ION EXCHANGE
Refreshing the Planet

November 18, 2022

To

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

Dear Sir/ Madam,

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

Pursuant to our letter dated October 31, 2022, we enclose herewith communication relating to conference call as per Regulation 30(6) Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The said conference call with the Institutional Investor/Analyst on Friday, November 11, 2022 was to discuss the financial performance of the Company for the second quarter ended September 30, 2022. The aforesaid information is also disclosed on website of the company i.e. www.ionexchangeglobal.com

Kindly take the information on your record.

Thanking You,

Yours faithfully,
For Ion Exchange (India) Limited

MILIND DATTATRAYA PURANIK
Digitally signed by MILIND DATTATRAYA PURANIK
Date: 2022.11.18 11:44:12 +05'30'

Milind Puranik
Company Secretary

ION Exchange India Limited
Q2 and FY23 Earnings Conference Call
November 11, 2022

Moderator: Ladies and gentlemen, good day and welcome to Ion Exchange India Limited Q2 FY 23 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. I, now, hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, Sir.

Anuj Sonpal: Thank you. Good afternoon, everyone a very warm welcome to you all. My names Anuj Sonpal 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 call for the second quarter and first half of financial year 2023. Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward looking in nature. Such forward looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

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

NM Ranadive: Thank you Anuj. Good afternoon, everybody. It is a pleasure to welcome you to the earnings conference call for the second quarter and first half of the financial year 2023. Let me first take you through the financial performance of Q2 FY23 of our company on a consolidated basis. The operating income for the quarter was INR 4476 million, an increase of around 18% on a year-on-year basis and 17% quarter-on-quarter. EBITDA reported was INR 533 million, an increase of around 34% on year on year and 62% quarter-on-quarter. EBITDA margin stood at 11.91%. Net profit after tax reported was INR 387 million, a increase of around 42% year on year and 41% quarter-on-quarter, while the PAT margin percentage was 8.65%. For the first half of the year FY2023, the operating income stood at around 8,300 million an increase of around 20% year on year. EBITDA stood at INR 862 million, an increase of around 14% year on year. EBITDA margins were reported at 10.39% and that stood at INR 661 million and increase 31% year-on-year. PAT Margins improved to 7.96%. Let me now take you to the quarterly segmental performance on consolidated basis. In the engineering division, the revenue for the quarter was INR 2,577 million an increase of around 17% year on year. The EBIT for this segment was INR 182 million, an increase of 39% year on year. The company witnessed steady order book both in domestic and international markets. Regarding Sri Lanka order the execution remained affected due to the ongoing uncertainties in the Sri Lanka on the other hand, execution of the UP Jal Nigam project is progressing satisfactorily and revenue has been recognized based on the work completion. The order book as on 30th September 2022 is to approximately INR 1458 crores excluding Sri Lanka and UP Jal Nigam project. If we add these 2 to the order book, our total order book would be approximately INR 2795 crores and also we have a bid pipeline of INR 8025 crores. With this we have a strong revenue visibility for the next two to three years from engineering segment and we are well placed to undertake significantly increased pace of execution in the ensuing quarters. Going to the chemical sector, the revenue for the quarter recorded was INR1,595 million, which increased around 18% year-on-year. EBIT was INR 377 million, which was an increase of 33% year over year. The sales in the domestic segment continued to record steady growth and export volume remained constrained. This segment improve margins in spite of the impact of rising US dollar rates on input prices. Lastly in the consumer division segment, revenue for the quarter was INR 455 million an increase of around 29%. year on year. The loss for the quarter was 5 million. Investment in infrastructure and new product are giving encouraging results and we expect the segment to sustain its growth momentum. With this, we can now open the floor for questions and answer session.

Moderator: Thank you, ladies and gentlemen, we will begin the question-and-answer session. The first question is from the line of Pratik Kothari from Unique Portfolio Manager. Please go ahead.

