November 6, 2023

To

BSE Limited	**National Stock Exchange of India Limited**
The Corporate Relationship Dept.	Exchange Plaza, C-1, Block- G,
P.J. Towers, Dalal Street	Bandra Kurla Complex, Bandra (East),
Mumbai-400 001	Mumbai-400 051
Scrip Code: 500214	Symbol: IONEXCHANG

Dear Sir/ Madam,

Sub: **Submission of Transcript for conference call under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to our letter dated October 23, 2023, we enclose herewith communication relating to conference call as per Regulation 30(6) read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The said conference call with the Institutional Investor/Analyst held on Tuesday, 31st October, 2023 was to discuss the financial performance of the Company for the second quarter and half year ended September 30, 2023. The aforesaid information is also disclosed on website of the company i.e. www.ionexchangeglobal.com

Kindly take the information on your record.

Thanking You,

Yours faithfully,
For Ion Exchange (India) Limited

MILIND DATTATRAYA PURANIK
Digitally signed by MILIND DATTATRAYA PURANIK
Date: 2023.11.06 12:31:39 +05'30'

Milind Puranik
Company Secretary

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Ion Exchange India Limited
Earnings Conference Call
October 31, 2023

Moderator: Ladies and gentlemen, good day and welcome to Ion Exchange India Limited Q2 FY24 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, Mr. Sonpal.

Anuj Sonpal: Thank you. Good afternoon, everyone and a very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor Relations of Ion Exchange India Limited. On behalf of the Company, I'd like to thank you all for participating in the Company's earnings call for the second quarter and first half of the Financial Year 2024.

Before we begin, let me mention a short question statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management.

Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the Company's fundamental business and financial quarter under review.

Let me now introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks. We have with us Mr. Aankur Patni – Executive Director, Mr. N.M Ranadive – Group Head of Financial Planning and Risk Management, Mr. Vasant Naik – Group Chief Financial Officer and Mr. Milind Puranik – Company Secretary. Without any further delay, I request Mr. Vasant Naik to start with his opening remarks. Thank you and over to you, sir.

Vasant Naik: Thank you, Anuj. Good afternoon, everybody. It is a pleasure to welcome you to the earnings conference call for the second quarter and first half of the Financial Year 2024. For Q2 Financial Year 24 on a consolidated basis, the Company reported an operating income of INR 5,330 million, an increase of around 19% year-on-year.

EBITDA was reported at INR 604 million an increase of around 13% year-on-year and the EBITDA margin stood at 11.33% with a net profit of INR 424 million an increase of around 10% year-on-year. The PAT margin stood at around 7.95%. For the first half of Financial Year 2024, on a consolidated basis, the Company reported an operating income of INR 10,122 million, an increase of around 22% year-on-year.

The EBITDA was reported at INR 1,092 million, an increase of around 27% year-on-year. The EBITDA margins stood at 10.79% and net profit was at INR 757 million, an increase of 14.5% year-on-year with the PAT margin standing at 7.48%.

In the engineering division, the revenue for the quarter was INR 3,139 million, an increase of around 22% year-on-year. The EBIT for this segment was INR 194 million, a growth of 7% year-on-year. The segment continues to witness a healthy order flow of medium size jobs. The enquiry bank remains robust with some large value opportunities in the advanced stages of bidding.

The engineering segment recorded improved volumes in the second quarter on the back of a healthy order backlog. The execution of the large EPC jobs, including the UP Jal Nigam order is expected to further pick up pace in the second half of the year.

Regarding the Sri Lanka order, the work continues albeit at a limited space and we are targeting project closure by financial year 23-24 end. As regards the chemical segment, the revenue for the quarter stood at INR 1,762 million, an increase of 10% year-on-year, and EBIT stood at INR 423 million representing a growth of 12% year-on-year. The margins remained healthy and were maintained at previous quarter levels.

