February 9, 2026

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 Q3 FY 2025-26

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call held with Institutional Investors/Analysts (Group Meeting) on Monday, 2nd February, 2026, to discuss the operational and financial performance of the Company for the third quarter and nine months ended 31st December, 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 YOGESH SOLANKI
Digitally signed by NIKISHA YOGESH SOLANKI
Date: 2026.02.09 17:07:59 +05'30'

Nikisha Solanki
Company Secretary & Compliance Officer
ACS 50894

Encl.: As stated above

Ion Exchange (India) Limited
Q3 and Nine Months FY'26 Earnings Conference Call
February 02, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Ion Exchange (India) Limited's Q3 and nine months 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 "*" and then "0" on your touchtone phone. Please note that this conference 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, I would like to thank you all for participating in the company's earnings conference call for the 3rd Quarter and nine months ending 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's beliefs as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place 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 3rd Quarter and Nine Month Ended Financial Year 2026.

For the 3rd Quarter under review, on a consolidated basis, the company reported an operating income of INR 7,344 million, an increase of 6% year-on-year. The EBITDA stood at INR 593 million, a decline by 21% year-on-year. The EBITDA margin stood at 8.07% and net profit was INR 206 million, while the PAT margin was 2.81%.

For the nine months of financial year 2026, the company reported an operating income of INR 20, 516 million, an increase of 8% year-on-year. EBITDA stood at INR 1,902 million, down 9% year-on-year. The EBITDA margin stood at 9.27% and net profit at INR 1,189 million, while the PAT margin was 5.8%.

I would also like to highlight that the Labour Codes were notified on November 21, 2025, resulting in an incremental provision of INR 169 million, which is recognized as an exceptional item towards gratuity and leave-related employee benefits arising from past service costs.

Now going through the quarterly segmental performance on a consolidated basis:

In the Engineering division, the revenue for the quarter stood at INR 4,297 million, which is flattish on a year-on-year basis. The segment's EBIT was INR 186 million, down 28% year-on-year. The Inquiry Bank continued to remain steady during the quarter. There was sequential as well as quarter-on-quarter growth in order inflows, primarily driven by medium-sized opportunities. During the quarter, the company secured two domestic solar sector contracts, aggregating INR 2,050 million, covering ultra-pure water systems, effluent treatment plants, and zero-liquid discharge solutions. Ultra-pure and high-purity water projects within the solar segment continued to see traction. The planned dispatches of certain high-value engineering contracts for the international market got deferred to the fourth quarter of FY25-26, which impacted the quarterly performance. In addition, execution of the UP Jal Nigam order remained muted. The current total order book stands at INR 28,330 million, with an order inflow of INR 5,160 million during the quarter.

Moving to the Chemical division:

The revenue for the quarter was INR 2,307 million, an increase by around 16% year-on-year. The EBIT stood at INR 431 million, reflecting a decline of 18% on a year-on-year. The moderation in profitability was primarily due to the product mix and Roha facility costs. The stage-wise commissioning of the Roha facility continues to progress steadily, and the company expects a gradual scale-up in production volumes over the coming months. The facility is being developed to become an industry benchmark in terms of product quality and sustainability, which is expected to support long-term growth and margin improvement.

For the Consumer Product division, the revenue for the quarter stood at INR 987 million, an increase by 28% year-on-year. The loss for the quarter was INR 33 million, compared to a loss of INR 29 million for the same period in the previous year. This segment continues to witness healthy volume growth. The company continues to invest in the business to build a significantly higher and more scalable revenue platform over the medium to long term.

With this, I conclude the opening remarks, and before we open the floor to the question and answer session, Mr. Indraneel Dutt will give a brief overview of the implications of the Union Budget on the company's operations.

Indraneel Dutt: Good afternoon all. Thank you for joining, and Vasant, thank you for the overall summary on the company's performance. Since the budget was announced by the Union Government just yesterday, a lot of you may have questions on the impact of the budget on the company's long-term and medium-term prospects. We thought that we will share with you some bright spots that we see from the budget that got rolled out. I think overall there is a lot of focus in the budget, expressing the Government of India's long-term commitment to infrastructure, sustainability, and the water sector. I think prominent among those has been the strong support to the Jal Jeevan Mission project, which was officially again reinforced that the project will continue till 2028, and the allocation by the Government on the project has been significantly extended vis-à-vis the actual spend versus in this current financial year. That augurs well for us as significant portion of the UP Jal Jeevan Mission projects remains pending. In addition to that, the Government continues to invest in the sunrise industries like semiconductor with Rs. 40,000 crores additional outlay, which essentially means a boost for our high-tech solutions in ultra-pure water and zero-liquid discharge, which we believe is where the company is well positioned with the recent wins in this solar space that we want to take forward. Apart from that, there are also green-shoot opportunities coming in the cloud-based data centers that will be set up, which will again require a tremendous amount of water, and also will require wastewater management, as well as the requirement of our chemicals and other portfolios.