Pratik Kothari: Hi, good afternoon. Thank you for the opportunity. Sir my first question is on the engineering field. I mean, if we compare ourselves three years back, which is pre-COVID, our order book is substantially higher 2x when you look at the execution, it is very similar to the run rate that we used to have them. So, you can just talk about our execution capabilities, what are we building to kind of shift to our highest trajectory in terms of the execution that we do on the engineering field.

Aankur Patni: Good afternoon Pratik, we are going to witness substantially increased level of execution in the coming quarters and we have strengthened the infrastructure including manpower, engineering, whatever is required to handle the execution, you will see the benefits of that in the coming quarters.

Pratik Kothari: Sir the investment or preparedness has already been done. It is just that is yet to reflect in on ground exhibition.

Aankur Patni: That's right.

Pratik Kothari: That's good to hear. And sir, for the last few quarters mentioning that we are almost on the verge of signing of a large order maybe in the international market or domestic market, but that has not gone through. So, I mean usually what are the reasons that this gets delayed or has some because of the recessionary etc, the narrative, which is that out there, I have something shifted the decision making is getting delayed, if you can just highlight something on those links.

Aankur Patni: These are generally infrastructure and government contracts. There is extended decision making process, various government approvals covering multiple departments and as you can understand, in a typical government contract, a lot of diligence takes place. Further, there is a lot of effort which we put in to ensure that our risks are mitigated to the maximum extent possible and the contract structuring itself takes some time. It is not generally possible to predict an exact timeline when the orders would eventually fructify, but we are certainly working on it and hopefully, we will be able to announce something soon. But till that happens, we will not want to come out and announce anything specific.

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

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

Chetan Vohra: Yeah, good afternoon sir I wanted to understand on the engineering front, growth has been like 5 to 10% and at the start of the year, we were riding out for like overall growth of 30% and chemical also has reported revenue growth of 16% the first half so where do we stand in that scheme of thing?

Aankur Patni: Chetan your voice was very unclear it's a bit muffled. Can you repeat it?

Chetan Vohra: What I was asking at the start of the year, we had given a looking out for the revenue growth of nearly about 25 to 20%, but in the first half our engineering growth has been like 11% and the chemical has grown by like 16%. So, where do we stand in that scheme of things sir.

Aankur Patni: We should substantially increase the pace of execution in the coming quarters. We retain our expectation of the year end revenues from engineering segment and overall numbers.

Chetan Vohra: Which is 20-30% right?

Aankur Patni: Yes, we should be looking at a growth of around 30 to 35%.

Chetan Vohra: Okay, and this is for the engineering or the overall?

Aankur Patni: We are talking of overall.

Chetan Vohra: Okay, fine, great. And so, basically, it will be the back ended thing and on the margin front also for the first half also and the engineering we saw pressure on the raw mat and because of the margins has been like 5% while the chemicals margin has improved, so, how do we see situation going ahead?

Aankur Patni: Conservatively we should maintain the full year margin percentage similar to what we have achieved in the past year.

Chetan Vohra: Okay fine and how do we see the as the earlier question was also being asked that the bid pipeline which stands right now nearly about 8000 odd crores, and how much of that will be in the advanced stage of talking and that was the first thing and the second thing was of the UP thing, the UP order has started getting executed here under the execution. So, how much of that would have been got executed in this quarter?

Aankur Patni: The total invoicing which has happened on UP during the six months is 76 crores. In terms of the bid pipeline, roughly around 20 to 30% would be at a relatively advanced stage.

Chetan Vohra: Okay, then the last question would be what's the update on the Sri Lankan order, whether it is status quo or any work is going on?

Aankur Patni: The pace of execution has come down to almost a standstill. We still remain hopeful that very shortly the conditions for execution of the contract will improve and then we will go ahead with execution in consultation with the funding agencies and Sri Lankan government. Only when we feel that the recoverability is not going to be a challenge and execution can be at desired pace we will start again in earnest.

Chetan Vohra: And how much is receivable from them as of now? How much we are supposed to receive from Sri Lankan business?

Aankur Patni: We do not give contract specific data but as we have been saying that we do not expect to have any credit risk in this job. We are not getting paid directly from the Sri Lankan government and this project is funded by Exim Bank. So, to that extent, credit risk is not something which is on top of the mind.