We continue to monitor the impending threat of input price increases due to uncertainties in the global geopolitical situation. In the Consumer Division segment, the revenue for the quarter was INR 576 million, an increase of 27% year-on-year. The segment has sustained the growth witnessed in the past few quarters.

The Company's merger application is in respect of its Indian subsidiary companies with the parent holding Company have been filed with the competent authorities and the same are under process.

With this, I conclude the opening remarks and we can now open the floor to the question-and-answer session.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We'll take the first question from the line of Akshat Mehta from Sameeksha Capital. Please go ahead.

Akshat Mehta: My question was that if you can just help us understand the reasons for slower execution in first half of the year in the engineering segment and why the margins also compared to a year-on-year basis for quarter 2 have also been lower?

Management: Yes, Akshat I got your question. You were talking about a slower pace of execution in the engineering segment visa vis-a-vis the order book.

Akshat Mehta: Yes.

Management: While we are continuing to work towards steady execution of the larger contracts in our order book, the pace of execution in a couple of them has been slower than what we had expected. There are some continuing procedural delays as far as the UP contract is concerned. However, as Vasant mentioned in his opening remarks, we do expect that the pace will pick up substantially in the second half of the year.

With regard to the large EPC contracts, there have been some delays on the engineering front because of site-related issues and we hope that we have that behind us now and, in those contracts, also we will see increased pace of execution in the second half.

Akshat Mehta: My second question is sir, if you look at your working capital in your payables there has been a continues decline over the last four or five quarters in terms of the number of days that have been there. So, what can be the reason for the same?

Management: Working capital decrease you're talking about.

Akshat Mehta: Especially payables there's been a decrease in the payable days over the last four, five quarters. So, just wanted to understand why that is happening?

Vasant Naik: Actually, we have been building up the inventories for taking care of the higher execution which you are planning in the second-half of the year whilst the payables have been paid as per the due date that's why there is a slight increase in the overall working capital level compared to the earlier quarters, but we feel that as we go ahead in the second-half of the year our working capital should normalize to what was there in the financial year 22-23 levels on a full year basis.

Akshat Mehta: So, earlier you were taking some more credit period from your creditors for paying and now you're paying on time, is that what is happening?

Vasant Naik: There's not been any material change in the overall credit period as far as the payables are concerned.

Akshat Mehta: But if I'll just look at it, I think it has gone down from 120 days around that number to around 90 days. There has been 30-day decline in the payables. I'm talking about the last 4, 5 quarters, not quarter-on-quarter or year-on-year it has been a continuing trend over 1.5 years or so?

Vasant Naik: Actually, for example, the Sri Lanka contract where now the execution is in the final stages, the back-to-back arrangements which were there with some of the civil contractors that is no more available. So, those payables which are there that is getting paid off now during the year. So, maybe that is one of the reasons why the payable days have come down compared to the earlier quarter.

Akshat Mehta: But you still expect that it will be at FY23 levels going forward, correct?

Vasant Naik: As we move ahead with the execution of the larger EPC projects where the back-to-back terms with the vendors will come in place, the payables should get normalized largely at the FY23 levels.

Akshat Mehta: My next question to your sir is if you could share the numbers for Mapril during the quarter that we can kind of see what the core chemical performance has been as well. I think it has been included for two months during the quarter.

Vasant Naik: We don't share Company specific information on the concall, but what we can only say that if you see the consolidated numbers for the chemical segment the increase in the chemical segment is also due to the inclusion of the Mapril Company numbers in the chemicals segment.

Akshat Mehta: But overall, any sense on how chemical segment has performed during what and going forward, what do you expect from the segment?

Management: Overall, we're expecting growth of around 5% to 10% for this segment on a full year basis.

Moderator: Thank you, sir. We'll take the next question from the line of Pratik Kothari from Unique Portfolio Managers. Please go ahead.

Pratik Kothari: Just taking two comments from your presentation and if you can just throw some more color, one on engineering we have highlighted that we have won few or quite a few actually medium sized jobs, if you can throw some more color what kind of projects are this, are these for industries and also on the chemical we have, I mean, we're talking about some threat in terms of input prices and also on the demand side, if some more color qualitatively would be helpful?