Over and above, the Government also announced the setting up of five mega-textile parks. That brings a lot of focus and investment on the textile business segment. It also brings opportunities for your company on water treatment plants, zero-liquid discharge solutions, as well as on chemicals. Additionally, critical mineral processing is a key Government focus area, where company’s Ion Exchange Membranes and Resins portfolios will prove highly useful.

In addition to that, there has been a revival of about 200 legacy industrial clusters, which is an opportunity for both our services division, as well as our institution business, where our products should play well. Also, as all of us are aware, the Government of India signed a historic trade agreement with the European Union, which will allow a free flow of goods and services across both these continents. By virtue of our presence in Europe, through our latest acquisition, we believe that this will augur well for the company as we try to increase our market share in areas like chemicals, resins, membranes, as well as our engineering systems and equipment. So overall, there is a lot to look forward to directionally, from a medium-to-long-term perspective, I think most of the measures of the Government, we are fully aligned in terms of leveraging the growth opportunities and potential in these segments.

So with that, I just wanted to summarize our initial thoughts on the budget as we continue to study the fine print**.** But with that, I think we will be happy to take any questions that the participants of the call may have for me and Vasant.

Moderator: Thank you very much. We will now begin with the question and answer session. Our first question comes from the line of Chetan Vora from Abakkus Asset Manager. Please go ahead.

Chetan Vora: Hi, sir. Good afternoon. First of all, I would like to understand that during the quarter, the gross margin has declined 200 bps, 260 bps to be very precise. And then below that, the employee cost has also increased by nearly about 130 bps. Other expenses have also increased. And below EBITDA also, depreciation cost has increased from Rs. 10 crores to Rs. 17 crores. And the interest cost has again increased from Rs. 2 crores to Rs. 6.6 crores. I would like to understand what has been the reason. Are there any one-offs in these expenses? Or how should one look at it? And then I will come to my next question, sir.

Indraneel Dutt: Yes, so thank you for the question. You know, while Vasant will share some specific financial numbers, but broadly across both our engineering and chemical businesses, there has been a little bit of headwind. And I will talk about each of them separately. And then Vasant will give you the specific numbers. It is a combination of some one-offs, some that will continue for some time, especially with respect to Roha, and also a change in our mix across both the segments. So I think on the engineering side, clearly the UPJJM projects that we talked about, I think those continue to move slow because of the low allocation of funds. And also I think in terms of the mix of the project execution, last year we had a significant amount of execution happening for our international projects, which this year is planned for fourth quarter, as a result of which we had an adverse mix on the engineering side. Over and above that, on the chemical side of the business, it was a combination of full impact of depreciation and interest of Roha facility hitting us from this particular quarter. and because of rupee depreciation, some of our input costs have also gone up, which we are taking steps to pass on to customers. As also some adverse product mix in terms of comparatively little bit lower invoicing from our certain high margin product lines. So that is kind of the broad construct. I will request Vasant to give you some very specific details on the questions that you asked following up on my response.

Vasant Naik: On the gross margin, our MD Mr. Indraneel just explained that there are certain headwinds in the engineering and the chemical segment, in terms of the adverse product mix, and the cost increases on account of the rupee depreciation, and in terms of the engineering segment, the overall mix of the project which we are executing, plus the UP project which is continuing to face funding issues. So I think a combination of all these factors have impacted the gross margin, and coming specifically to the interest and depreciation, this is largely the impact of the Roha facility, which was commissioned in the last week of September.

Chetan Vora: Sir, can you tell me what was the total CAPEX done for Roha, and how much it was done through internal accruals, and how much that has been sourced, and what is the capacity which has come on the system, and towards what the CAPEX was incurred?

