customers because these products are a consumable right so if under one ton is being sold in this year, the same customer will require one ton next year as well. So, what kind of a visibility or wallet share increase we've seen with our existing customers in last 3 years? And parallelly, what is the revenue coming from new customers who we have onboard in in last 3 years?

### Shanaya Mody Khatua

I'll give you a general idea. I mean, for instance, our domestic client from FY one of our large domestic clients, FY 2022 to 2023, we had an almost 80% rise. Another African one, a 40% rise, a Middle East one about 30% rise.

What kind of idea do we have?

First of all, I mean, if there's a product that you think that your brand loyal to you sort of, you know, the market itself has an indication of whether you will be buying the product again or not. So, this means future order projections for to us from our clients which we regularly get. So yes, we do know almost, you know, 6 to 8 months in advance from the client whether they will be increasing their orders with us

or not just because specifically as you build brand awareness, we have now been in the market for quite a while. So, we're not a new brand anymore. We have an established presence of within markets and within territories when, because we've had clients there for many, many years, other clients see our products and see our sustainability and sort of give us new orders on the basis of the same.

In terms of new customers. I mean we can't really provide an exact breakdown of revenue generated from new customers, but we have substantial growth in inquiries because of increased visibility. I feel in reply to your question, the growth is sort of tied hand in hand with how much we push our visibility, which has been very, very different this year compared to any of our last year's. Again, through media channels. through our participation in trade fairs, exhibitions and just the fact that because our customers now have a broader reach because we are larger than maybe 2 years ago, our product is on more shelves, in more places that is our marketing in itself. A lot of times we get a lot of new clients who would have just picked up a product, liked it and decided to place a container order. So, we see as we get bigger and you know we become more of a recognized brand.

**Nikhil Upadhyay**

Sure. Thanks a lot.

**Shanaya Mody Khatua**

Thank you.

**Nishith Kayasth (Moderator)**

Thank you, everyone. And whosoever has registered for speaker for tomorrow's AGM are most welcome. And if there are any questions left, you can ask tomorrow at the AGM also.

So, thank you very much.

**Percy Avari**

Thank you everyone.

**Shanaya Mody Khatua**

Thank you for your time.

**Cyrus Bhagwagar (CFO)**

Thank you.

**Mohib Khericha (Chairman)**

Thank you very much.