Management: What has been highlighted is there have been quite a few contracts which are medium sized engineering contracts in the order inflow for the quarter. These are all from the industrial sector. As far as the concern on input prices is concerned, it's just a cautionary statement.

There certainly is a pressure on input prices for the chemical segment and we are monitoring it continuously We will take whatever steps required to mitigate any possible impacts which may occur in future. As of now because of the relative stability that we have seen in our input basket, we have been able to deliver good margin numbers.

Pratik Kothari: And sir one on margins in engineering you mentioned that maybe after Q2 or something we'll make a comment. Can we go back to the FY21-22 numbers, 11% EBIT margin that we used to do on an annual basis?

Management: Our expectation is that we would be able to better the numbers which we declared for the last year as a whole. Whether or not we will reach the 21-22 numbers, I think we will still hold back that comment. Hopefully by the end of the third quarter and depending upon how the prices have moved and what is the composition of margins that we get from the various sub segments, we will be able to comment.

Pratik Kothari: So, sir is it a function of the kind of projects that we are executing or is it something else, I mean, on the margin?

Management: It comes as a mix of a number of things Pratik because we mentioned earlier that this is a function of the scale at which the engineering segment is operating that has a significant impact. It is also because of the input prices that we managed to get during the period under execution.

And third, it certainly has an impact of the kind of projects that we are executing during that period. So, all of these have a part to play.

Pratik Kothari: Lastly sir just update on the Maharashtra, Roha and Odisha plant, how are we progressing on that?

Management: The Roha plant is under construction as we had declared previously. We expect that it will become operational in FY 25-26 and we will announce further developments on that during the course of the next two quarters.

Moderator: Thank you. The next question is from the line of Satadru Chakraborty from Chakraborty Family Office. Please go ahead.

Satadru Chakraborty: My question is really around the Mapril acquisition. So, I know that we have now consolidated 2 months' worth of results in the console please. I was just curious in your long term planning and projection, what kind of EBITDA margins on a console basis would you be comfortable with this? So, is this a margin dilutive acquisition, is this really the customers that we are going after? Is it the market? So, any color and any insight that you have on the acquisition will be very helpful?

Management: We have consolidated about quarter's operations from Mapril acquisition and we are seeing that it is progressing well. We hope to get increased revenues from these operations in the coming quarters.

The acquisition was mainly to access the market in the European market and the trend still now indicates that we would be doing reasonably well on that front. We will declare additional details in the coming quarters. As of now, the broad color that I can give to you is that at the PBT level we are positive there and things are picking up.

Satadru Chakraborty: Maybe one additional follow-up now that we have, let's say, substantial presence in Europe with this acquisition. I was very curious from a financial planning perspective, are you planning to have some sort of hedging mechanism in place so that whenever you are selling services or selling products to this subsidiary you are sort of not getting the negative effects of your appreciation depreciation.

So, any outside strategy because I know there is some sort of hedging in place that I just was curious to understand what is the overall Company strategy regarding FOREX practices in general?

Management: We do take constant stock of our exposures on the FOREX market and go by advice of an external consultant who will guide us on what the right kind of strategy to take, but very broadly we do not like to keep open positions with all, and we would try and cover as much as possible unless we have a natural hedge against open exposures.

Moderator: Thank you. We'll take the next question from the line of Muthukumar from Fidelity Ventures. Please go ahead.

Muthukumar: In the investor presentation, you have mentioned that in the engineering project consists of 2,186 crore order books in outstanding Sri Lanka order book of 240 crores and outstanding UP and Delhi Jal Nigam Project of 925 crores. Totally I just want to know what is the timeline taken to accomplish this order. I just want to know the approximate time spent taken to accomplish this order?