Chetan Vohra: And sir last one, what is the update on the Greenfield expansion view? It was delayed because of the approvals. So, what is the update on that?

Aankur Patni: We have heard some positive developments very recently and our expectation is that we will get the environmental clearance , that we were waiting for , within this month and we expect to start commercial production in FY 24-25.

Chetan Vohra: Okay, thank you sir.

Moderator: Thank you. The next question is from the line of Yog Rajani from KamayaKya Wealth Management. Please go ahead.

Yog Rajani: My first question is what is the maximum revenue potential of the consumer product division facility, chemical division facility and the membrane facility?

Aankur Patni: You are asking the maximum revenue potential.

Yog Rajani: Yes from the current capacities that we have in the three divisions.

Aankur Patni: Consumer Product division, we do not really have a significant capacity constraint. We can go to 2x or 3x of where we stand without much of a strain and likewise, our ability to rampup revenues from our chemical division is pretty strong as we are able to add capacity modularly to the extent required and which is product line specific. In case of Resins, as we have announced, we are looking at a greenfield expansion, which will increase capacity to double of where we are at present. So, with expansion being in place, we should be able to increase our revenue by more than double . In terms of engineering, the capacity constraints are not all that significant because a lot of the execution takes place at site. There is no typical manufacturing in the plant. So, capacity constraints do not work as they would in a typically manufactured product.

Yog Rajani: Okay. I had another question, what is the total addressable market of the consumer product division and what would our market share be in it and out of the total market what percentage of the total addressable market would be institutions?

Aankur Patni: **It wasn't very clear,** What percentage were you asking?

Yog Rajani: of the total market would be institutions for a consumer product division.

Aankur Patni: **I**nstitutions.

Yog Rajani: Yes.

Aankur Patni: What do you mean by institutions?

Yog Rajani: By large corporate players

Aankur Patni: Okay. So, for consumer products, if you look at the home water equipment that we typically install in residences, that market itself is close to 10,000 crores plus. Apart from RO, there are other equipment's which go into residences, like softeners , the new product which we have introduced recently which is alkaline water. These add to the market number. As you would notice from the overall revenues, which we have been declaring, our market share is meagre in percentage terms and the opportunities remain quite big.

Yog Rajani: What EBITDA margins can we expect from this division over the next three years?

Aankur Patni: Segment is capable of generating high levels of EBITDA margins, however, it's the question of scale. There is substantial amount of fixed costs, which we incur in the segment and when we go past the threshold scale, the EBITDA margin additions will be substantial.

Yog Rajani: Alright, I understand. Thank you so much for the clarifications.

Moderator: Thank you. The next question is from the line of Pranay Roop Chatterjee from Burman Capital. Please go ahead.

Pranay Roop Chatterjee: Sir my first question is pertaining to the engineering segment and it is more from a medium term perspective. So, if I look at your business mixes right, let's say five years from now, and more from a tenders perspective, which you define as your bid pipeline? What sort of mix do you expect, let's say, between private and public entities, like do you see public entities giving you more business in the next five years, if you could also break up on the private side, which are the sectors you know, where you expect to show a stronger performance versus the others and similarly, on the public side as well, which government programs would drive this incremental orders continuing on the mix side, also on the domestic versus international front, like do you expect International to increase in share or domestic to have a stronger mix going forward. So, just trying to understand how your business would look from a mix perspective, three to five years from now?

Aankur Patni: As of now the UP contract, which is one of the larger contracts is a government contract. Similarly, Sri Lankan contract, we would classify under the government contract. Typically, one large contract from the government side would tend to create significant bias towards that segment. It is difficult to give you very exact or accurate predictions of how these things would pan out in future. But based on reasonable assumptions, I would expect that in a timeframe of three to five years, the direct government contracts should be in the region of around 20 to 35%, somewhere in that bracket.

Pranay Roop Chatterjee: If you could also elaborate on the domestic versus international front?

