



August 8, 2025

To

BSE Limited

The Corporate Relationship Dept.

P.J. Towers, Dalal Street

Mumbai-400 001

Scrip Code: 500214

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block- G,

Bandra Kurla Complex, Bandra (East),

Mumbai-400 051

Symbol: IONEXCHANG

Dear Sir/ Madam,

Sub: Submission of Transcript for the earnings conference call held for Q1 FY 2025-26

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the earnings Conference Call held with Institutional Investors/Analysts (Group Meeting) on Friday, 1st August, 2025, regarding discussion on operational and financial performance for the first quarter ended 30th June, 2025. The said transcript is also available on the Company's website at www.ionexchangeglobal.com.

Kindly take the information on your record.

Thanking You,

Yours faithfully,

For Ion Exchange (India) Limited

Nikisha Solanki

Company Secretary & Compliance Officer

ACS - 50894

Ion Exchange (India) Limited
Q1 FY'26 Earnings Conference Call
August 01, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Ion Exchange (India) Limited Q1 FY'26 Earnings Conference Call hosted by Valorem Advisors. 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 call is being recorded. With this, I now hand the conference over to Ms. Nupur Jainkunia from Valorem Advisors. Thank you and over to you ma'am.

Nupur Jainkunia: Thank you. Good afternoon everyone and a very warm welcome to you all. My name is Nupur Jainkunia from Valorem Advisors. We represent the Investor Relations of Ion Exchange (India) Limited. On behalf of the company and Valorem Advisors, I would like to thank you all for participating in the Company's Earnings Conference Call for the 1st Quarter of the Financial Year 2026.

Before we begin, let me mention a short cautionary 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 would 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 the 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 – Vice Chairman; Mr. Indraneel Dutt – Managing Director & Chief Executive Officer; Mr. Vasant Naik – Group Chief Financial Officer; and Ms. Nikisha Solanki – Company Secretary. Without any delay, I request Mr. Vasant Naik to start with his opening remarks. Thank you and over to you, sir.

Vasant Naik:

Thank you Nupur. Good afternoon, everybody. It is a pleasure to welcome you all to the earnings conference call for the 1st Quarter of the Financial Year 2026. For the 1st Quarter under review on a consolidated basis, the company reported an operating income of INR 5832 million, an increase of around 3% year-on-year. The EBITDA stood at INR 627 million, a decline of 2% year-on-year. EBITDA margin stood at 10.75% and the net profit was INR 484 million, an increase of 8% year-on-year, while the PAT margin was around 8.3%. During the quarter the company migrated to the SAP environment, which led to certain transition related challenges that partly impacted the business volumes. However, the operations have now largely stabilized.

Now let me take you through the quarterly segmental performance on a consolidated basis. In the engineering division, the revenue for the quarter was INR 3180 million, reduction of 2% year-on-year. The EBIT for this segment was INR 278 million, an increase of 48% year-on-year. The inquiry pipeline remains steady for the engineering division during the quarter. However, delays in the finalization of certain large value opportunities impacted both order inflow and backlog. The execution of the UP Jal Nigam order remains muted. On a positive note, we received payments from the Sri Lankan authorities against approved bills which will facilitate the expeditious closure of the contract. At the end of Q1 FY'26 the total order book stood at INR 26,640 million, while the bid pipeline was more than INR 92,000 million.

Moving to the chemical division, the revenue for the quarter was INR 1,889 million, a reduction by almost 5% year-on-year. The EBIT was INR 467 million, a decrease of 6% year-on-year basis. The segment has maintained the margin profile. The company is on track to commission the greenfield manufacturing plant at Roha for manufacturing of resin in the current quarter that is Q2. For the consumer product division the revenue for the quarter stood at INR 902 million, an increase of almost 36% year-on-year. The loss for the quarter was INR 9 million compared to loss of INR 34 million in the same period of the previous year. The segment continues to witness consistent turnover growth supported by deeper market penetration and increased acceptance of our product portfolio. With that, we can now open the floor to the question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Sabir from Unifi Capital. Please go ahead.