Vasant Naik: In terms of the Roha, as we have been informing in the earlier calls also, the total CAPEX of Roha is estimated to be in the region of Rs.450 crores, and we have tied up a long-term loan of around Rs. 345 crores with a banking institution. In terms of the capitalization in the books, just under Rs.285 crores has been capitalized in the books. And in terms of the capacity which has come on stream at the end of the 3rd Quarter, it is in the region of 40% to 45% range.

Chetan Vora: Sir, when we say the total of the Rs. 450 crores, we have capitalized Rs. 285 crores, is anything standing in CWIP, sir?

Vasant Naik: Yes, around Rs. 130 crores are standing in CWIP.

Chetan Vora: So broadly, we have incurred the CAPEX for the Roha, and what capacity will be coming out, sir, for the Roha, in terms of quantification, if we can see towards what all resins, membrane, what all the capacity is coming on this Roha?

Indraneel Dutt: This plant that is dedicated to Ion Exchange Resins, and primarily for the exports market. As we have said in the last call also, we are in the process of sequentially commissioning the full production. We have already commissioned the cation stream, and we are in the process of commissioning the rest of the product line. So this is a phased process, and which is again as per our expected lines, that we are ramping up the production of this facility.

Chetan Vora: Right. And sir, in terms of capacity, in terms of quantity, how much capacity will be there in terms of tonnage?

Indraneel Dutt: So, that is something that we would not be able to give you such specific information. As I said, cation is one of the major stream of product lines, which is now fully stabilized, and we are ramping up our production. Like that, the rest of the product lines will also be commissioned gradually. We are not seeing any adverse challenges, so things are moving as per plan.

Moderator: Sorry to interrupt Mr. Chetan Vora, may we request you to return to the queue for follow-up questions?

Moderator: But sir, there are several other participants waiting for their turn, so I would request you to return to the queue for follow-up questions, please.

Chetan Vora: Okay.

Moderator: Thank you. Our next question comes from the line of Kishore Kumar from Unifi Capital. Please go ahead.

Kishore Kumar: Good afternoon. Sir, actually in the Q2 call that happened in November, we were guided for better execution and better profitability in the engineering segments. However, the actual numbers are actually remained under pressure because we already know that the legacy project of Jal Jeevan Mission was lagging again. Could you please help us understand the gap between the guidance and actual numbers?

Indraneel Dutt: So, we have been fairly consistent, Kishore ji, in a commentary about the two legacy projects. One is the UP Jal Jeevan Mission which is delayed because of lack of funds, which is an industry-wide issue. And also, there are one legacy project that we continue to execute where we have adverse headwinds in terms of profitability. The expectation that we had in terms of better invoicing performance or profitability performance has been on certain international execution that we are currently underway, part of which was expected to happen in the 3rd Quarter, but because of reasons beyond our control, now we expect invoicing to happen for this international project in the fourth quarter, which is the current quarter of the financial year. So, it is more of a timing issue, and we expect that those invoicing and the accompanying revenue and the profitability will be coming in the fourth quarter of this financial year.

Kishore Kumar: Got it. Sir, for the chemical segments, for the Roha facility, you mentioned that 40% to 45% of the facility has been commissioned now and remaining will be commissioned gradually. Can you give some quantitative figures for this facility, like revenues are a bit of gross margin, similar to the existing facility, or it is lower because of the ramp-ups? Can you give some specifics on this?

Indraneel Dutt: So, we do not share such specifics. I will give you a little bit of a qualitative answer, and if there is anything more colored, then Vasant will add. Cation production stabilized and we are generating those products, production is happening. The other product lines are under various stages of commissioning and stabilizing. This is a chemical plant. It takes time to stabilize and get the necessary quality and specification of products coming out from the export-oriented unit. Further to that, we are also getting various approvals and certifications required for products to be marketed to various international markets and in demanding applications. So, we are trying to commission the plant and all the products, at the same time expediting our approval process for this product. So, this entire process is underway. Our original plan has been to get to full capacity utilization in four years. We stand by those numbers. We are in the process of slowly, gradually scaling up the plant, and right now, all our actions are going on expected lines. Having said that, I will ask maybe Vasant to give you a little bit, any additional color or flavor he wants to provide.

Vasant Naik: Yes, you asked a specific question. How is the margin profile of this facility? Once the plant is fully commissioned and the stabilization of the product is in place, we expect the margin profile to be better to what we would get from our Ankleshwar facility.

