



November 12, 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

Sub: Submission of Transcript for the earnings conference call held for Q2 FY 2025-26

Dear Sir/ Madam,

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, 7th November, 2025, regarding discussion on operational and financial performance for the second quarter and half year ended 30th September, 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

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Ion Exchange (India) Limited
Q2 and H1 FY'26 Earnings Conference Call
November 07, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Ion Exchange (India) Limited Q2 and H1 FY'26 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 call is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

Purvangi Jain: Good afternoon everyone and a warm welcome to you all. My name is Purvangi Jain 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 2nd Quarter and first half 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 risk and uncertainty, which could cause actual results to differ from those anticipated. Such statements are based on management belief 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 their opening remarks. We have with us Mr. Aankur Patni – Vice-Chairman, Mr. Indraneel Dutt – Managing Director and CEO, 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, Purvangi. Good afternoon, everybody. It is a pleasure to welcome you all to the Earnings Conference Call for the 2nd Quarter and first half of Financial Year 2026.

For the 2nd Quarter under review, on a consolidated basis, the operations normalized with the completion of migration to the SAP environment and the company reported an operating income of INR 7,339 million, an increase of around 14% year-on-year. The EBITDA stood at INR 685 million, which is largely on the same line year-on-year. The EBITDA margin stood at 9.33% and net profit was INR 499 million, a decline slightly by 1.4% year-on-year, while the PAT margin was 6.8%.

For the first half of financial year 2026, the company reported operating income of INR 13,171 million, an increase of 9% year-on-year. The EBITDA stood at INR 1,310 million, down 1% year-on-year. The EBITDA margin stood at 9.95% and net profit was INR 984 million, an increase of 3% year-on-year, while the PAT margin was around 7.47%.

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 4,562 million, an increase of 16% year-on-year. The segment EBIT was INR 224 million, a decline of 5% year-on-year. The inquiry bank has remained steady and we witnessed a sequential increase in order flow during the quarter, driven primarily by medium-sized opportunities. We also secured a few orders in ultra-pure and high-purity water projects within the solar and pharmaceutical segments and continue to actively pursue additional opportunities in these areas.

Our services division recorded strong growth during the quarter, supported by the acquisition of several high-value long-term O&M contracts. Execution activity picked up pace during the quarter in the industrial segment, resulting in both sequential and year-on-year improvement in turnover. Our execution of the UP Jal Nigam order remained muted during the quarter. Regarding the Sri Lanka project, with the resumption of funding by the customer and with their satisfaction with the company's ongoing progress of work, we are now

expediting the completion of the contract. Margins during the quarter were impacted primarily by elevated infrastructure costs. These were planned investments to support higher future volumes, as well as the continuing effect of a legacy project that has influenced the margins for the period. During the quarter, we also entered into a strategic partnership with MANN+HUMMEL Water & Membrane Solutions for manufacture of hollow-fibre ultrafiltration and membrane bioreactor membranes in India. This will be under a co-branding arrangement between the HYDRAMEM brand and MANN+HUMMEL. Leveraging MANN+HUMMEL's global proven membrane technology, we will produce these advanced membranes locally at our state-of-the-art manufacturing facility, thereby reducing the import dependence and enhancing cost efficiency and competitiveness in the water treatment project across India. The company also continued to invest in its standard system engineering facilities to expand the range of innovative off-the-shelf engineering products. The current order book stood at INR 27,110 million with an order inflow of INR 4,700 million during the quarter.

Coming to the chemical segment, the revenue for the quarter was INR 2,184 million and increased by around 11% year-on-year. The EBIT stood at INR 591 million, increase of 13% year-on-year. The segment recorded both sequential and year-on-year improvement in turnover during the quarter while maintaining its margin profile reflecting consistent operational performance. We are also pleased to share that the company has commenced the stage-wise commissioning and commercialization of its greenfield manufacturing plant at Roha, Maharashtra from the last week of September 2025. This important milestone further strengthens our manufacturing capabilities and underscores our commitment to delivering high-quality Indian iron exchange resin to customers across the globe.

For the consumer product division, the revenue for the quarter stood at INR 858 million which increased by around 24% year-on-year. The loss for the quarter was INR 27 million as against a loss of INR 35 million in the same period of the previous year. The segment continues to record healthy volume growth. We have maintained our leadership position in the softener segment while steadily expanding our market share in

other segments through the implementation of focused and aggressive marketing strategies.