Sabil: We had taken about 2 crore provision of doubtful debts in FY'24, we got payments from Sri Lankan projects, that is good news for us. We wanted to understand what's our policy to recognize any loss or any account receivable issue that we may face on the UP project or on the onerous project which are we executing. Basically, want to understand what's a policy to recognize loss or impairment for the projects we face issues in?

Management: The provisioning is based on a party-to-party level assessment of the outstanding and situation on the ground. So depending on how the project is progressing, how the payments are coming, the company has a provisioning policy for each of the contracts which are under execution. In addition to that, we also have a expected credit loss policy matrix ,based on which we are recognizing certain provisions based on the overall aging of the accounts receivable in the books.

Sabil: So we are confident with that, we don't feel any sort of stress that happened in FY'25 and Year'26 on this issue, right?

Management: Yes, we are confident the provisioning is adequate to cover any possible credit losses.

Sabil: Okay, thank you. The next question was on the Roha expansion, so this was largely to cater to export markets. Can you please call out which geographies are we targeting and will be facing any tariff impact?

Management: We currently operate across nearly all regions globally, with active markets spanning the Americas, Europe, Asia-Pacific, and the Middle East. Our company continues to serve these areas, and we remain committed to further expanding and strengthening our presence within them with the Roha plant coming on stream.

Sabil: Are we envisaging any particular increase to the US geography?

Management: Yes, that's again one of the bigger markets, and like in Europe, Middle East, APAC we will also continue to expand our presence and coverage in the US market.

Sabil: And we will be let's say, from effective today the 25% tariffs will be effective if we make any sales over there?

Management: In the last revision that was circulated, which was in effect till now, there was no impact on the products that we were selling. So we are taking a look at the new tariffs that have been announced, and based on the situation then we will appropriately respond. So far, till the last policy, there was no impact on our products selling into the US market.

Moderator: Thank you. The next question comes from the line of Chetan Kirti Vora from Abakkus Asset Manager. Please go ahead.

Chetan Vora: Sir, wanted to understand what was the impact on the sales because of this transitioning of towards SAP?

Management: We had some impact because of transition to the new SAP platform. The biggest impact was in the month of April for our chemicals business, because it is largely consumable driven. We have had some revenue loss, which we could not recover. For our engineering business it is more of a timing issue. which we hope to recover in the next two, three months of this quarter and the first month of the next quarter.

Chetan Vora: Would it be possible to you to quantify on the same?

Management: So we don't give specific numbers, but I would say that this is contained within a single digit percentage impact.

Chetan Vora: Okay. And so adjusting for that, how do we see the full year for the engineering division in terms of the growth?

Management: As we mentioned in the last call, our policy is to give an outlook for the year at the end of the 2nd Quarter. So the 2nd Quarter, we will come back and give you an update. As of now there is no major difference in the outlook compared to what we saw when we had the last quarter call of the last Financial Year.

Chetan Vora: And the legacy projects will be getting over by Quarter 2 yes, that's what we had mentioned last quarter?

Management: No, last quarter, we did not mention that. We had said that we are going through the execution of the projects where we have had execution

challenges, we continue to make progress through them, but it will take us till the end of the year for us to close the projects as of what we see right now.

Chetan Vora: Okay. On the chemical also, whether the sales were affected because of this SAP thing, because the growth was flattish?

Management: Yes, we actually lost almost entire April month because of the SAP implementation. that The Chemical segment has been more impacted because that's consumption based, as you understand, so we could not get back the significant part of the April revenues which we lost.

Chetan Vora: So the revenue lost is lost, for the chemicals?

Management: For that particular the few weeks, but we are now on the recovery part, the chemical business platform has stabilized, and we expect us to be back on usual terms of business for this 2nd Quarter.

Chetan Vora: And by when this new plant will be getting commissioned?

