

July 27, 2017

Bombay Stock Exchange Limited
The Corporate Relationship Dept.
P.J. Towers,
Dalal Street,
Mumbai – 400 001

BSE Company Code: 500214

Dear Sir/ Madam,

Sub: **Submission of Analyst / Investor Presentation**

Pursuant to Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed presentation being made to Analyst / Institutional Investor to discuss the Financial performance of the Company for the First quarter ended June 30, 2017.

The aforesaid information is also disclosed on website of the company i.e. www.ionindia.com

Kindly take the information on record.

Thanking You,

Yours faithfully,
For Ion Exchange (India) Limited



Milind Puranik
Company Secretary



Refreshing the Planet

EARNINGS PRESENTATION

Q1 - FY18

OVERVIEW

- Ion Exchange (India) Ltd (Ion Exchange), formed in 1964, is a pioneer in water, waste water treatment & environment solutions and caters to various industries, homes & communities.
- Headquartered in Mumbai, the company has six manufacturing & assembly facilities across India, and one each in Bangladesh and UAE. It also has presence across other key geographies.
- Installation: 1 lakh globally; 500+ in core sectors.

BUSINESS & REVENUE (%) MIX – CONSOLIDATED (FY17)

- **Engineering (60%)** – Provides comprehensive and integrated services and solutions in water & waste water treatment including Sea Water desalination, Recycle and Zero liquid discharge plants to diverse industries.
- **Chemicals (30%)** - Provides a comprehensive range of resins, speciality chemicals and customized chemical treatment programmes for water , non-water and specialty applications.
- **Consumer Products (10%)** – Caters to individuals, hotels, spas, educational institutions, hospitals, laboratories, railway and defence establishments providing safe drinking water and a clean environment.

MARQUEE CLIENTS

- **Industrial** – NTPC,NPC , Reliance, IOCL, JSW, CPCL, L&T, Essar group, IRCTC , BHEL, Tata Group,
- **Institutional** – Leela, Military Engineering Services, Taj Hotels, Holiday Inn, Hyatt Regency, Oberoi Hotels, Apollo Hospitals, Escorts Heart Institute, DLF, Puravankar.
- **International** – Cargill, Technip France, Unilever group, Jurong, Thyssenkrupp (Uhde), Jacobs, Kawasaki, Mitsubishi, PDO Oman, Emirates Steel, IKPP Indonesia

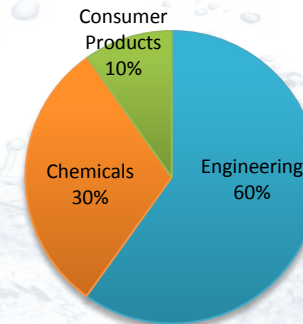
CONSOLIDATED FINANCIALS (FY17)

- **Total Income** – INR 10,298 Mn
- **EBITDA** – INR 833 Mn
- **PAT** – INR 283 Mn

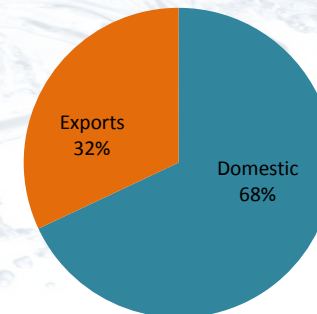
COMPANY OVERVIEW

- Ion Exchange was originally formed as a subsidiary of Permutit, UK in 1964. It became a wholly owned Indian company in 1985. The company is currently celebrating its 53rd Year of operations.
- The company has expanded its footprints globally and possesses a diversified product range. It offers one stop water and non-water treatment solutions catering to diverse segments like infrastructure, industry, institutions, municipal, homes and communities, urban and rural.
- The company offers a wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged Drinking water , Sea Water desalination etc.
- The company is also engaged in manufacturing ion exchange resins, speciality chemicals for water and waste water treatment as well as non-water applications.
- It has two facilities for In-house R&D and two applications and testing centers.
- The company has over 50 patents to their credit and 100+ products commercialized.
- The company has a global presence apart from presence in major cities in India with sales & service centers and dealer network of more than 100.
- The company exports to Africa, Japan, Middle East, Russia, South East Asia, Europe, UK, USA , Canada and neighbouring countries.