Management: The UP order we expect to complete in the next financial year, that order book will get exhausted. As far as Sri Lanka is concerned, we have been going slow in that order for quite some time now because of the unfortunate economic problems which were being faced by the Country.

As we come to a resolution to those cash flow issues, we will accelerate our invoicing of that contract. Therefore, on a very optimistic basis, it can get fully invoiced during the current year.

Muthukumar: And also, in the big pipeline you mentioned 8,597 crores, what is the capture ratio or strike ratio you are expecting?

Management: Typically, we expect around the 15% to 20% strike rate.

Muthukumar: And also if you can give me a glimpse of EBITDA for next two to three years?

Management: That's something which we would like to be more clear on as we proceed into the next year. But on a very approximate and a broad level, we should be able to maintain the levels of EBITDA which we have today, but then more color or accuracy can only come as we proceed into the next year.

Moderator: Thank you. We'll take the next question from the line of Noel Vaz from Union Asset Management. Please go ahead.

Noel Vaz: What is the growth outlook for the chemicals and engineering segments for FY24?

Management: For the engineering segment we are expecting between 30% to 35% growth. Chemical segment, we are still hoping we would be able to deliver between 5% to 10% growth.

Noel Vaz: Just wanted to just clarify on the chemicals. Initially I think in the previous quarter we had guided for somewhere around 10 to 15 and now we've reduced our outlook to 5 to 10. Is there any particular reason for it?

Management: We were hoping for some kind of a resumption of the pace of demand in international market that has not yet come through and that's why I am cautiously reducing that guidance. We have been hoping now for the past few quarters that the situation on the geopolitical front becomes better and the European as well as the North American economy would start to fire better. Since that has not yet happened, we are looking at a slightly lower growth forecast. Middle East also is under a little bit of a threat as you would know because of the current geopolitical scenario there. So, on a conservative basis, we feel that the growth forecast for the current year needs to be moderated.

Noel Vaz: Just lastly regarding consumer products, what we had initially guided for is, I mean, it's a fairly strong growth that's been delivered in 2Q and also we've guided I think the previous call that you had mentioned that you're planning to aim for a breakeven by the end of this financial year and you see very strong growth. So, I just wanted to get an idea about what kind of growth trajectory we can expect for this outlook and possibly margin outlook also if possible?

Management: We are seeing a continued growth momentum as far as the consumer segment is concerned. Even in the current quarter, the growth momentum has been good. This should continue over the next few quarters. As far as the margin is concerned, we were looking for a breakeven by the end of the year, we still remain hopeful we'll be very close to that.

Moderator: Thank you. We'll take the next question from the line of Jainam Doshi from Kriis Portfolio. Please go ahead.

Jainam Doshi: So, recently we have altered our object laws of MOA mentioning our intention to carry out business in the areas of FRP sheets, piping industrial and municipal solid waste management. So, just wanted to have a color on what is our outlook as strategy pertaining to the same?

Management: So, that's consequent to the impending merger, which we have with companies, but Milind can you throw a little bit more light on that.

Milind: Mergers of three of our subsidiary companies are in progress. So, to facilitate the objects clause of the transferor Company into our objects clause we have amended it beforehand so that at the latter stage at the activity level we don't have any problem.

Moderator: Thank you. The next question is from the line of Harsh Saraswat from Elegant Family Office. Please go ahead.

Harsh Saraswat: I wanted to ask on the margin profile in the engineering business, has it dropped year-on-year, so any guidance on that?

Management: For the engineering segment as a whole compared to the last financial year corresponding period. I think there has been an improvement in the overall margin level. Vasant you can add more color on that please.

Vasant Naik: The engineering margins in the first half are at 6.7% as against 5.2% in the corresponding period of last year.

Harsh Saraswat: My second question is on the thing that in next two, three quarters the whole country will be going on for lot of elections. Does that affect our bid pipelines also in the states where elections are happening, if you could throw some light on how it has been in the past?