Management: The Roha plant will get commissioned in this quarter,

Chetan Vora: July is already gone so maybe August is not expected by September end?

Management: We have made good progress, we are in the process of commissioning, product stabilization and getting the right quality products out. So we are hopeful that we should be able to give you good news by the time we come back for the next quarter update.

Chetan Vora: Right. And lastly sir, what is this other income of this 19 Crores?

Management: Other income, it comprises of the interest income on the temporary cash surplus which we are parking in FDs, and also there is a element of exchange gain..

Moderator: Thank you. The next question comes from the line of Deepak from Sundaram Mutual Fund. Please go ahead.

Deepak: Sir first question is regarding this tariff things which is panning out. Now India at 25% and European region at 15% and as you know that some of the plants of Ecolab and Lantis, which are our competitors in this

chemical space, they have factories in Europe as well, which places them at a relatively better position versus us. So do we see that there could be some volume lifting problem for us let's say in the US market, as Europe is now relatively better position in terms of let's say export because of lower tariff, how are you looking at the situation?

Management: From our perspective, it's a vast market, and we continue to expand our presence and our coverage. There are various players supplying to the US market from all across the world, including US itself. As I said in the earlier question, we are still studying the impact of the tariffs increase, the previous tariffs that was there, there was no impact on our product line. We are still studying the same but we feel that, we should be able to continue to hold on and continue our business with our set of customers that we cater to, and we also are confident that we will gain share in some specific areas. So overall, we don't see this yet to be a cause of concern that we would like to highlight.

Deepak: Okay. And sir what kind of capacity utilization are we targeting for the new Roha plant in FY'26?

Management: So this plant is a very large plant, and supposed to increase in phases as of now. Our plan is to go up to full capacity over a period of the next three to 4 years.

Deepak: Okay. And second is on this engineering front. So, you have mentioned in your PPT that there have been some delays in large order value. So, I just wanted to understand what is the quantum of the order backlog deferral are we talking about?

Management: So as you see from the data that we have submitted, we have not had any significant order wins to report to the market. We continue to pursue selectively opportunities in the market, both in India and abroad. As we had mentioned in our last few updates, we continue to remain extremely selective. In the last quarter, there were one or two projects we had targeted which we had lost. We don't have any major losses to report for this last concluded quarter. However, timing wise, the conclusion and the results of those projects which we were pursuing have been delayed. So that is the reason we don't have any significant wins to report. However, we continue to pursue all the opportunities that we are selectively pursuing.

Deepak: But sir, is this situation in terms of let's say new order intake, is it as of now relatively looking better than what we saw in Q1?

Management: Ultimately, it is all linked to what you end up winning. As I said, we have not had any significant decisions being made. They have been deferred, so we continue to pursue and we continue to remain hopeful.

Deepak: Okay. And sir, just to continue to that. So this quarter, we have reported an EBIT margin in the engineering segment of 8.7% which is almost like 4 to 5 Quarter high. So just wanted to understand what led to such significant improvement in our EBIT margin in engineering segment, and how sustainable is it let's say in the next nine months of FY'26?

Management: In the current quarter, the EBIT margin has benefited from a one-time extra cost rebate, which we got from one of the large EPC contract, which is presently under execution. Considering that the current year revenue is lower than the previous year and. and if we exclude the above one time impact, the margins would have been definitely lower as compared to what we have disclosed in the previous year, because the infrastructure cost are at a much elevated level, and they are designed to meet to much higher volumes. Also the legacy project which largely depressed the margin last year, there was insignificant invoicing in the current quarter.

Deepak: Okay. So adjusting for that one time benefit, and also this legacy contract, what could have been our margin then?

Management: Without going into the specifics of the exact margins, what we can say is that, it would have been lower than FY 24-25 engineering segment margin.