With this, we can start with the Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chetan Vohra from Abakkus Asset Management. Please proceed.

Chetan Vohra: Yes. Hi, hello sir. Sir, on the engineering front, we saw the execution picking up at 18% growth rate. But whereas the margins were like all-time low at 4.8%, how should we understand these two situations wherein the execution has improved but the margins are going lower and lower and these margins were like never heard of.

Indraneel Dutt: Good afternoon, Chetan ji. Thank you for your question. This is Indraneel Dutt speaking. So, your observation is valid. So, let me answer both parts of the question. I think on the revenues, as you know, as we reported in the first quarter results, that we were in the process of implementing the SAP system. And as a result, our first quarter performance was muted on account of that implementation. And the engineering business obviously picked up those latent or pending order backlog and we were able to bring forward the execution in the 2nd Quarter. So, that is why you see a decent growth there. In terms of the margins, I think this has been consistent with what we have been calling out in the past few quarter calls where we have already highlighted about the challenges in one or two of the projects that we are going to execute. And we had informed the stakeholders that we expect to continue for some more time.. UP execution has been slow but we continue to bear the corresponding expenses of fixed nature. And that is the reason why you see a temporary downturn on the profitability side. And we continue to work on the execution of this balance order. The current order book includes several projects with better -margin which will start getting executed in the third and fourth quarters, and we expect these to enhance overall profitability. There are also other orders that are coming in with an improved profitability mix. So, we hope that going forward, it will slowly start normalizing. But this year will continue to be relatively tough till we close out these pending projects in the engineering segment.

Chetan Vohra: So, for two parts to that, can you just quantify how much percentage of the legacy projects are yet to be executed? If not the amount, can you tell us in the percentage terms, what percentage of the legacy orders are still to be executed? And till then, whether we will be seeing the margins of 5%?

Indraneel Dutt: As I said, we will not give any details on any specific projects, either on balance pending execution or on the margin levels. But we have mentioned in the past that we expect the execution of these one or two projects to continue till the end of this financial year. We are still holding on to that assessment from our side. This project execution continues. We are making good progress. But the headwinds on the margin continues. At the same time, we have picked up a decent flow of orders in this quarter, which have been with a favorable profitability profile. So, we believe as those projects get into execution, the overall situation will start getting better. But beyond this, at this point in time, we will not be able to offer you any more specific information.

Chetan Vohra: Sir, as you had mentioned last quarter that by quarter 2, you would be able to be in a position to say how the full year looks like. So, for FY'26, what should be the revenue trajectory and the margin profile for the engineering front?

Indraneel Dutt: We expect the second half performance to be better than 2nd quarter performance and expect engineering margins for second half in the region of 6/7 % . I think on the engineering side that will be our call right now. Because some of the projects with better profitability profile will start billing only in in 3rd quarter and more so in the 4th quarter . Further , some of the better margin projects that we have won in the second quarter will start billing towards the end of the 4th quarter or early next year. . We have been able to execute well and make steady progress in project execution. We have improved billing this quarter from the ongoing EPC contracts. But UP continues to be slow due to funding issues.

Chetan Vohra: Again, sir, the first half was, I would say, quite in contrast to the quarter 1, where there was a revenue decline whereas the margin stood at 9% because of some one-off thing. In the quarter 2, the margins were down to 4.5%. So, for the full year, whether we should consider that the FY'25 margins will be maintained, or it will be lower than that. And for the

revenue also, the first quarter was negative and the first half revenue growth was only 7%. So, what should be the ballpark guidance? I understand that you do not give the guidance, but a range, I would ask.

Indraneel Dutt: So, I would say that the first quarter had some special causes. Engineering margins have been sub optimal in the in the 2nd Quarter due to the reasons outlined earlier. Subsequent quarters should be better than 2nd quarter.

Chetan Vohra: Right. Okay. And by the year-end, we are quite confident that the legacy project should be done and dusted.

Indraneel Dutt: As of now, we are trying to see how much we can get that over the line. It is in our interest to get that closed off. And that project execution is moving well. Everyone at the top leadership team is involved closely..

Chetan Vohra: Right. And coming to the chemicals front, now the greenfield plant, the planted row has got commissioned. So, we should expect logically the revenue growth trajectory to pick up, right?