REVENUE BREAK UP FY17*



GEOGRAPHICAL BREAKUP FY17*



* Consolidated

Q1-FY18 STANDALONE FINANCIAL HIGHLIGHTS

❑ Q1-FY18 performance:

- Total Income : INR 2,137 Mn; Growth of 3.14% Y-o-Y
- EBITDA : INR 175 Mn; Fall of 0.57% Y-o-Y
- EBITDA Margin : 8.19%; Fall of 30 Bps Y-o-Y
- Net Profit : INR 73 Mn; Fall of 9.88% Y-o-Y
- PAT Margin : 3.42%; Fall of 49 Bps Y-o-Y
- Diluted EPS : INR 6.07

Q1-FY18 OPERATIONAL HIGHLIGHTS

STANDALONE

ENGINEERING

- Order flows were muted during this quarter. Several order finalizations were postponed to the 2nd quarter, due to pending clarities on taxation and other related matters.
- Structural and policy changes in the Indian economy also affected the dispatches in the Engineering division significantly.
- Srilankan Project Update:
 - The Srilankan project is progressing as per schedule.
 - During Q1-FY18 the scope of work primarily involved site audits, land surveys and Design Engineering due to which there was no revenue recognition as the invoicing for this project is based on milestones of work completion.
 - Based on the work progressed the company is confident of revenue accruing from this project in coming quarters.

CHEMICALS

- Overall growth witnessed both in Resin and Industrial Chemical business.
- Increase in raw material prices and change in the composition of revenue had a temporary impact on the margins of this segment.

CONSUMER PRODUCTS

- Ramp up in fixed costs could not be absorbed due to lower than expected turnover, which was impacted due to proposed GST implementation.

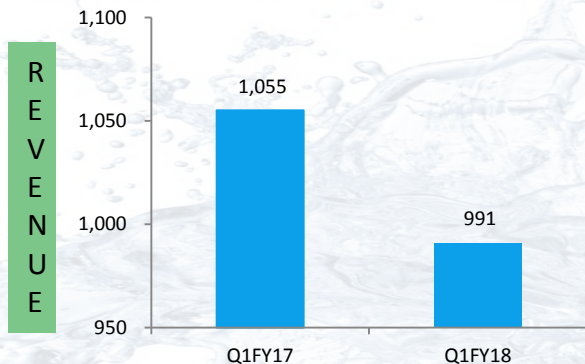
Q1 FY18 – STANDALONE INCOME STATEMENT-IND AS

INCOME STATEMENT (INR MN)	Q1-FY18	Q1-FY17	YoY
Total Income*	2,137	2,072	3.14%
Total Expenses	1,962	1,896	3.48%
EBITDA	175	176	(0.57%)
EBITDA Margin	8.19%	8.49%	(30) Bps
Depreciation	32	26	23.08%
Finance Cost	32	27	18.52%
PBT	111	123	(9.76%)
Tax	38	42	(9.52%)
Profit After Tax	73	81	(9.88%)
PAT Margin	3.42%	3.91%	(49) Bps
Other Comprehensive Income	(1)	(1)	0
Total Comprehensive Income	72	80	(10.00)%
EPS (Diluted INR)	6.07	6.80	(10.74%)