Deepak: Okay, sir. And sir, one last question on consumer, so this quarter we have seen a strong comeback and we have reported almost 37% Y-o-Y growth rate in the consumer product. Just want to understand that, is this because of some order deferral in the institutional order, from Q4 to Q1 within the consumer or is it something else?

Management: We have been strengthening across the board in terms of our coverage and customer engagement across all the segments, including the consumer product segment. This being a more shorter cycle nature of

business, we are seeing some of those results trickle in, but still, we are just scratching the tip of the opportunity potential here. There is a lot, lot, lot more that needs to get done.

Moderator: Thank you. The next question comes from the line of Nirmam from Unique PMS. Please go ahead.

Nirmam: Sir my question is on the chemical segment. So one clarification first, so the de-growth that we saw this quarter was largely due to the SAP implementation, and not because we were seeing any margin challenges, and we wanted to protect our margins, right?

Management: That is a correct assumption.

Nirmam: Okay. And sir secondly, so we have a lot of capacity in our existing plant as well, and we will also be commissioning the Roha plant. So, could you just give your plans for the new plant as well as the chemical division in whole how do you ramp up, or how do you go forward?

Management: We feel confident that we will be able to use up the progressive increased capacity available due to the commissioning of the Roha plant.

Nirmam: Sir, what would be the existing plants utilization then?

Management: Current year since the volumes are a bit subdued because of the SAP related challenges, the capacity was in the region of around 65%.

Nirmam: And we feel that this could go up to 80%, 85%?

Management: Yes, this will go up, percentage we would not like to comment, but we have headroom to grow, which is what got impacted because of inability to service due to the SAP transition, effective July onwards, is back to business as usual across all our plants in the chemical segment.

Nirmam: Okay, sir. And sir one last question on the engineering side you mentioned that this quarter, the margin was due to onetime thing. So the legacy project and the UP slowdown will continue for this year right, it will only say go away from the next year onwards?

Management: That's right, the UP project will continue for some time of the next year also, while we are hoping that the legacy project as of now, we are expecting to substantially close by end of this Financial Year.

Moderator: Thank you. The next question comes from the line of Hemal Bagadia from Equi Corp. Please go ahead.

Hemal Bagadia: I had some questions around the sunrise industry. So do we have, have we developed the in-house tech for the semiconductor solar and the data center vertical. And is this an extension of the INDION Swift 5Gx tech that we had developed for the pharma and the biotech world in terms of controlling the particulate particles in water?

Management: Thank you for the question. So we have continued as a company to actively engage in the market potential for the segments that you mentioned, across all these segments the company has been successful in getting business over the past many years. We continue to pursue opportunities in pharma, in solar and in specific semiconductor pursuits that come up, this is almost now become a part of our regular business especially the solar and the pharma segment pursuits.

Hemal Bagadia: Just for further clarification, did we so there are a few companies in India which have gone for the **-27:05**. So have we bid for the projects, and have we converted them into orders, or are we still in the process?

Management: So we have executed a lot of projects in ultra-pure water in the solar segment. We continue to pursue opportunities across the solar and the renewable energy spectrum. Again, we are selective in our bids, and we also as we mentioned in the last investor call, we would want to be selective and pick up projects where we believe we can have a profitable execution, accretive to the engineering profitability in the segment. So we continue to pursue opportunities across the solar, semiconductor and pharma segments.

Hemal Bagadia: So is it fair to assume, based on market data for every gigawatt it requires about one MLD of ultra-pure high water plant. And what would be if so, what would be the size of these contracts, per ML if we go for per million liters per day?

Management: It's difficult to give such a number, it varies the semiconductor projects are at a particular level depending on the nature of those plants there also there is variation. The solarmodule manufacturing plants also vary based on capacity and we have done projects across the size spectrum for large domestic and international solar players also, so difficult to give you a number but our team continues to engage in a very, very focused fashion on these segments and very selectively the pursuing opportunities that we want to close in our favor.