Kishore Kumar: Okay sir. So, just a follow-up on this.

Moderator: Sorry to interrupt. Mr. Kumar, may we request you to return to the queue for follow-up questions?

Kishore Kumar: Just a follow-up question.

Moderator: Right. So, sir, two questions each for participants. You can rejoin the queue for any follow-up questions. Sir, there are several other participants waiting for questions. Thank you. Our next question comes from the line of Rushabh Shah from BugleRock PMS. Please go ahead. Yeah.

Rushabh Shah: Hi. Thank you for the opportunity. Am I audible?

Moderator: Yes, you are audible.

Rushabh Shah: Sir, you have mentioned that the semiconductor opportunity will be a big one for Ion Exchange. And you were negotiating an order on that front. So, any update on that? Have you received any order? And according to your sense, what would be the market size of this opportunity? And how much Ion Exchange will benefit from it?

Indraneel Dutt: The opportunity for semiconductor exists in both ultra-pure water and also in wastewater. We participated in two projects which have been awarded, but we did not pick up the order because we felt that the current price levels were not conducive for a profitable execution. There are other projects that we continue to bid. In the interest of confidentiality, I cannot share anything more. But whatever projects are there in the semiconductor space that is currently available, the company is pursuing those. And if the profitability profile of the projects is in line with our expectations, we will definitely pick up the project. In terms of our capabilities, we have as a company been in the semiconductor space for the last 40 years. One of the earliest plants Semiconductor plant in Mohali, was done by ion exchange. To this day, the plant is working beautifully, which talks about the durability of the products and solutions supplied by the company and also the technological know-how that the company has. It is a matter of picking up the right project at the right profitability, and we continue to pursue those. And as and when we see or have a success, we will definitely come back and share that with you. In the related space, it is the same solutions offered in the solar side. In the opening remarks, Vasant has talked about the two wins we have had in the solar project. We have also given a declaration to the stock exchanges for those wins. We continue to pursue other projects in the same ultra-pure water space, in solar, semiconductor, green hydrogen, as well as in data centers.

Rushabh Shah: Okay. So, sir, my next question is, when we get an EPC project, what are those checkpoints you check so that we do not end up losing money in a bad project or we do not stretch our own balance sheet?

Indraneel Dutt: So, good question. We have a fairly strong and we have put in a stronger review mechanism in terms of the appropriate profile of projects to pick up. So, clearly, the project profitability is important. Clearly, the creditworthiness of the customer is important. Clearly, the cash flow profile of the project is important. Clearly, the essential risks that we are taking on to the project is important. The type of industry, the type of effluents is important**,** So, there is a fairly strong risk review mechanism that the company pursues for taking projects. As I have said in the previous calls, earning from the legacy experience of execution where we continue to face profitability headwinds, we have become very selective in picking up projects with the right profitability profile.

Rushabh Shah: Okay. So, this Roha project which is coming up for our region, so by when would this be up and running?

Indraneel Dutt: So, as I said, the plant is getting commissioned. We are beginning to get revenues from the facility. We got some initial revenues in the last quarter, very small in the overall context of things. Our revenues in this quarter will increase. But as I said, there is an approval process and certification process of our products which we are in the process of doing. So, we expect the revenues to significantly increase in the subsequent or the next financial year.

Rushabh Shah: Okay. Thank you. I will get back in the queue.

Moderator: Thank you. Your next question comes from the line of Raghav Maheshwari from Kamaya Care Wealth Management. Please go ahead.

Raghav Maheshwari: Hi, sir. Good afternoon. Sir, first of all, my first question would be around the Roha Resin plant. Sir, if you can tell us what has been the capacity utilization for that plant, for the commissioned capacity for this quarter?

Indraneel Dutt: So, it is a very large plant and so as I said, we have just commissioned the plant. So, right now, the capacity utilization is very, very less. As I said, this requires us to get the products qualified. We are releasing the product in certain applications in the domestic market. But you can expect the capacity utilization to start ramping up from the next financial year. And our outlook consistently for the next financial year has been 25% of the overall plant. And we believe that is possible for us to achieve based on the phased commissioning and stabilization that we have reached in one product line. And the work that the team continues to do on the ground in the plant for the other product lines.