Indraneel Dutt: Directionally, yes. We have given our outlook on the Roha plant and we have said that this plant will progressively get commissioned. And we have also said that we are expecting the plant commissioning to start before the end of the first half. We are happy to say that in September, we were able to commence with the commissioning of the plant. We have already said that we expect this plant to reach optimal capacity utilization of the proposed capacity over the next three to four years. It is a gradual ramp-up that we are planning. We are planning to gradually ramp up the commissioned capacity to reach the proposed levels by the end of the current financial year. We expect that in the first 12 months of the plant's production, we should be able to reach a capacity utilization of around 25%. Right now, the Roha plant commissioning and gradual upscaling on production continues very much as per plan.

Chetan Vohra: So, in terms of the growth for the full year for the chemicals, how should one see? Because the first half has been like 2% growth.

Indraneel Dutt: The first half was impacted, as we said, through the SAP implementation. So, we kind of recovered partly in the 2nd Quarter. As you know, the chemical segment, whatever is lost is a consumable item.

So, you do not get that back. But we delivered good 9% plus year-on-year growth in the 2nd Quarter. We expect to continue that profile for the balance of the year across our chemical and resin businesses. I think the outlook is good at this point in time and we believe we can continue this trajectory of growth for the balance of the year.

Chetan Vohra: And what about the profitability? Because, chemical, this quarter margins were like all-time high of close to 29%.

Indraneel Dutt: Yes, so this is something that is very dynamic. We have talked about it in the past. It is a function of the market pricing as well as the raw material, which again is very volatile and we keep track of the commodity prices as well as on the exchange rate. At the same time, it depends also upon the product mix that we get from both our resin and the chemical businesses. It will be our endeavour to try to maintain these margins at around these levels. I think the engineering one is easier to call because you at least have the backlog in place. There is a little bit of volatility on the chemical side. I think the company has been broadly successful in holding on to these levels of margin performance. But it is still a very dynamic situation and I would just be conservative and cautious that we continue to watch out for the market scenarios and try to do our best to ensure we are able to continue giving the same rate of returns on the business.

Chetan Vohra: All right, sir. And how much in total we would have incurred on the Roha plant?

Moderator: Sorry to interrupt, Mr. Chetan.

Chetan Vohra: Yes, ma'am. This is the last question. How much we would have incurred for the Roha plant in total?

Vasant Naik: We have indicated in the past that our total CAPEX on the Roha plant is in the region of Rs. 450crores roughly.

Chetan Vohra: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Ruchit Agrawal from Unifi Mutual Fund. Please proceed.

Ruchit Agrawal: Yes. Hi, sir. Sir, a question on the consumer product business. Last two quarters, we have shown good growth in the segment. Can you help us understand what are the levers driving this segment and what is the kind of break-even timeline that we are looking at? And also, if you would reiterate the timeline on the Rs. 500 crore guidance for the segment.

Indraneel Dutt: Thank you for the question. So, for the consumer product division, I think it is a very, very big market that we are playing in. And we believe that there is enough for us to still go and get share from the market. We have strong confidence in our product portfolios, some of which are market leaders in their own areas. And I think it has been, I would say, a consistent journey of gaining more customer share. Our service contracts also are increasing quarter-on-quarter. And I think also we are investing in our brand promotions. You will possibly hear us on some of the FM channels. You will hear us in some of our “Bharat Ka Pani” advertisements that we have launched. So, all of that, I think, is resonating with our customer base. We continue to also launch products in the healthier side of the spectrum with alkaline water, hydrogen water. Those also are showing good response from the market. We are also expanding geographically to neighboring markets like Nepal, where again, I think we are seeing positive, encouraging response and acceptance. So, it is a massive market. We are still a very small player. And I think there is enough headroom for us to grow. The team is very strong, very motivated. The product team will be coming out with new product lines. We see continued growth. The segment is growing. On your question on when we go to Rs. 500 crores, we typically do not give any guidance on such figures. But this is one of the strong performing businesses in the portfolio because driven by consumer demand, consumer growth. And I think we see that continuing for us in the future.

Ruchit Agrawal: And, sir, anything on the break-even timeline for the segment?