Management: Our bid pipeline has relatively limited exposure to direct government or municipal contracts. Therefore, the impact would not be significant from that perspective. As far as the industry or the PSU related inquiries or projects are concerned, typically one would expect a slight slowdown once the model code of conduct comes into being as the Industry in general tends to become a little cautious, but as it stands today the overall outlook being presented by various segments of the industry are not being dictated by the impending elections Because of the geopolitical situation and the overall global scenario which we are seeing as well as some of the price movements on the input side, some industries may prefer to defer their CAPEX, but besides that we are not really seeing any other indications.

Harsh Saraswat: My last question is on the chemical business. How are you seeing the domestic business of this? Is there growth in domestic business or not?

Management: Domestic business has done reasonably well over the last few quarters. It's the international business which has performed much less than what one would have wanted it to.

On the domestic front, again for the future, we do expect that the situation would improve over the coming two quarters because that's the typical trend that we have been seeing over the last few years.

Moderator: Thank you. The next question is from the line of Ayush Agarwal an Individual Investor. Please go ahead.

Ayush Agarwal: So, my first question is regarding your engineering and chemicals business, are you seeing any opportunities arriving from emerging industries like, for example, in India and even worldwide there is a push for electric vehicle manufacture and the Indian government is pushing for semiconductor manufacturing domestically, do you see any opportunities arising because of that?

Management; Yes, Ayush there are a quite a few of these new Sunrise Industries, which are proposing to have significant capital expenditures in the country and each such capital expenditure would have consequent opportunity for both the water treatment and the wastewater treatment side of the business.

Ayush Agarwal: And my second question is regarding your consumer segment. So, I understand that the segment is not profitable just yet and I'm sure it will become profitable in the coming quarters going forward. So, I wanted to know how much you are spending on advertising as a percentage of your revenue.

Management: As such we have not been giving out specific numbers on that front end Ayush, but I can tell you that it's not a very significant number.

Ayush Agarwal: So, it's safe to say it's in the single digits, just to broadly speak about it?

Management: Yes, it would be low, it would not be very high.

Moderator: Thank you. We'll take the next question from the line of Akshat Mehta from Sameeksha Capital. Please go ahead.

Akshat Mehta: So, my question was if you could share the number for customer advances for the quarter and so you could also share the unearned revenue as well as a whole advances plus unearned revenue?

Management: Customer advance was around 215 crores as of September end and the unearned revenue was around 208 crores.

Akshat Mehta: So, around 420 odd crores total?

Management: Yes

Akshat Mehta: So, this is for the first half right this is not just for quarter 2?

Management: This is the position as of September end, the closing balance.

Akshat Mehta: Another question which I had was that the guidance that you're giving on the chemical segment for 5% to 10%, does that include the Mapril acquisition as well within the guidance or that is separate from this?

Management: The projected growth is with respect to the current trends of the consolidated number and as I had responded to an earlier question, we hope to see the incremental benefits from this acquisition, in the coming two quarters and I'm not trying to jump the gun as far as those projections are concerned.

Moderator: Thank you. The next question is from the line of Pratik Kothari from Unique Portfolio Managers. Please go ahead.

Pratik Kothari: Sir one question on membrane. We started a new facility I think in two quarters, three quarters back. So, one update on that and also, we are planning to add another phase to that membrane capacity, so an update on that please?

Management: We have commenced production on the expanded capacity very recently and as we had mentioned in an earlier call, we expect that we will be able to substantially consume that capacity over the next two years. There is a further capacity expansion plan, but that is in the initial stage.

Pratik Kothari: Sorry, but coming back to chemicals again, I mean, we have substantially changed our guidance from say last quarter. So, how bad has the situation, but I understand it we don't break down numbers further, but if you have to talk about exports, how bad has it gotten?

Management: Exports there have been a slight drop. It's not a very significant drop, but there is a slight drop in exports.

Pratik Kothari: Sir the reason I asked this is because last quarter we had said 10%, 15% growth excluding of Mapril and now I think you mentioned that 5, 10 includes Mapril too?