Raghav Maheshwari: Okay, sir. I understood. And, sir, my next question, I might have missed that information when you were talking about the budget. So, sir, first of all, how much of the receivables do we have stuck as of now in this Jal Jeevan Mission? And given this budget increase by the government in this union budget, what sort of impact do we see for our order intake in this? And like you mentioned that the Jal Jeevan Mission orders are still, they remain muted. So, if you can throw some light on this.

Vasant Naik: Yes, as we have said before also, the funding from the UP government on account of the Jal Jeevan Mission has been very subdued or very negligible in this quarter. So, our receivables, there is not much of change compared to what we had in the previous quarter. As was mentioned when we just informed you about the budget announcement, the Jal Jeevan Mission, the outlay has been increased in the current budget. And we do hope with the increased outlay and the mission being extended up to 2028, the fund flow for the project will improve and our overall receivables will get benefited with the disbursement, which should happen in the coming

Raghav Maheshwari: Sir, are we looking to take up more projects in JJM going forward?

Indraneel Dutt: No, in the current construct, the way the scheme is we do not anticipate to take up more projects. Our current focus is to execute these projects. As Vasant said, with the renewed commitment from the government, we expect funds to flow in and that will allow us to recover our pending receivables and also allow us to liquidate the rest of the backlog, which will possibly take us a couple of years. But at least we will see some progress. Beyond this, this is not an area of focus for us. We are more focusing on water treatment and wastewater treatment in areas like ultra-pure water, high-purity water, critical wastewater, desalination. So that is the focus area of the company. However, we continue to remain firm on our execution of the current order backlog for Jal Jeevan Mission.

Raghav Maheshwari: Okay, sir. Thank you and all the best.

Moderator: Thank you. Your next question comes from the line of Anupam Gupta from HDFC Mutual Funds. Please go ahead.

Anupam Gupta: Yes, so a couple of questions. So one on each segment. So, on the engineering segment, obviously the performance in this quarter was weak and you said that it should revert back in the fourth quarter. But given where your order book is, how do you see the growth and margins for the engineering segment panning out over FY'27?

Indraneel Dutt: So I would say, first of all, that you are right in what we said, that we expect the fourth quarter to be higher in terms of invoicing and specifically for the international profile or international mix of the orders that we have in the executable backlog, which partly was expected to happen in the preceding quarter. In terms of our order execution, visibility or expectation for the next financial year, I think we have had a decent order inflow for the company in this year. In fact, in the three quarters of this year, we have already exceeded the annual order intake of the last financial year. We expect orders to flow i in this current quarter as well. So the order intake has been positive, even though we have become significantly selective in picking up orders. So we expect those orders to get executed with reasonable profitability, and we want to slowly improve the erosion that has happened. We want to improve the execution of the engineering orders. So overall, we expect a similar, if not slightly better outlook from the execution, both from an invoicing as well as from a profitability standpoint for a segment.

Anupam Gupta: Okay. Understood. And in one of your earlier comments, you have mentioned structural changes to margins in the chemical business. Over the last four, five years, you have done 24% sort of average margins in chemicals. So let us say as and when Roha ramps up over the next four years, five years and your existing business continues, what sort of margin levels should one be comfortable with in the chemical segment?

Indraneel Dutt: So, as we have been saying consistently that the 28% or roundabout margin that we were able to continue in the chemical segment, I mentioned that repeatedly, it itself is a challenge for us to do. I think over the last few quarters, the company has been successful with all the various variables that are there to maintain that margin levels. In the last quarter, because of the rupee depreciation, we faced some input cost challenges, which we expect to pass on in this current quarter to partly offset that impact. We also had a little bit of mixed challenges, which is why our profitability on this segment was down. And we are working to see that we can improve on that through various measures that are taken. None of them are structural measures per se. They are more business operating actions that we are taking, including passing on some of the price increase to the customers. We have been slow and reasonable, but now we believe that we have to pass it on back to certain segments. As Roha ramps up, the Roha profitability should be similar or better over time, but we do not anticipate any significant increase in the current quarter. As I said, in the subsequent financial year, we will see the benefits of Roha coming in. But with the price increase being passed on to our customers, we expect the profile to be kind of similar, if not slightly better, coming back to the average of the current financial year.

Anupam Gupta: Okay sir. All the best. Thank you.

Moderator: Thank you. The next question comes from the line of Deepak from Sundaram Asset Management Company.