Indraneel Dutt: The team is working towards growing this business. We are ploughing all the money generated back into the business in terms of gaining share and in promotional activities. We are getting into more channels to market, retailers. We are on large stores formats. It is all about, gaining share and, and increasing our market presence. So, I do not

think there is really a big concern from the break-even standpoint. We are investing, reinvesting back. We are choosing to reinvest their profits back into the business to grow the business further.

Ruchit Agrawal: Sir, a question on the engineering segment. We have seen the two projects in UP and Sri Lanka contribute about 10% to 12% of our revenues this quarter. And as you mentioned that it had impacted margins as well. Can you brief us more on that as to how they have impacted the margins and a little bit more color on how the elevated infra costs have come through for the quarter?

Indraneel Dutt: We do not give any specific views on how a specific project has moved. We have reached more than 90% of execution on Sri Lanka project. We continue to see good fund flow coming in on the project. We are close towards finishing off the balance of the project. We have got tremendous amount of goodwill the way the Sri Lanka job has been executed. We are on track with respect to our receivables and collections. It is, definitely one of the marquee projects that the company has done and has helped us to gain strong confidence in an international market. For UP project, the fund flow, as we have mentioned in the past, has been slower than expectation. We believe that these projects will pick up in the quarters to come. So, I think UP, the status remains broadly similar to our last quarter's conversation. Apart from that, there are other projects that we continue to go through. Some of them, we are in the process of concluding. And there are new projects, as we said, about Rs. 470 crores worth of orders we have closed in the last quarter that we will get into the execution more in some time.

Ruchit Agrawal: And one question on the Roha plant, when can we expect the balance capacity to commission?

Indraneel Dutt: We are planning to gradually ramp up the commissioned capacity to reach the proposed levels by the end of the current financial year. We expect that in the first 12 months of the plant's production, we should be able to reach a capacity utilization around 25%. Right now, the Roha plant commissioning and gradual upscaling on production continues very much as per plan.

Ruchit Agrawal: Sir, if you can help us understand, when we can

Moderator: Sorry to interrupt Mr. Ruchit. May we request you to join the queue? Thank you so much. The next question is from the line of Deepak from Sundaram Mutual Fund. Please proceed.

Deepak: Yes. Thank you for the opportunity. Am I audible?

Indraneel Dutt: Yes.

Deepak: Yes. Hi, sir. So, sir, first question is in our strategic partnership, which you have mentioned in the presentation of MANN+HUMMEL water membrane. So, could you just elaborate on this opportunity? Because we are talking about producing it locally. So, it is in form of import substitution for us. I just wanted to understand what was the, let us say, quantum of import of this MANN+HUMMEL membrane solution or components in India, let's say, in FY'25. And how well are they penetrated in, let us say, Indian water treatment solution? And what are the primary applications which goes into?

Indraneel Dutt: This particular collaboration is happening on the membrane product line, which is a part of our engineering segment. Our company has been actively investing in the membrane portfolio. We currently have product lines in reverse osmosis or RO, both in brackish water, seawater, fouling resistant membranes. We have offerings in ultrafiltration membranes, both technologies of polyethersulfon and polyvinylidene fluoride. We have nano-filtration membrane that we offer in the marketplace. So, this particular collaboration is an effort to further expand and complete the full range of membrane offerings in the global market. Along with our reverse osmosis, nano-filtration and ultrafiltration membranes, what this technology partnership gives us is access to top-of-the-line technologies in the area of membrane bioreactor, which is largely used in wastewater applications, as well as in hot sanitizable RO, which is used in the biopharma applications, and also gives us some additional technology in the ultrafiltration range. In the ultrafiltration range, we are already been present in the market, but this is a technology allows us to compete with the very best in the world, and this partnership will allow us to be the sole partner for MANN+HUMMEL in the domestic market. It also allows us to take this technology to the rest of the world as well in the markets that we play

in. It also allows MANN+HUMMEL to use our state-of-the-art manufacturing facilities to manufacture these membranes and other ranges for their global consumption. So, we see this to be a win-win situation of two globally well-known, reputed brands coming together, leveraging the technology, leveraging the low-cost country presence in India of Ion Exchange in a segment that the company is investing into, and this will help both these companies expand their respective global presence.

Deepak: Okay. And so, would this investment to manufacture this, would it be under a JV route, and how much CAPEX would be required, and how much do we plan to spend, let us say, in the next two to three years, and what is the revenue potential from this venture?