Aankur Patni: See if we get a very large contract in the international market, something like Sri Lanka, which we have been talking about, that would tilt or skew the numbers slightly, but again, based on reasonable assumptions, I expect the domestic to be somewhere around 60 to 65%.

Pranay Roop Chatterjee: Got it all clear and my second question is on competition side, also on the engineering segment? If you could, it's okay if you don't give an exact number, but a broad range or as to what has been your bid win rate in the past and continuing on that given your bid pipeline and the type of projects you bid for. How does the competitive environment in India look like specifically India? For example, do you see the number of international players increasing due to the recent uptake in tenders being given out and also how many firms are really there who are capable and eligible? Sorry I think it was a cutoff. So, my question was on competition, if you could just help me with the bid win rate in the past and also talk about the competitive environment like if there are an increasing number of international players is simply coming in and bidding and number two, how many players are at all there who are eligible and capable to bid for the same contracts?

Aankur Patni: As a thumb rule, we assume that our bid win rate would be somewhere in the vicinity of 20%. International players have been there in the market for many decades. There are new players which come in and there are players who exit almost every year. There is no significant uptick in terms of the competitive intensity.

Pranay Roop Chatterjee: Got it and if you could just this is the last thing, how many players would that be ballpark? Would it be 20, 30, 40 who are eligible and capable to bid for similar contracts, just to get a sense on how crowded the market is.

Aankur Patni: It is a very distributed market in terms of the type of competition and capabilities of various players. Further it is quite specific to sectors, segments of industry and to regions. As such quite a lot of players operate in this market.

Pranay Roop Chatterjee: Got it. Thanks a lot.

Moderator: Thank you. The next question is from the line of Romil Jain from Electrum PMS. Please go ahead.

Romil Jain: Hello, thanks for the opportunity, sir and congrats on a good set of numbers. Sir, just want to understand at the at the ROC level, whether our exports business will be doing better or domestic business will be doing better overall.

Aankur Patni: As a thumb rule, we would expect it to be almost the same maybe with a slight bias towards the international sector.

Romil Jain: Okay and currently of the order book how much is the export order book and how much is the export bid pipeline?

Aankur Patni: Roughly 20% is exports and bid pipeline in total is around 8000 odd crores, of which exports is roughly 30%.

Romil Jain: And in terms of Sri Lankan order project while I agree that we do not run a major credit risk, because of the Exim. Can you just let us know how much obviously only the small part of the execution is now left, so what kind of money have you already received on the process?

Aankur Patni: That unfortunately not a number which we have been declaring in the call.

Romil Jain: Okay. So, chemically related business, I just want to understand who are the competitors in India for the chemical business?

Aankur Patni: Two of the major players include Nalco, which is now Ecolab and SNF is another one. These are the largest of the multinational players,

Romil Jain: Okay, mostly international players are the competition in the sector.

Aankur Patni: There are domestic also. Thermax for example is also one of the players in the chemical segment.

Romil Jain: Okay, but I think the scale is different from you.

Aankur Patni: Okay.

Romil Jain: Okay sir, thanks a lot. All the best.

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

Saket Kapoor: Sir in your presentation under this engineering order book and pipeline, it is mentioned that engineering project is 1458 crores, whereas outstanding for SriLanka is 256 crores. So, this is the worth of content pending to be executed for Sri Lanka.

Aankur Patni: That's right 1458 is excluding Sri Lanka and UP.

Saket Kapoor: Yes, separate figures are mentioned.

Aankur Patni: 256 is the outstanding portion of Sri Lankan contract.

Saket Kapoor: And sir as you have correct me as you mentioned that for the Greenfield project, we are in the process of receiving the environment clearance within this month, we are expecting it for this month.

Aankur Patni: Yes, we are expecting to receive it this month.

Saket Kapoor: Okay. Sir could you give me some more color on the size of the investment we are going to and what are the contours of this resin project sir?

Aankur Patni: As I have been saying, we will be doubling the capacity of resin manufacturing in phase one and thereafter in Phase 2 we will be adding a similar capacity. The total CAPEX on this is expected to be upwards of 200 to 250 crores. The exact numbers would be given out at a later date, but it can certainly be in excess of 200 to 250 crores.