Deepak: Sir, my first question is on this Roha plant. I just want to double-check. Of the 43,000 cubic meter capacity, how much of the capacity will be commissioned by the end of Q4, the fiscal year? And on that capacity, how much utilization are we expecting in FY'27?

Indraneel Dutt: As I said, we would typically not like to give a specific number. But as I said, we have already commissioned one of the major product lines, the cation. We continue to execute on the rest of the product lines. And so we expect that we will be able to get to 25% capacity utilization by the next financial year. And our commissioning and stabilization process is going very much as per our original plan.

Deepak: But sir, when you mention this 25% capacity utilization in FY'27, we are talking about full plant commissioning, right? That 43,000 cubic meter capacity.

Indraneel Dutt: Yes, definitely we are trying earlier, but definitely in the next financial year, the plant will be fully commissioned, all product lines. It is a new plant and it requires product approval, as I already mentioned previously in the call. We are going through all of that process as we speak.

Deepak: Generally, how much time does it take for us to get product approved from a new plant? Is it like it takes a couple of quarters or is it a couple of months? Because I am trying to understand what is the revenue visibility? Are we able to ascertain with some certainty from this Roha planting in FY'27?

Indraneel Dutt: Typically, it takes a quarter if everything goes right. And then we have to approach the customers and then there is a customer approval process that will follow, which will take typically another quarter. So, if everything goes right, this is the minimum time that will be taken. Again, that has been a part of our original plan as well. And that is why we have put a number of 25% utilization by next financial year.

Deepak: Okay. Sir, I have one question on the engineering

Moderator: Sorry to interrupt, Deepak sir. May we request you to return to the queue for follow-up questions, please?

Deepak: Okay.

Moderator: Thank you. Our next question comes from the line of Dhaval Pandya from 47 Alpha Capital. Please go ahead.

Dhaval Pandya: So, I have two questions. One is on the loans. As we go through the financials, we can see that there is a substantial increase in the loans. So, can you tell us what amount of the, what are the short-term loans, what amount?

Vasant Naik: The overall increase in loans is primarily on account of the term loan which we have taken on account for the Roha facility. And out of the total loans, around Rs. 55 crores will be in the short-term category.

Dhaval Pandya: Okay. And as you mentioned that you are venturing out in solar as well. So, what is the contribution of solar in overall revenue?

Indraneel Dutt: So, that varies. Typically, we do not disclose these numbers. But that varies against our current order inflow of about Rs. 1100 plus crores. I mean, Rs. 205 crores are the two orders that we announced to the street. Again, it is not consistent every year because it depends on projects when they come up for order placements. And the mix varies. We are present across the segments. But what we can tell you is that we are actively pursuing solar opportunities and semiconductor opportunities. And as and when those come up for closure at the right profit and risk profile, we will pick up those jobs.

Dhaval Pandya: Okay. One last question.

Moderator: Sorry to interrupt, Mr. Pandya. May we request you to return to the question queue for follow-up questions?

Dhaval Pandya: Okay. Thank you very much.

Moderator: Your next question comes from the line of Saket Kapoor from Kapoor Company. Please go ahead.

Saket Kapoor: Yes. Namaskar, sir. I hope I am audible.

Indraneel Dutt: Yes, namaskar. You are audible.

Saket Kapoor: Yes. Sir, as per the conversation which we are continuing for the last 30, 40 minutes, is it now safe for investors to assume that the worst is behind in terms of the lower margins which we are currently exhibiting in the engineering segment pertaining to the legacy orders and also with the scenario playing out in terms of the chemical and the Consumer Product losses also on the higher side? What should investors envisage going ahead firstly for the next financial year and whether the course correction exercises are over and we could see now growth with improved profitability going ahead? Are these assumptions in terms of what the market conditions are today a fair one or we need to wait for more pain to flow through the P&L?