*Total income includes other income

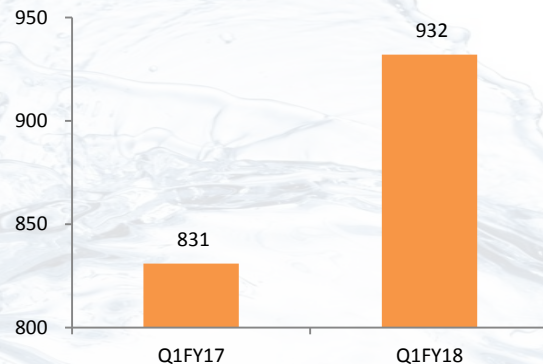
SEGMENTAL BREAKUP-QUARTERLY STANDALONE

ENGINEERING*

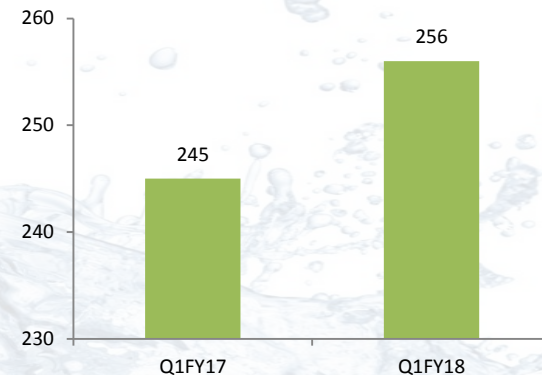


* INR Mn

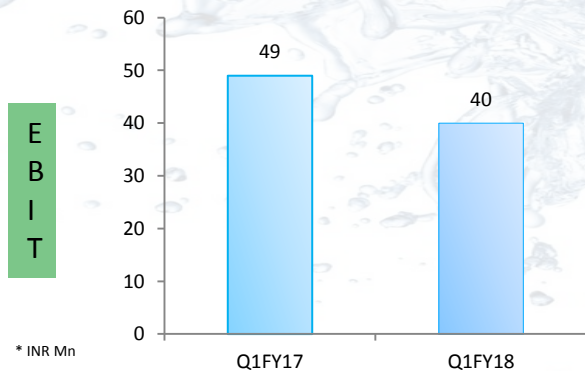
CHEMICALS*



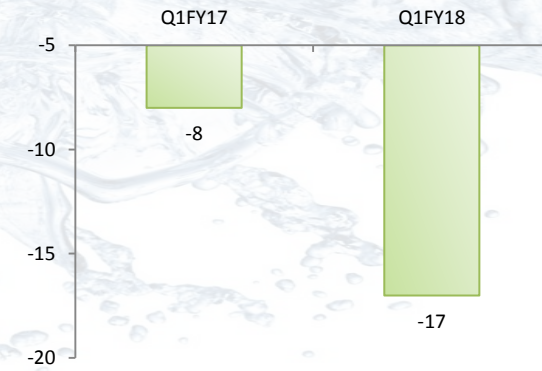
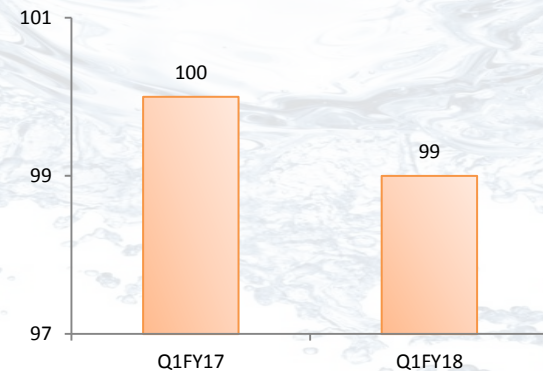
CONSUMER PRODUCTS*



EBIT



* INR Mn



HISTORICAL STANDALONE INCOME STATEMENT - IGAAP

INCOME STATEMENT (INR MN)	FY13	FY14	FY15	FY16	FY17
Total Income*	7,732	7,201	7,400	8,139	9,513
Total Expenses	7,208	6,705	6,813	7,419	8,575
EBITDA	524	496	587	720	938
EBITDA Margin	6.77%	6.89%	7.93%	8.85%	9.86%
Depreciation	79	84	98	100	108
Finance Cost	120	98	109	106	128
PBT	325	314	380	514	702
Tax	110	109	119	169	242
Profit After Tax	215	205	261	345	460
PAT Margin	2.78%	2.85%	3.53%	4.24%	4.84%
EPS (Diluted)	14.56	14.08	17.61	23.20	31.36