Indraneel Dutt: This is not going to be a JV route. This is more of a technology licensing that we are doing with MANN+HUMMEL. This will be manufactured in Ion Exchange's manufacturing plant in the state of Goa, and we have already shared earlier that apart from resins, the other product technology where the company has been investing over the past several years is on membrane technology, which we see to be a huge area of growth in the future for the company because of demand in wastewater, demand in desalination that is there not only in the country, but also across the world and the markets that we focus and supply into. So, this is very much a part of our strategy. This is not going to be a JV, it is going to be a technology sharing where we will leverage that technology and the knowledge combined with our current knowledge of the technology and make those products cater to the Indian market exclusively for MANN+HUMMEL, and also take this technology and the products for Ion Exchange customers globally, and also offer MANN+HUMMEL a manufacturing location where they can manufacture these membranes and also cater to their global market. So, overall, it is very much going to be investment driven by Ion Exchange, but gives both the companies a win-win proposition.

Deepak: Okay, and so then there could be some royalty payment for using that technology, and separately do we need an incremental, let us say, what is the CAPEX intensity, let us say, even though if we have to do this on our own facility, is there any incremental CAPEX which is required to do this?

- Indraneel Dutt:** So, yes, on the question of royalty, that is part of standard technology licensing agreements, so nothing very specific or material to mention here. On the CAPEX investments, I think there have been already plans with the company on growing and investing in this segment, and this particular collaboration fits well into our current investment and growth plans for this product line. So, there is nothing substantively different that we will be doing. It just gives us access to world-class technology and accelerates the process of offering that to the market. You know, the company was well on its way to develop this indigenously. Partly it has already been done, but it just accelerates our ability to take it to market quite a bit faster than possibly was originally envisaged.
- Deepak:** Okay. So, one question on the chemical front. Since now we are doing this commercialization of the Roha plant in a phased manner, sorry if I missed it earlier, I just wanted to know what is the revenue guidance for the chemical segment, including the Roha, the overall chemical for FY'26 and 27?
- Indraneel Dutt:** We do not give a specific guidance on a particular location, but we are looking at, about 9% to 10% of year-on-year growth for the year for Chemical segment.
- Deepak:** Okay. And one last question to Vasant sir. So, for this half yearly, if I look at your cash flow statement, we have spent around Rs. 160 odd crores, right? And this was almost half of what we spent in FY'25. And assuming that most of our CAPEX for Roha plant was already consumed by FY'25 since the commercialization was expected in Q1 of FY'26, I just wanted to understand, means, where have we spent this Rs. 150 crore in this half yearly and what is the full year CAPEX guidance and where it will be spent?
- Vasant Naik:** The half year CAPEX spent was around Rs. 160 crores out of which roughly Rs. 120 crores would have been in the Roha plant. And the balance CAPEX largely is in our existing manufacturing engineering facilities, as well as in the membrane and in the chemical segment facilities. As far as the total CAPEX expectation for the year, excluding the Roha plant, it should be in the region of around Rs. 80 crores to Rs. 100 crores, roughly.

Deepak: Okay. And because of this, let us say, one of our gross debt has gone up from Rs. 300 odd crores to Rs. 400 odd crores in this September closing quarter. So, what peak debt level are we looking at, let us say, by FY'26 end?

Vasant Naik: We should be having another 50 crores, roughly, addition in the gross debt level from the current.

Deepak: Okay. Thank you so much sir for answering the question. I will fall back in the queue.

Vasant Naik: Thank you.

Moderator: Thank you. The next question is from the line of Pratik Kothari from Unique PMS. Please proceed.

Pratik Kothari: Yes, sir. Good afternoon. Sir, in the notes to account, we have highlighted this cost of material consumed includes great expense on some contract. What is this? Is this a legacy cost that we are calling out the onerous contract or is this something else?

Vasant Naik: No, this is part of the accounting standard requirement of disclosing the costs, which are directly attributable to the engineering contracts under execution. So, these are basically direct costs on the engineering EPC contracts, which are reclassified to COGS from the operation expenses side. And this is a standard norm which is followed across all EPC companies.

Pratik Kothari: Correct. And just, I mean, even if we conclude this onerous contract by end of FY'26, but even then we would not be back on margin track next year, right? I mean, given UP, assuming that ramps up, I mean, it is a question of when. But if it does, that I believe would be at a lower margin.