Management: As I said, the expected growth of 5-10 % is for a consolidated number, excluding the incremental numbers from Mapril. For the incremental benefits from Mapril I am not yet projecting too far forward and we will be able to give you more accurate guidance on that during the next quarter, In terms of how we are expecting the rest of the international business to behave, we have not seen the trends in which we were hoping for from the international market. And as I just mentioned, there has been a slight de growth on that front in the first half and therefore it's only prudent that we reduce our growth guidance.

Pratik Kothari: Sir, last on UP if you can share how much did we build it this quarter and has the scope of work changed because pending order book seems to have increased quarter-on-quarter?

Management: The scope of work has not changed. There is an incremental increase in the number of villages that have been now approved by the government and that has led to an increase in the overall size of the order that's the reason why there is an increase.

Pratik Kothari: And how much did you bill it this quarter?

Vasant Naik: We did around 42 crores for this quarter.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor Company. Please go ahead.

Saket Kapoor: I just missed your point about you saying about lowering of guidance on what parameter if you could just repeat?

Management: It is for the chemical segment where we have said that we are still hoping to deliver the growth of around 5% to 10% for the year as a whole.

Saket Kapoor: We are lowering it to 5% now?

Management: The earlier quarter we had mentioned 10% to 15% and now what we are taking is 5% to 10%.

Saket Kapoor: For the pace in the UP Jal Nigam project, if you could quantify the pace has remained the same over the last two preceding quarters, quarter 1 and quarter 2. I think the revenue numbers have remained the same. So, what's the color on the same sir, how is that going to gain attraction going ahead I think so the size is including both UP and Delhi 960 crores by what time are we going to execute the project for the UP Jal Nigam?

Management: UP Jal Nigam contract will get executed by the next year fully. In the current year we will see increased invoicing in the second half. We are seeing more movement on the ground and therefore the projection for the improvement in the second half.

Saket Kapoor: Because when we look at your engineering segment although you have guided that there will be a pickup. Quarter 2 have also remained muted to a greater extent and in order to meet our revenue growth guidance for engineering segment H2 will look significantly heavier historically. So, there is no reason to believe that it would not happen this time and H2 will be significantly heavier in terms of the execution phase for H2. And for the month of October, you must have seen attrition on ground?

Management: H2 will be heavier and that is traditionally the case for long number of years now. If we compare revenues for the engineering segment during the first half as compared to last year's first half we should have seen significant improvement. I believe that the growth would be somewhere in the region of 30 odd percent. Vasant, if you can share the exact numbers.

Vasant Naik: We have grown by 33%.

Saket Kapoor: If we go for comparative numbers for previous year's second half with current year second-half, what should be the growth number we should consolidate?

Management: As I mentioned earlier, we are hoping to deliver around 30% to 35% growth for the engineering segment as a whole for the full year.

Moderator: We'll take the next question from the line of Manish from Equity-at-Work. Please go ahead.

Manish: What is your revenue guidance for FY24 full year revenue guidance?

Management: See we have given you segmental breakup as far as the guidance is concerned on engineering segment, we have had 30% to 35% growth. For the chemical segment between 5% to 10% growth and for the consumer segment we are stating that it will continue its growth momentum as we have been seeing in the first half. So, that's the overall guidance.

Manish: Sir, you're guided for 30% to 35% engineering business engineering for engineering business, right? So, engineering we have done, hitherto, we have done about 600 crores and we have guided for 35% growth which actually sort of extrapolated to somewhere in the vicinity of 1,700 crores. So, you are essentially trying to suggest that we are going to do a revenue of at least north of 1,000 crore for the next two quarters put together. Is my understanding correct?

Management: Yes

Manish: And sir what would that populate down to in terms of absolute EBIT for FY24 for the engineering segment?

Management: We should have an improvement over the last full year in terms of percentage.

Manish: And margins will increase from here, right?

Management: Yes.

Manish: Any specific guidance for margin that you have for FY24 in particular for the engineering business?