Saket Kapoor: And the completion date would be FY24.

Aankur Patni: FY24-25 we expect to start commercial production.

Saket Kapoor: Okay and what should be the turnovers at optimum levels that would be expected from this plant at phase one.

Aankur Patni: As I said, we will be doubling our current resin capacities. At the minimum it will be more than two times.

Saket Kapoor: So, what is the current resin sales for us for last year or for the first half.

Aankur Patni: Approximately 60% of our chemical segment revenues are from resins.

Saket Kapoor: 60% of chemical segment.

Aankur Patni: That is right.

Saket Kapoor: Sir now, coming to the raw material partner how have the raw material basket we are finding that there is a lot of price changes we are seeing in different commodities. So, how was raw material prices being and what is the outlook there going ahead.

Aankur Patni: While there was reduced volatility and downward trends in the raw material costs there has also been a sharp appreciation of US dollar and that continues to have some bearing on the input costs. We are continuously monitoring the RM price trends and taking corrective actions to mitigate impacts on the margins if any at all

Saket Kapoor: Sir can you elaborate on the key components which constitute I think to the raw material would be especially contributing to the chemical segment only the raw material basket as a cost of material consume? If you could give the more granular details, what are the key components there?

Aankur Patni: For the chemical segment, the mix of RM are both petroleum and otherwise and for the engineering segment, steel is one of the major raw materials. AFurther, wherever there is a significant civil contract, cement would be one of the key raw materials.

Saket Kapoor: Correct sir. We have also seen that the freight prices have corrected dramatically in some of the geographies or some of the locations. So, how has that impacted our business fall in the ocean freight prices?

Aankur Patni: That's a favorable impact as we have been facing these logistics related issues for quite some time now. There is certainly an improvement on that front and this will benefit us.

Moderator: The lines of the current participant has dropped off. We will move on to the next question that is in the line of Sunil Kothari from Unique Investment.

Sunil Kothari: Sir my question is basically as the industry grows and becomes highly profitable, like chemical industry becoming engineering also seems to be very lucrative or maybe it is next 2,3, 5 years, mutually competition will be increasing. So, how we will keep ourselves ahead of competition with profitable and really respectable profit and growth? So, what internally we will be doing with both the division or what we are doing so getting competition little bit at bay.

Aankur Patni: As it stands today, I believe our margins and control on various aspects of the business will possibly be amongst the best in both engineering and chemical segment, we will continue to be proactive on all fronts. We are taking continuous steps to improve productivity & efficiency of the manufacturing setup and also trying to ensure that we take these steps proactively. Our costs including input costs are under control and we continue to be vigilant on all fronts., We hope that we will be able to maintain the edge.

Sunil Kothari: This is all in terms of profitability and costs but in terms of product innovation R&D, if you can talk something more on maybe chemical segment.

Aankur Patni: We have a strong R&D setup with more than 100-member team on the front of R&D and there is a continuous effort to innovate on all fronts, work on existing product lines as well as introducing new products. We hope to continue maintaining our technical edge in the market.

Sunil Kothari: Okay great and sir the way you are explaining on Greenfield experts and what I understand is the current capacity of chemical segment is chemical resin segment is 100 then this new Greenfield capacity will add another 100 and with second line of expansion, it will reach 200 so combined capacity of resins will become a three time maybe over next three years or whatever timeframe. Is it right correct understanding?

Aankur Patni: That's correct.

Moderator: Thank you, the next question is from the line of Shriram Kapoor from Prabhudas Lilladher. Please go ahead.

Shriram Kapoor: Hi, thanks for the opportunity. My first question will be what is your growth outlook within each segment you expect your chemical segment to grow faster than engineering or overall are this 30% growth that you are guiding what will be the segmental growth outlook that you see?