Indraneel Dutt: So, I wish I could have said that in everything the worst is behind us, but I will not say that. I think we continue to correct the P&L and improve the situation. As we have said, the legacy project and the UP execution is still pending, much as you would have liked to get them over, but you heard our receivables on account of UP and we do not want to load our books and add more receivable burden on us. So, the legacy project we continue to execute and we are working on it and hopefully in the next financial year it will taper off. UP will continue to be there. As we have mentioned, we have significantly tightened on the engineering front, our order selection process and we expect that the learnings we had in the past will not get repeated, which is why we have been very selective. Even though we have crossed our last year's order inflow, yet, we have been extremely selective in picking up deals. So, yes, over the longer term, I would agree with your assessment that the overall profitability and the segment performance of the engineering side should increase, but that is in the longer term. We still have, I would say, a time period to cover where both UP and the legacy project execution will continue. On the chemical front, we will be passing on some of the price impact to the customers. And as Roha gets commissioned and the revenue from Roha increases, we will expect some improvement in the chemical profitability, but again, that is too early to call. We have to get Roha commissioned, stabilized, certified orders to come in and then execution will pick up. As we ramp up Roha capacity utilization, at that time we can expect some improvement, but it is still some time away because we have said that our original estimate, which we stand by, is to have Roha capacity utilization of 25% for the next financial year. So, longer term, yes, the outlook of both these segments are good. On the engineering side, we continue to strengthen on our membrane portfolio, which is a part of the engineering segment, where we see good tailwinds are coming with our product development and production. We are similarly seeing good tailwinds on the services front. All of this, on the longer term, augurs well for the company, but in the shorter term, we continue to work through some of the challenges which have impacted the P&L in the past, and we would want to get over them. The good news is, we have not seen any additional adverse impacts so far, but we will still go through the grind and get over the current headwinds.

Saket Kapoor: And on the Consumer Product also, sir?

Indraneel Dutt: On the Consumer Product side, we have seen strong tailwinds of growth. I do not know if you have seen our "Bharat Ka Paani" ad that is out there in commercials, in newspapers, print media. We continue to invest in advertising and promotion. The business has continued to show a 30% year-on-year growth so far. YTD, if you watch the IPL or the T20 games, you will see our "Bharat Ka Paani" ad coming prominently. And all of this requires investments, and whatever profits we are making in the division, we are ploughing it back into advertising and promotion to sustain this 30% growth that we are seeing. We expect next year to continue on a similar trend. We are getting into newer parts. I think still our coverage in India leaves more to be catered to. We are already the leaders in the softener part of the business. So overall, the segment is looking strong.

Saket Kapoor: Right sir. Lastly, second question

Moderator: Sorry to interrupt, Mr. Kapoor. May we request you to return to the queue for follow-up questions, please? Thank you. Our next question comes from the line of Pratik Kothari from Unique Portfolio Management Services. Please go ahead.

Pratik Kothari: Hi, good afternoon, sir. Sir, one, I mean, to your point, this first nine months has been, I mean, we have surpassed the last year number also. I mean, in the presentation, you do talk about winds and the solar project. What are we seeing? Is this international markets, domestic, any particular segment? What is working there?

Indraneel Dutt: So, as I said we are actively soliciting business while being selective about it. We are in all the important segments. We continue to actively and very aggressively bid for projects. However, as I said, we continue to be very selective in what we pick up. Similarly, on the international front, also we have increased our activities. We picked up recently a project with one of the largest dairy companies in Saudi Arabia. These are some of the wins that we continue to pursue. We continue to engage with companies on the energy side in the Middle East. And hopefully, we will see some of those fructifying. So, our activities on the front end are significantly engaging. And we continue to push on both the domestic and the international front. And as and when we see some of those closing favorably for the company we will definitely come back with suitable declarations.

Pratik Kothari: Enough. And second, this ex of UP, does this legacy project get done in Q2? If it does, how long in FY'27 does it go on? And ex of UP and legacies are, I mean, normally, the margin if that is the word I have to use, single digits, are we still doing those upwards of 11%, 12% that we used to do for a couple of years?

Indraneel Dutt: So, both the legacy project, I will talk about that first. We continue to execute that. It is a very large project and hence it continues to be executed. It will flow into the next financial year. As we said, it will taper off. A lot of the activity right now is on the construction side. On the site, it is a large plant. It takes time to be commissioned. Most of the supplies have been completed. But still a significant portion is left to be executed finally of the overall order value. On the UP side, as i said we have about Rs. 400 crores of order backlog on UP that we continue to execute. We believe if the funds flow starts coming in, in the next financial year, it will take us a couple of years to finally come out of those projects. And these projects will move into O&M. We will not leave those projects. But we will move into the operation and maintenance of those projects. Apart from that, we continue to be selective in pick-up of orders. So, we believe that these will be in the high single digits. It is very rare that in the project business, you end up with very attractive profitability considering the competition we see in the market. But our endeavor will always be to ensure that we have a profitable business on the project side.