Management: As I just mentioned, we will see an improvement over the last full year’s number. Last full year's number was if I am not wrong around 8.9% or 9%. So, we should see an improvement over that.

Moderator: Thank you. The next question is from the line of Akshat Mehta from Sameeksha Capital. Please go ahead.

Akshat Mehta: One last question that I had is that we've seen an increase in the debt position. If you look at new quarter 2 numbers versus end of FY23. So, why has that increased?

Management: On the standalone basis, the debt numbers are around the same level as the previous year, but when you see the consol numbers that is because of the acquisition of Portugal Co - Mapril, the debt which was standing in MAPRIL books that has come into the consol post-merger.

Akshat Mehta: No, because as far as I understood, you're also going to take some debt for the Roha capacity expansion as well.

Management: As we move forward with CAPEX, we will be taking the debt in that.

Moderator: Thank you. We'll take the next question from the line of Richa Chowdhary from Electrim PMS. Please go ahead.

Richa Chowdhary: Sir, I just had one question on the Roha expansion plans. When we are expecting the plan to be operational that would be the first question and we had some guidance given before probably a year back on the backward integration project. So, what exactly was that and how are we going ahead with that?

Management: Roha of course we are expecting that by the end of the next financial year we would be able to substantially complete the construction process and as far as becoming operational is concerned, we expect that it could be by FY25-26.

Richa Chowdhary: Sir, what asset turns are we expecting on this 400 crores project?

Management: We are expecting somewhere around 1.5 to 2 times if you consider total CAPEX roughly 275 Cr.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor Company. Please go ahead.

Saket Kapoor: Sir, you mentioned the addition of more villages in that UP Jal Nigam project, by what percentage does it improve the size of the contract and also the scope of work. So, if you could dwell more on the same?

Management: The nature of the project remains same; it is just that when you add more villages the overall size of the contract goes up slightly. Vasant if you can mention the numbers.

Vasant Naik: It is around 60 crores roughly which has been added during the quarter.

Saket Kapoor: It also has an O&M component sir, the total project operation and maintenance part?

Management: But this value does not include the O&M part. It is only the EPC part.

Saket Kapoor: And what is the size of the O&M part, sir and when will it kick in the post expiry of what term?

Management: It is a 10 years O&M which will kick in once the individual projects are handed over.

Saket Kapoor: And size sir, what is the value of O&M part?

Management: Difficult to quantify at this stage because as was mentioned earlier, this Project is an aggregation of individual contracts with varying values. So, at this stage it's not possible to give a definitive number on the O&M.

Saket Kapoor: Sir, as you were mentioning about the scope of work and also increasing, are there many players who are involved in this project and so the scope of work improved for everybody or is it a particular packet of work that we have got because of the reasons of whatsoever that we have been added more villages been added to us, what led to it and are there many parties, many EPC players involved in this entire project?

Management: Yes, the UP government, the UP part of Nal Se Jal scheme has many EPC contractors. We are one of them. The increase in the number of villages is consequent upon the detail project reports getting approved by the department and that's something which happens progressively as there are a few more which are under evaluation.

Moderator: Thank you. We'll move on to the next question, which is from the line of Ayush Agarwal, an Individual Investor. Please go ahead.

Ayush Agarwal: This is the follow-up of one of my previous questions regarding opportunities on Sunrise Industries. Looking at your current bid pipeline of 8,745 crores, how much of that would be coming from Sunrise Industries?

Management: I can't give you an exact number right now because how one would classify Sunrise Industries. So a broad approximation that I can offer it would be below 25%, but I would not be able to give you a further breakup.

Ayush Agarwal: And my second question is regarding the debt that you have taken for the Greenfield expansion in the last quarter earnings call you had mentioned that you are taking around 300 crores to 320 crores of debt for this project. So, I wanted to know what is the repayment period for this and is there earnings from this project expected to be able to repay that debt on its own or will other income streams be contributing towards that?