Hemal Bagadia: And lastly, on the engineering part. So, if we remove the legacy order that is the UP Jal Nigam and the Sri Lanka part, so do we have any percentage of the order book which has got low or extremely low margins, or is it fair to assume the existing order book is in-line with the EPC margins, the standard EPC margins that we bid for?

Management: So as we said, my colleague said that one adverse order that we had called out.

Hemal Bagadia: Sir that was going to get over in the Q2 of this year, right the industry related order where we had called.

Management: We just responded that and clarified that this order will be executed all through the end of this Financial Year. Our remaining order book margins will align closely with our engineering segment business margins for FY 24-25.

Hemal Bagadia: Sir just a further clarification, in case there is any adversity on the UP Jal Nigam order, does the contract allow for passing on the cost escalations?

Management: So the UP Jal Nigam contracts, because they have been moving slowly we have already taken, some of those out of our backlog, and that is where there was a dip in the order backlog that we carried, which we reported in the last investor call. Beyond this, we don't anticipate any other adverse impact on these orders for which the funds availability has been slower than in the past few years.

Moderator: Thank you. The next question comes from the line of Ruchit Agrawal from Unify Mutual Funds. Please go ahead.

Ruchit Agrawal: A question on the UP project, we had called out last quarter that the O&M portion will be executed over the next 10 years. Could you please help bifurcate how much of the Rs.366 crore outstanding would constitute of the O&M portion?

Management: The UP Project which is presently disclosed as part of the order backlog does not include the O&M portion, it is purely the EPC part.

Ruchit Agrawal: Okay, and could you help quantify that number?

Management: It will not be possible to quantify, because the Project is a conglomeration of smaller individual contracts and it really depends on how much value of the contract gets finally commissioned. So maybe end of the current Financial Year, as the project moves towards the completion phase, we will be in a better position to disclose the O&M aspect.

Ruchit Agrawal: Sure, sir. And in the previous call, as the proportion of the UP project and the onerous project as a percentage of our backlog is going down. Do we expect the margin trajectory to be better this year and directionally inching back towards the 9% to 11% mark going forward. And can we say that Q1 26 was the starting for that?

Management: No, we cannot say that. We already clarified that Q1 26 performance was driven by a one time event. My colleague also clarified that if it was not for that particular project, then we would have closed at a rate which would be lower than the closing rate of the last Financial Year for that particular segment. We have also mentioned that UP continues to be slow in execution because of fund availability. And we have also mentioned that the onerous project that you refer to will continue its execution through the end of this Financial Year. Hence, we don't expect any significant improvement in the overall profitability of this segment for this year.

Ruchit Agrawal: Sure, sir that helps. And the products segment, the margin that we saw this quarter of minus 1% do we foresee margins in link in this segment higher compared to last year potentially making lower losses as compared to last year, as we have envisaged the breakeven of Rs.500 crore, and we have achieved a scale of Rs.300 crore plus currently?

Management: Yes. So as you see the performance that we called out for the consumer product segment, there has been an improvement in both the top line as we increase the market coverage, and this has also helped us reduce the losses that we had in that particular segment, because we keep on investing in that segment to get market coverage and growth. So overall I would say that segment has performed better, and we continue to believe that there is further headroom in that segment to do more. So the teams are continuing to engage in this segment, to continue to further improve the performance over a gradual period of time. For this particular year we will try to hold on to this performance levels, but over the longer term, we expect that the performance of this segment will improve.

Ruchit Agrawal: Sir last quick question, while we wish to take margin accredited orders from here on. How do we feel about the order inflow panning in the next couple of quarters?

Management: As I said to a few queries back, we continue to pursue opportunities. There have been timing issues. We announced in the last investor call that there were a couple of orders that went against us. Decisions went against us, this quarter we don't have any adverse losses to report. Its just a timing issue where some of these pursuits being higher value once do take time to close, so we continue to pursue those opportunities and be selective and pick up orders which will allow us to be accretive to the current profitability in that segment.