Pratik Kothari: Thank you and all the best, sir.

Moderator: Thank you. Our next follow-up question comes from the line of Chetan Vora from Abakkus Asset Manager. Please go ahead.

Chetan Vora: Hi, sir. Thank you for considering the question again. I would like to understand, the Roha CAPEX, the asset terms are 2.5x, right? As you had mentioned in the last conference call?

Vasant Naik: Yes, over a period of four years.

Chetan Vora: How do you see the payback period to be for this plant? Within what time frame we are expecting a payback, sir?

Vasant Naik: We are expecting in the region of around four to five years. Under five years, the payback should happen for this facility.

Chetan Vora: Okay, sir. And sir

Moderator: Sorry to interrupt, Mr. Vora. Please, if you can rejoin the queue for any further follow-up.

Indraneel Dutt: I will just qualify the payback comment of Vasant. You know, it is slightly longer than what we wanted. But the reason is that this is a fully sustainable, fully circular plant. One third of the CAPEX has gone to ensure that, every, not a drop of water is discharged out. It is a zero liquid discharge plant. A lot of CAPEX has gone to ensure that, in all parameters, all input, items, it is almost fully circular plant. Once commissioned, it will be one of the best in class plants in the world. So we have tried to ensure that this is a model plant, which is why the CAPEX is slightly higher. And accordingly, the payback is taking a little longer. Ideally, we would want to have a payback between three and four years. I just want to qualify that. That is the reason that the company and the board made a conscious decision to see that we have the best in class plant in the world, in terms of sustainability and circularity.

Chetan Vora: Right, sir. Sir, on the plant only. The entire capitalization will be happening this year only, right? FY'26?

Vasant Naik: Yes, we are expecting largely the capitalization to get completed by March, a major part at least.

Chetan Vora: Okay, sir. Thank you.

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

Kishore Kumar: Thanks for taking my question again. Sir, now that the legacy project will actually be there in 2027 as well, the profitability will be at a lower end in H1. Should we assume actually lower profitability in H1 as well of next financial year?

Indraneel Dutt: We will definitely try to improve the profitability in coming periods. The project will taper off. So the impact of the project as we keep on grinding and executing that job will keep on progressively coming down. And as we execute the UP project, provided the fund flow starts, that is at a better profitability mix. And then our other projects we are picking up are healthier. So we would not say that. At the same time, it will take us some time to get behind all those legacy issues. So I do not see a reason to be further worried. At this time, I will possibly keep it at the level of performance in the earlier part of this financial year.

Kishore Kumar: Got it, sir. My second question is on the chemicals margin. You actually answered it to a previous participant about the margin above. Now the Q3 margins are at a lower end because of the ramp-up in the Roha facility. Should we assume similar margins for the next two, three quarters and then the ramp-ups actually benefit the margin?

Indraneel Dutt: I would say that there are parts of it. Right? So, the price impact due to the rupee depreciation, I think we will try to recover partly in the next quarter. We are also working on the mix where certain segments I called out earlier in the call. We are trying to see how we can get the improvement. With respect to Roha, we anticipate this current quarter to be similar because we are currently in the process of commissioning and stabilizing the plant and getting the product certified. So for Roha to fully give you the benefits of the impact of the Roha plant coming up, I think it will take us a couple of quarters. But beyond Roha, there are still a lot of products that we manufacture and invoice for the chemical segment. And we expect and our endeavor will be to try and get back at an operating level to the performance that we have shown before depreciation and interest expenses of Roha started hitting us from this quarter.

Kishore Kumar: Got it, sir. Any change in the engineering segment guidance for this year and next year? Because we expected H2 to be better. Now Q3 was actually flat on a year-on-year basis. So Q4 execution will actually compensate that or it will be actually lower?

Indraneel Dutt: So, Q4 should be better than Q3. That is what I think we can say right now. Next year, progressively the situation should improve from the average of this year. But again, as I said, there are still parts of the legacy project that we need to complete. There are still structural fixes we are putting in place on the engineering business. And as our membrane and the services business starts picking up, in the longer term, we will definitely see upward performance on the profitability of the engineering segment. But it is a work in process for us. We know the path. It is just about working on that execution.

Kishore Kumar: Got it, sir. Thank you.

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

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 Investment Relations Managers at Valorem Advisors. Thank you.

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.