Management: We have not yet picked the debt on our book Ayush; we will pick it up as the construction of the project progresses further and we would be able to service the debt to our internal generations. Vasant you can shed more light on the period of debt.

Vasant Naik: It is five years post the plant commercial production.

Moderator: Thank you. We'll take the next question from the line of Romil Jain from Electrum PMS. Please go ahead.

Romil Jain: The first question is on consumer business. So, I just want to understand when do we kind of breakeven at the EBITDA level and subsequently at the PAT level maybe next year or FY26, any sense on that and what are the kind of touch points that in terms of distribution network, we are at in this business?

Management: We are certainly hoping that we will be able to still meet the target of breaking even or being very close to that by the end of the current year. And as far as the distribution network is concerned, it's All India network and it's a very expanding one. We are reaching out to Tier 2 and in some places Tier 3 cities also. So, it is a extensive All India reach.

Romil Jain: And on chemical side just want to understand I think first we are doubling the capacity and then it will triple. So, overall, that is the that is the plan to triple the capacity?

Management: Yes, over the period of time.

Romil Jain: So, the 400 crores CAPEX, which is there is for doubling the CAPEX, it’s for doubling the capacity as well as the backward integration, correct?

Management: That's right. Some part of this CAPEX would also help in further expansion at a later date. So, the later expansion would not need to incur some of the expenditure being incurred now.

Romil Jain: Just can you give little bit of more understanding on the backward integration, so how much of that would be backward integration in terms of the overall CAPEX and whether that would structurally improve margins of the chemical segment going ahead?

Management: Roughly around 125 crores is what has been allocated to that project and yes we are expecting an improvement in the margin profile because of that.

Romil Jain: And lastly on this CAPEX of 400 crores, you mentioned 1.5 to 2 times asset turn. So, by when we expect to reach the optimal utilization or whatever maximum we can do before the next you know line kicks in. So, does the next line kick in immediately after we commissioned this CAPEX by FY25 end or what are the timelines on that third phase, the next phase?

Management: So, the asset turnover of around 2 times should be calculated on the figure of 275 crores. Further we expect roughly around three-to-four-year period for the capacity to be utilized fully and we will take a decision on initiating the next phase of expansion somewhere down the line. It will not happen immediately because we will need to see the pickup of capacity utilization for the current expansion.

Romil Jain: Sir on this the engineering side of the business, just want to understand a little bit more macro how are we looking at the entire industry planning out, how does the industrial book look like for us, where do we see the drivers because I think earlier we've met you and you said we've just scratched the surface in terms of the entire water treatment and affluent treatment in India. So, there's a long way to go. So, if you can just help us understand in terms of a little bit on driver side of that?

Management: I will be very brief with that answer as we have come to the end of the session per se and a detailed answer would require a long time. So, just to touch on the main points, the overall demand scenario projected over the medium term is very good. There's a huge gap between today’s reality and what we aspire to have as a country and within that the industrial infrastructure that we aspire to have. Add to this our commitments to the environment, ESG, etc. And this scenario also holds true for the global community because there is a lot of gap in infrastructure in several parts of the globe specifically Africa, the Middle East, and the Southeast. So, the forecast for a medium to long term is pretty good for the industry and we should see continuous improvement in the kind of inquiry and order book. Further technology upgradation should lead to further additions to the Brownfield opportunity, not just the Greenfield.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now have the conference over to Mr. N.M Ranadive from Ion Exchange India Limited for closing comments. Over to you, sir.

N.M Ranadive: Good afternoon. Thank you all for participating in this earnings Concall. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the Company, we would be happy to be of your assistance. We're very thankful to all of our investors who stood by us and also have confidence in the Company's growth plan and focus. And with this, I wish everyone a great evening. Thank you.

Moderator: Thank you very much, sir. Thank you, members of the management. Ladies and gentlemen, on behalf of Ion Exchange India Limited that concludes this conference for today. Thank you for joining us and you may now disconnect your lines.