Moderator: Thank you. The next follow up question comes from the line of Deepak from Sundaram Mutual Fund. Please go ahead.

Deepak: Sir just to come back on that consumer product division, but I am still not clear that what led to that 37% Y-o-Y growth, you said it's market reach and you are building infrastructure. Could you just elaborate, is it that in the B2C segment did we introduce new product which is seeing traction so where is the traction coming from, is it which region, what product, is it that institution segment is also doing well, could you just break down the growth profile of this 36% in Q1. And how likely is it that this Rs.90 crore run rate will continue for the next nine months as well?

Management: So, with due respect Deepak, a lot of this possibly will consider as business confidential. We are in a very, very competitive space that you

would appreciate and agree, our teams are out there in the market, helped by launch of newer products we play across the water spectrum, be it in residential B2C, in commercial as well as an institution and the rural segment, we have been introducing our water purification technologies across the B2C spectrum we have launched, health products like alkaline water, hydrogen water. We continue to expand our presence in neighboring geographies, like Nepal. So all of this are actions that the teams are taking on the ground, improving their overall business health, while growing in the face of strong competition.

Deepak:

Okay. Thank you for the answer, sir. And one question was on engineering. So you must have seen a lot of Indian companies are doing JVs and other projects in Middle East, where a lot of desalination plants also come into the picture because of this pipeline projects. So just wanted to get a flavor that are we seeing increasing order inquiry in the Middle East region for our EPC business, how is the international order inflow or order book or inquiries looking like and how likely is it that we may back some good large orders in those regions let's say in the next nine months?

Management:

We continue to pursue opportunities on engineering orders in international geographies. If you remember, the company had done considerably well in the last Financial Year on our international businesses, these opportunities are strategic in nature, which we continue to pursue selectively and pick up orders that we get. We are aware of the geographies and the specific opportunities that you are referring to, we continue to pursue in all those segments, including Middle East market and we are in engagement with the right opportunities that we feel make sense for our company and to ensure that we remain accretive to the overall profitability of the engineering segment.

Deepak:

Okay. And sir, any plans to expand the membrane component manufacturing capacity in engineering and just to follow up on that, how is the competition intensity in this domestic market when we are kind of bidding for this engineering project, just two this last points?

Management:

So your first question on membrane capacity, we continue to monitor the capacity utilization of Membrane plant and the company will take appropriate steps in augmenting capacity as and when it is required and

we will come back and report those to the appropriate forum. With respect to your second question on the competition and engineering segment, it is brutal, it is intense. There is a significant pressure on pricing and which is where we continue to remain selective in the nature and kind of projects that we pick up from the domestic market.

Moderator: Thank you. The next question comes from the line of Mihir Vyas from Nine Rays Equi Research. Please go ahead.

Mihir Vyas: I am new to the company, can you please help me understand what is status on UP Jal Nigam project in terms of receivables?

Management: As we have mentioned in the concall, the fund inflow from the UP government for this contract has been very slow, which has resulted in the execution getting affected. And as a result, the account receivable on this project continues to be at elevated levels. But since we don't call out on specifics of individual contracts on the call, I will not be able to add any further other than saying, the levels of the receivables are on the higher side.

Mihir Vyas: Sir, any color on how it is like by when can we expect it to reduce or has it started reducing?

Management: As of now the flow has not yet improved, but we are getting continuous indications that the flow should improve in the coming months. So we remain hopeful that once the flow improves, apart from our receivables getting liquidated, execution on this project should also get ramped up.

Moderator: Thank you. The next follow up question comes from the line of Sabir from Unifi Capital. Please go ahead.

Sabil: In the chemical segment we had faced RM cost inflation in 4th Quarter, is the cost inflation now behind us, or are we able to pass on the increased cost completely to our clients?