Indraneel Dutt: We continue to see very aggressive pricing in the marketplace as far as large projects are concerned. We have been selective in the kind of projects we pick up. However, it is a fact that across the industry there is severe competition. So, we have, our new projects that we have won have been very selective. We believe there will be a better margin profile. But, I mean, this is, our effort clearly is to improve the margin profile of the engineering business from where they are The current

order book includes several projects with better -margin which will start getting executed in the third and fourth quarters, and we expect these to enhance overall profitability. As of now, the teams are focused to see that we close off some of these balance legacy projects and try to protect our margins to the best extent possible.

Pratik Kothari: Correct. So, my question was, except this onerous and legacy projects, I mean, we earlier used to do 10%, 11% EBIT margin for the full year. I mean, is the environment still similar or like you said, with increased competition, that does not seem like it?

Indraneel Dutt: See, there are multiple factors at play. The mix of the projects matters. The kind of industry that you are picking up those projects, you know, industrial versus infrastructure, domestic versus exports. So, there are multiple factors that come into play. Our effort is to see that we get towards high single digit of profitability on the engineering side. We continue to double down on areas like products, services, short cycled projects and value added offerings to see we can get a better margin mix. As you would know the composition and the profile of the profitability, will vary or varies based on the mix of the order bank. Therefore, as I said it will depend on how much of domestic orders we have in the order bank versus international, industrial versus infrastructure, water versus wastewater etc.

Pratik Kothari: Fair enough. Point taken. And in chemical, t of this Rs. 400 odd crores, you are investing some Rs. 1,80 crores specific on some tech upgradation, which was, I think, happening for the first time in a company in India. And the comment then was once the plant commercializes, we will kind of share more details. So, now that it is, if you can, what was that tech that we were investing in? And just some details around that.

Indraneel Dutt: The entire plant commissioning will take a little time. This particular part of the project is towards the end of the commissioning phase, which we expect to be over in the fourth quarter. So, once that happens, I think at the earnings call for the fourth quarter we will be very happy to talk about those unique, best in the world feature that will be introduced in the Roha plant.

Pratik Kothari: That is fair. I will ask them again. And last two, Vasant sir, the increased depreciation and interest because of Roha capitalization, which you did in September from Q3 onwards, annualized or quarterly, whatever.

Vasant Naik: Next year, depreciation, should be in the region of around Rs. 40 crores a year.

Pratik Kothari: Fair enough. Thank you and all the best.

Vasant Naik: Thank you.

Moderator: Thank you. The next question is from the line of Raghav Maheshwari from Kamaya Wealth Management. Please proceed.

Raghav Maheshwari: Yes. Sir, I just wanted to get an understanding on what has been the capacity utilization on the chemical front given our additional Roha capacity of around 10% of the plant capacity expansion. What has been the utilization of the overall unit?

Indraneel Dutt: We are seeing clear, strong demand in this particular segment. Across both our businesses, we see good capacity utilization. The reason for the company to invest in this state-of-the-art new resin plant was that we were maxed out in capacity in our current plant. We are in a supply-constrained market. As we scale up, we see good demand picking up for our supplies. And the same applies to our chemical business as well.

Raghav Maheshwari: Sir, will you be able to give what has been the utilization of the new added capacity at the Roha plant?

Indraneel Dutt: We are selling whatever we are making. We will continue to sell whatever we make. Also, it needs to be understood that a plant of this nature is not like flipping a button. It is a chemical process plant. It requires to be optimized. You have to get the right quality. These are export products that we are shipping out to customers. They are facing global measures. That requires a lot of preparation and ensuring that quality is best in class in the world. So the scale-up has to be done in the right way using our technology and IP knowledge to ensure that we can give our customers across the world the quality that they have committed and they deserve. So hence, the scale-up is gradual. It is deliberately, intentionally gradual. And whatever scale-up we are doing, we also are keeping in mind that we are able to liquidate that inventory.

So that is how we are scaling up. And that is why it is a deliberate phased capacity enhancement that we are doing in the plant. And as I said, right now, whatever we are manufacturing from both our plants are getting consumed in the market.

Moderator: Thank you, sir. Sorry to interrupt, Mr. Raghav. May we request you to join the queue as there are other several participants waiting. Thank you. The next question is from the line of Saket Kapoor from Kapoor and Company. Please proceed.