*Total income includes other income

HISTORICAL STANDALONE BALANCE SHEET - IGAAP

PARTICULARS (INR MN)	FY 15	FY16	FY17	PARTICULARS (INR MN)	FY15	FY16	FY17
EQUITIES & LIABILITIES				ASSETS			
Shareholder Funds				Non Current Assets			
(A) Share Capital	145	146	147	(A) Fixed Assets	750	823	1,233
(B) Reserves& Surplus	2,058	2,355	2,812	(B) Non-current investments	552	552	552
Total -Shareholder Funds	2,203	2,501	2,959	(C) Deferred tax assets (Net)	0	0	0
Non Current Liabilities				(D) Long term loans & advance	597	692	650
(A) Long Term Borrowings	102	155	277	(E) Other Non Current Assets	67	59	39
(B) Deferred Tax Liabilities (Net)	46	43	41				
(C) Other Long Term liabilities	73	84	86	Total - Non – Current Assets	1,966	2,126	2,474
(D) Long Term provisions	108	119	108	Current Assets			
Total - Non – Current Liabilities	329	401	512	(A) Current Investments	1	1	1
Current Liabilities				(B) Inventories	453	598	858
(A) Short term Borrowings	357	410	408	(C) Trade Receivables	3,265	3,352	4,216
(B) Trade Payables	2,703	2,893	3,532	(D) Cash & Bank Balances	148	192	1,511
(C) Other Current Liabilities	565	595	2,511	(E) Short-term loans & advances	486	724	1,051
(D) Short-term provisions	164	198	193	(F) Other current assets	2	5	4
Total – Current Liabilities	3,789	4,096	6,644	Total – Current Assets	4,355	4,872	7,641
GRAND TOTAL - EQUITIES & LIABILITES	6,321	6,998	10,115	GRAND TOTAL – ASSETS	6,321	6,998	10,115

HISTORICAL CONSOLIDATED INCOME STATEMENT - IGAAP

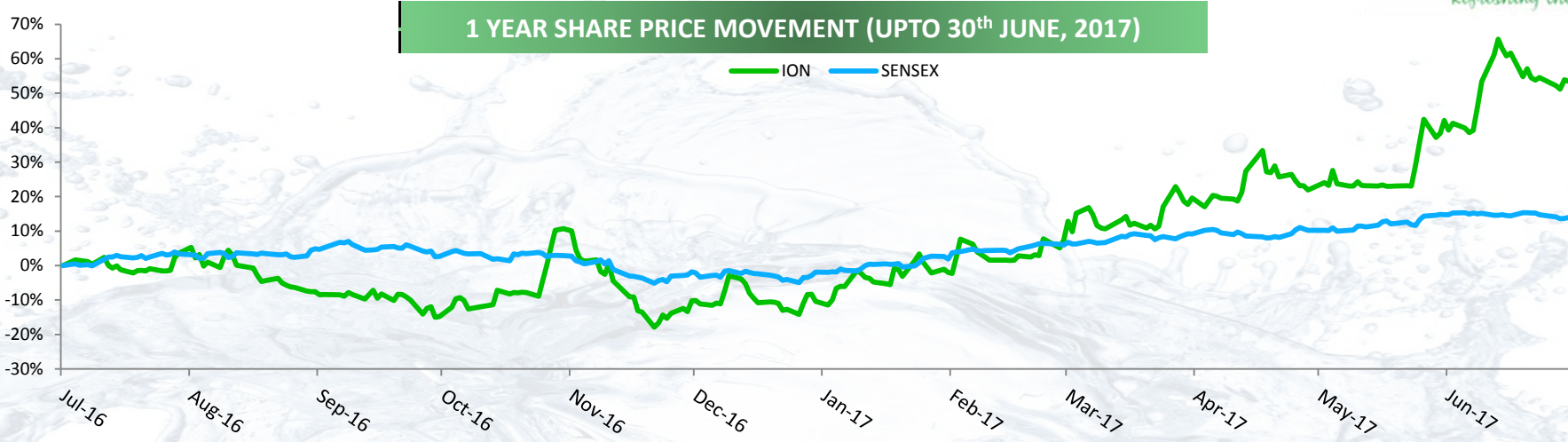
INCOME STATEMENT (INR MN)	FY15	FY16	FY17
Total Income*	8,048	8,776	10,298
Total Expenses	7,539	8,155	9,465
EBITDA	509	621	833
EBITDA Margin	6.32%	7.08%	8.09%
Depreciation	121	126	133
Finance Cost	150	149	163
PBT	238	346	537
Tax	124	177	251
Profit After Tax, Before Minority Interest	114	169	286
Add: Profit/(Loss) from Associate	0	1	6
Less: Minority Interest	16	17	9
PAT	98	153	283
PAT Margin	1.22%	1.74%	2.75%
EPS (Diluted)	6.78	10.61	19.94