Management: So as you will see, in that segment performance we have been able to improve from the temporary dip that we had and we have able to get back to the average profitability levels of this segment in the last Financial Year. So we feel good about how we have handled the past quarter. However, this is a very dynamic situation as you will agree. We continue to monitor our input costs, and we also look at the rupee

depreciation impact that we may have going forward. So 1st Quarter was good, but this is an area where we continue to need to keep track of all these various input variables and ensure that we are able to deliver at the expected levels or expected past performance levels of profitability in this segment.

Sabil: Just to get a better color on the order inflow, or the orders in the engineering segment, would we be taking over lot of industrial projects or it will be more of selective government of let's say World Bank funded projects. How are we thinking about this?

Management: So we remain consistent with our strategy with respect to the engineering business. Our projects are largely on the industrial side. Our projects that we pick up on the infrastructure or municipal side, like the Sri Lanka contract is very strategic but very few in nature, and that's the strategy that we will continue to pursue. And that's the profile of jobs that we continue to pursue in the current offer basket as well for us.

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

Saket Kapoor: Just the closing point on this UP project, this was we got one of the few packages for a large project. So can you give some color whether only our packages are pertaining to some set of execution has been interrupted because of the cash flow issue or the entire setup has to be awaited now because of this cash crunch issue, and what is the feedback from the Uttar Pradesh government on them not being able to clear the dues of companies like us?

Management: So at the onset, it will be inappropriate for us to comment on contracts received by other organizations. We can only talk about the contract that we are executing for this particular customer, as we said that we have receivables from this project which we are following up and pursuing with the customer in question here to help collect and because of these slowness of fund availability, we were forced to slow down the execution of this project. As we also said that because of the slowness over the past couple of quarters at least, we have taken a conservative call on this particular project and reduced our estimate in the order backlog to be able to give a more realistic picture of the order backlog that we are pursuing. We continue to engage with the customer very

closely, and we remain hopeful that the fund situation will improve and the fund will get allocated for us to liquidate the receivables, and also for us to go ahead with the execution of the balance scope of the project.

Saket Kapoor: And sir, how have been the space of execution for this ensuing quarter, this being a monsoon quarter, how do execution pan of barring these two legacy and the UP project which you have outlined, how are the pace if you could give some color and also sir, for the quarter-on-quarter basis also our employee costs have moved up. So what will you attribute this and what should it be on a yearly basis?

Management: So on the first point, as you correctly said, this is the monsoon season. So clearly, for projects which have significant scope of current work on the outdoors, there will be an impact. We do projects all across the country, and some of the projects especially in the construction phase, have some impact, at the same time, there are parts of the project that what is happening indoors, where we are able to progress at the expected pace of execution. So overall, we feel good about the execution that's happening across the board on the project, the order backlog. Some part of the projects also are getting done outside India, where the impact of the Indian monsoon would not be relevant. Coming to your second question,

Saket Kapoor: On the employee cost, and one question also I have for Amit Patni sir but first you complete sir.

Management: On the employee cost, it's a normal increase year-on-year that we are experiencing. And at the same time there are various other productivity measures that the company has kicked out, which we feel would help us balance that increase on the employee bucket. And, again this is continuous process of action that the company takes to ensure that the overall cost is within the expected levels.

Moderator: Thank you. The next question comes from the line of Tarun Agarwal from Ex Capital. Please go ahead.

Tarun Agarwal: So my question is related to Roha greenfield. We have done a CAPEX of Rs.400 crores, and we have an asset turnover of 2.5 times. So is it a fair understanding that by FY'28 we will be able to reach Rs.1000 crores in terms of revenue and also adding another one, just wanted to

understand that how this Roha Greenfield facility will be used to cater the export business for chemicals?

Management: The asset turnover as you have mentioned will be 2.5 times, as and when we reach the full capacity which we are expecting to reach over the period of around just under four years. But out of the total CAPEX of Rs.400 crores, Rs.125 crores are towards the cost optimization measure what we are introducing in the new facility. Our manufacturing base will be on a value of around Rs.275 crores. So the asset turnover should be calculated on this figure. As regards to your second part of the question, I will request Mr. Indraneel to address that.