Saket Kapoor: Yes, sir. Sir, we look at the capital work-in-progress closing balance at Rs. 200 crores. So, all these are pertaining to the Roha facility only or since we have capitalized on the project, if you could just clarify once again, what does this Rs. 200 crores balance attribute to?

Vasant Naik: We have capitalized the Roha plant partially to the extent we have been able to commercialize the streams. So, the balance of the plant is still lying in the capital work-in-progress. And the large part of the capital work-in-progress balance which you just mentioned is related to the Roha plant only. And that should get capitalized over the next few months. And before the year-end, we should have the entire plant capitalized.

Saket Kapoor: Okay. With respect to the bid pipeline, I think some number was mentioned, sir, in the presentation. I am just making it about the order book bid pipeline. Can you give some color on our win ratio and by when will these bid pipelines get converted? So, for the end of the year or for the H2, what kind of order wins are we looking forward for the engineering segment?

Indraneel Dutt: Our current bid pipeline stands at approximately Rs. 9,011 crores. The majority of the opportunities originate from the private sector and the public sector undertaking. The government and the infrastructure segment is a small part of this pipeline. In the last quarter that closed, as we already announced, the order inflow from engineering projects has been Rs. 470 crores. So, this has been better than our first quarter booking because a lot of it is driven by timelines. As we have said already earlier, we are very selective in terms of the projects we pick up. Also, driven by our experience of some of these legacy projects that we are trying to close, we continue to pursue opportunities in India and

abroad. There are multiple projects, both small and large, which are under negotiation and discussions both in India and abroad. As and when anything material closes, we will be happy to share that with the investor community. Again, the engineering business continues to see promising growth. There are opportunities everywhere in both wastewater and desalination, ultra-pure water, high-purity water that we continue to look at across both domestic as well as international markets. There are other emerging sectors which are also coming up in terms of electronics, semiconductors, solar, data centers. That is also something that we would want to pursue going forward. So, to answer your question, Rs. 470 crores last quarter orders booked, Rs. 9,011 crores of active offer bank and about 15% to 20% of win ratio. And we continue to see strong demand and opportunities that we are pursuing both in India and abroad.

Saket Kapoor: Okay and this order should be closing, the 9,000 books should close by March'26, sir? Since the bids are open by now, that should be the opportunity.

Indraneel Dutt: Some will close, s will spill over to next year. We expect some decisions to be made, so they will go out of the funnel. We are actively working in all these areas to bring more opportunities into the funnel. It is a continuous process. If you look, our engineering offer bank has remained in theregion of Rs. 8,000 crores to Rs. 9,000 crores for the past several years.. And in fact, some of these focus markets, we want to see if we can grow that offer bank as well.

Saket Kapoor: Okay and one small point, sir, regarding one acquisition of MAPRIL, MAPRIL is a foreign company we have acquired. How has been the performance of the same? I think so we were carrying some debt also on the books of the company. So how has the debt repayment been with respect to the same?

Indraneel Dutt: The overall performance has been good. There were some debt on the books and we continue to work towards paying them off. I think the teams are now fully trained on our product lines. We are leveraging the local presence and their relationships locally to promote the Ion Exchange product portfolio.. We continue to look at that business to be the springboard for the company's growth in the overall European continent.

Saket Kapoor: Any revenue number you can share, sir? I will join the queue now.

Indraneel Dutt: We would not like to share specific subsidiary numbers at this stage.

Saket Kapoor: Sir, that is in the trading space or in the manufacturing space?

Indraneel Dutt: Right now we do not manufacture our products there. It is largely a product coming from our existing manufacturing facilities. But going forward, yes, we do have plans of some strategic manufacturing, leveraging the infrastructure and the location there.

Saket Kapoor: Thank you, sir. I will join the queue and all the best.

Indraneel Dutt: Thank you.

Moderator: Thank you. The next question is from the line of Kishore Kumar from Unifi Capital. Please proceed.

Kishore Kumar: Thank you, sir. My question is on the Roha plant commissioning. Sorry if you had answered this already. We had commissioned around 10% of the expansion. When are we planning to commission the remaining? Can we expect the remaining to be commissioned by the end of this year, gradually?

Indraneel Dutt: Our plan is to get the commissioning of the plant done by this financial year. But as I said, the full scale-up of production of this plant is envisaged over the next three to four years. But as far as commissioning of the plant is concerned, including the unique technology that we are trying to unveil, that should get done by the end of this financial year. That is what we are targeting for.