*Total income includes other income

HISTORICAL CONSOLIDATED BALANCE SHEET - IGAAP

PARTICULARS (INR MN)	FY 15	FY 16	FY17	PARTICULARS (INR MN)	FY15	FY 16	FY17
EQUITIES & LIABILITIES				ASSETS			
Shareholder Funds				Non Current Assets			
(A) Share Capital	141	141	142	(A)Fixed Assets	989	1,050	1,453
(B) Reserves& Surplus	1,420	1,560	1,837	(B) Non-current investments	24	24	29
Total -Shareholder Funds	1,561	1,701	1,979	(C) Deferred tax assets (Net)	8	8	9
Minority Interest	85	62	63	(D) Long term advance	476	543	453
Non Current Liabilities				(E) Other non-current assets	263	263	266
(A) Long Term Borrowings	202	230	299				
(B) Deferred Tax Liabilities (Net)	47	44	41	Total - Non – Current Assets	1,760	1,888	2,210
(C) Other Long Term liabilities	110	128	126	Current Assets			
(D) Long Term provisions	116	129	118	(A) Current Investments	1	1	1
Total - Non – Current Liabilities	475	531	584	(B) Inventories	793	814	1,109
Current Liabilities				(C) Trade Receivables	3,582	3,630	4,405
(A) Short term Borrowings	567	567	608	(D) Cash and Bank Balances	262	334	1,669
(B) Trade Payables	3,162	3,314	3,960	(E) Short-term loans and advances	401	489	646
(C) Other Current Liabilities	783	781	2,650	(F) Other current assets	3	5	5
(D) Short-term provisions	169	205	201	Total – Current Assets	5,042	5,273	7,835
Total – Current Liabilities	4,681	4,867	7,419				
GRAND TOTAL - EQUITIES & LIABILITES	6,802	7,161	10,045	GRAND TOTAL – ASSETS	6,802	7,161	10,045

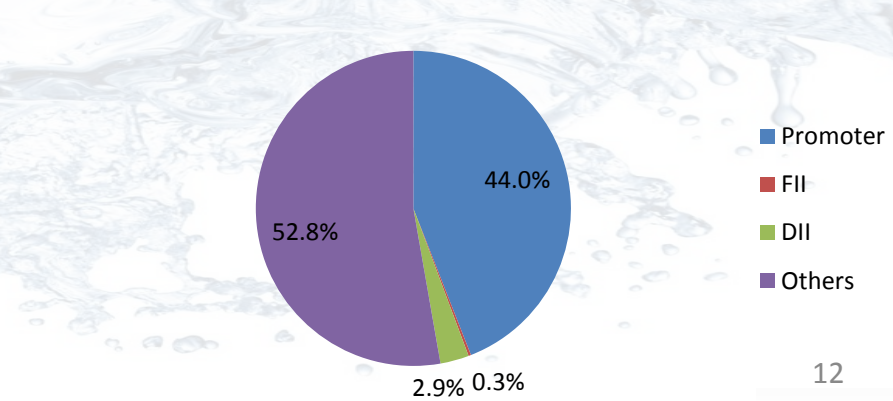
MARKET DATA (BLOOMBERG – ION IN, REUTERS – IONX.BO)



PRICE DATA (AS ON 30th JUNE, 2017)

Face value (INR)	10
Market Price (INR)	498.85
52 Week H/L (INR)	547.7/254
Market Cap (INR Mn)	7,316
Equity Shares Outstanding (Mn)	14.66
1 Year Avg. trading volume ('000)	14.34

SHAREHOLDING PATTERN (AS ON 30th June, 2017)



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Ion Exchange Limited

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