Indraneel Dutt: So on the second question as we said, this plant is primarily getting set up to cater to our exports business. As I said earlier in the call, we export to most of the geographies in the world starting from USA, Europe, Asia Pacific, and Middle East. A smaller part of this will also be used to cater to our increased business in the domestic market. So that's where we expect this particular plant to cater to the demand.

Moderator: Thank you. The next question comes from the line of Omkar an Individual Investor. Please go ahead.

Omkar: Sir, what is the revenue are you expecting from Roha plant in Q2 and full Financial Year, requesting you to give some ballpark figure for this Roha plant revenue?

Management: As you would know that we don't share any specific data on any specific production facility or a specific business line. So, as we said earlier in the call we expect the plant to be commissioned in 2nd Quarter, which is in this particular quarter, and we expect the plant to start shipping out products from the end of this quarter going forward. So we hope to ramp up capacity here and this is a modern plant with all the latest technology. And we expect volume to pick up as and when we have more to share on this plant we will come back, but we do not talk about specific plant or business performance.

Omkar: And sir what is the next positive trigger for Ion Exchange, as I have seen different Ion Exchange three years back. So something Roha plant in my opinion should be the turnaround so do you expect as soon as Roha

plant will start our margin and overall business will reflect better than just now what we are seeing?

Management: We also hope for the same thing, and we will continue to endeavor that all our segments, we are able to drive profitable growth across all our segments, so that we are able to continue to cater to the interest of our shareholders.

Moderator: Thank you. The next question comes from the line of MS Reddy an Individual Investor. Please go ahead.

MS Reddy: The answer to my question I already got it. Thank you.

Moderator: Thank you. The next follow up question comes from the line of Hemal Bagadia from Equi Corp. Please go ahead.

Hemal Bagadia: Sir I just have one question, are we optimized in terms of labor cost and other variable cost for the consumer product division, or do we see further savings out there. And also, do we need, are we fairly optimized in terms of the existing product portfolio or do you see any further marginal investments other than the regular improvements, some significant kind of investments for the division?

Management: It's a very intensely competitive segment that we are playing in. It's very important for us to ensure that we remain cost competitive to be able to, make the required top line and the improvement in the bottom line. It's also a segment which is extremely dynamic, and our competitors and the industry is always coming out with new technology and new product offerings. It's very important for us to also remain relevant, to look at opportunities in the market segments and come out with suitable offerings that will excite our targeted customer base. So we will need to continue to invest in new production technology in this segment to maintain our current share or grow our current share in the consumer products division segment.

Moderator: Thank you. The next follow up question comes from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor: Sir, when we look at our shareholding pattern, we find that under these there are shares to the tune of 16% being held by the employee trust. So if Mr. Patni could just elaborate, or anybody else could throw light

on the nature of this trust, and whether, as per the regulation, the trust will be there for perpetuity, or we need to dilute the same over a period of time. It holds 16.18% equity of the company.

Management: So these are employee trust which are holding shares for benefit of all the employees of the company. And trust have been existing since the 80s and 90s of the previous century, and there are no plans to dilute any form of equity from that.

Saket Kapoor: No sir, what is the term it will remain always with this, and how will they get it accrued to the actual beneficiary, what is the process of these getting the benefit, how are the individuals going to benefit out of it when the same remains in the trust only?

Management: The income flow from these shares, which is dividend, that is what is used for the benefit of all the employees and if at any point of time there is any other form of cash accrual which is directly attributed to these shares. These are for the benefit of all the employees of the company and would accordingly be distributed.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question for today. I would now like to hand the conference over to the management of Ion Exchange (India) Limited for closing comments.

Management: Thank you all for participating in the earnings conference call. I hope we have been able to answer your question satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our investor relation managers at Valorem Advisors. Thank you, wish you a very good evening.

Moderator: Thank you very much. On behalf of Ion Exchange (India) Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.