Kishore Kumar: Got it sir. And for the capacity that is already commissioned, what is the year-end exit capacity utilization that we are targeting?

Indraneel Dutt: The capacity that already been commissioned will be fully utilized well before the end of the current financial year. We will continue to ramp up capacities up to the proposed levels by the end of the current financial year. But as I said, we will get to full capacity utilization over the next three to four years. But as of now, our financials and all our projections that we have made for this business growth is to go to full capacity over

the next three to four years. This plant can potentially be expanded further to have a capacity at later dates . We will take it up in phases.

Kishore Kumar: And my follow-up question is on the capitalization that we have done in H1. We have done about 350 crores of capitalization that is CWIP moving to gross block, and we are already around Rs. 200 crores there in the CWIP now. But what is the commission 10% of the plant? Am I missing something?

Vasant Naik: No, we have commissioned 10% of the manufacturing plant and machinery. But the utilities and the other service centers, they have been fully completed. So that has also got capitalized. That is the reason why there is a 10% manufacturing capacity capitalization. But the overall value of capitalization is much higher.

Kishore Kumar: And moving on to the engineering segment margins, you mentioned about the legacy project's impact and elevated infrastructure costs.

Moderator: Sorry to interrupt, Mr. Kishore. May we request you to join the question queue again?

Kishore Kumar: That is just a follow-up. Thank you.

Moderator: All right. Thank you. The next question is from the line of Sunil from Unique PMS. Please proceed.

Sunil: Hi. Thank you for the opportunity. Being a little long-term investor, I repeatedly heard and listened to management actively by Mr. Sharma and Mr. Patni. What I understand is this segment of engineering, which during the last 10 years moved from 2% to 10% margin, going back to around 4%, 5%. We are a very engineering-driven company, technology-driven company. And so we do not take a very low margin in some projects which are not having any scale added. So what lessons have we learned in the last two, three years? And when you see, will we be going back to those very respectable margins of maybe double digits for the engineering segment? That is my first question.

Indraneel Dutt: So thank you, sir. Looks like you have been really long associated with the company and your observations are valid. And the company, as I said, has taken lessons from a couple of those legacy projects, which is why you see us becoming very selective in the kind of orders we pick

up. And I am happy to share that some of the projects we picked up in the last quarter, definitely a lot more comfortable from a profitability standpoint for us. You also rightly said, sir, that we are a technology company. And engineering is one of the segments, but even in engineering, it is a composite segment. It is made up of projects, it is made up of products, it is made up of services. And the membrane technology collaboration we talked about is part of the product business. That is a business that we are heavily investing in. It is a significantly higher potential in the marketplace. We are significantly trying to drive growth on the services side, which we believe is very important because it allows us to get an continuous revenue stream, offer value-added services to our customers. We are also working on digital offerings that we have mentioned in our annual reports, and we believe those will complement our services business. Within the EPC projects portion we are looking to increase our presence in more technology-intensive areas like ultra-pure water, high-purity water, desalination, wastewater etc and our endeavor is to increase our competitiveness and margins by increased value addition. Our focus is to increase the share of higher margin products , services, high-tech solutions, which we believe should help us improve the overall margin profile of this engineering segment.

Sunil:

Great, sir. And just last point, sir. Basically, when we thought about this new Roha project, our thought process was very clear that the global market is ready for accepting our products, and we will be definitely able to sell whatever we will be able to produce, and which you are talking about next three, four years we will be utilizing. My question is, looking at this tariff and all this matter, do you feel we will have to rethink our thought process, or we are confident about our progress?

Indraneel Dutt:

So right now, again, a good question, sir, but I think what we would like to state is that we feel that our original strategy is very much relevant as of now. While the tariff situation is extremely dynamic, and one can never predict what will happen, but at this point in time, all we would like to say is that the current tariff policies that are there today in the various focus markets of the world continue to give us confidence that our investment in this world-class plant was justified, and maybe in time for us to be ready for the market demand that we see right now.

Moderator: Thank you. Due to time constraints, that was the last question for the day. I now hand the conference over to the management for the closing comments. Over to you, sir.

Nikisha Solanki: Thank you all for participating in this earnings conference call. 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, please reach out to our investor relations manager at Valorem Advisors.

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