Aankur Patni: We should see stronger growth in the engineering segment and relatively lesser growth in the chemical segment. The order book which we carry for the engineering segment is very strong. So, is the bid pipeline and expected wins, we should not only be having substantial revenue generation during the next two quarters, but we are hoping to carry forward very strong order book into the next year. Chemical segment would continue to grow at a good pace, but comparatively it would be engineering segments which would grow more.

Shriram Kapoor: Understood thanks and in terms of your export and domestic mix is, could you give that also split that up with new segments like how much of engineering, chemicals and consumer products is export and how much is domestic? Would you be able to share that?

Aankur Patni: The exports constitute roughly around 20% to 30% of our bid pipeline and we have quite a strong component of exports as far as our chemicals are concerned, which I would expect to be retained as we go forward.

Shriram Kapoor: Okay and lastly, so I understand Greenfield expansion. So, two questions on that one is with your resins that you are doubling capacity for is that your highest value at the highest margin product within chemicals or is, what is the focus there? Like why resin will be the focus of expansion? Just to get an understanding of that and second would be other than this two hundred, 250 odd crores CAPEX outlay that you are going to have. Is there any other CAPEX projections that you have in any other aspects of your business?

Aankur Patni: We are expecting that we should be having around 60 to 70 crores of CAPEX apart from this Greenfield expansion that we have spoken about. In terms of profitability, you would have seen chemical segment does contribute significantly. Therefore, there is a good strong rationale for further improving our capabilities there. Further, there is a substantial market opportunity, especially in the export market. Our overall market share in the international markets is very small and therefore is a good headroom for growth there.

Shriram Kapoor: Okay, just to clarify that.

Moderator: Sorry to interrupt Mr. Kapoor. Sir may we request that you return to the question queue. There are our participants waiting for their turn.

Shriram Kapoor: Sure. No worries. Thanks a lot.

Moderator: Thank you very much. The next question is on the line of Pratik Giri from Vasoki India. Please go ahead.

Pratik Giri: Mr. Patni, I was just going to your EBIT margin segment I can see both in engineering chemicals, the margins have been improving since last three, four years. So, particularly in the engineering segment, do you see margin improvement from here also, and in chemical space too or is it the peak as per your calculation.

Aankur Patni: We should see improvement from here on. By the end of the year, we should be maintaining the full year margins similar to what we have achieved in the past and in chemical segments, we should be achieving the margins which we had in FY2021. So, we will certainly be seeing improvement from here on.

Pratik Giri: You are saying sir, in both the segments, we can see further improvement in EBIT margins.

Aankur Patni: That is right.

Pratik Giri: That is encouraging sir.

Aankur Patni: that's on full year basis.

Pratik Giri: Yeah, I understand sir. Second question is on the CPD on the consumer product segment. You on one previous question, you mentioned that on a scale we might see profits in the segment. Sir at what scale you think that this segment will start giving us some money?

Aankur Patni: Based on current trends, we feel that by the end of the current year, we will be breaking even in this segment.

Pratik Giri: Sorry, we'll be

Aankur Patni: Breaking even by the end of this financial year

Pratik Giri: At EBITDA level sir.

Aankur Patni: At EBIT level.

Pratik Giri: At EBIT level, that is quite encouraging sir, thank you that is from my side sir.

Moderator: Thank you. The next question is from the line of Ranveer Singh from Edelweiss Wealth. Please go ahead. Mr. Singh please proceed with your question.

Ranveer Singh: Is my audio better now?

Moderator: Mr. Singh your audio is breaking up. Sir we are unable to hear you clearly. W request you to please come back in the queue. Thank you. So, we will move on to the next question that is on the line of Karthik Keyan from Suyash Advisors. Please go ahead.

Karthik Keyan: Couple of questions, one on the chemical segment. Are there any specific proprietary products for example, in this segment that we will be launching with the expanded capacities and B, would you be tying up somebody for white label manufacturing kind of a contract or would these all be under ion exchange own brand?

Aankur Patni: We have quite a few products within our portfolio which are proprietary in nature and the new capacity will look at a wide mix of products. We do offer our products to various players in the market including competitors, but per se white labeling is not something which we have envisaged

Karthik Keyan: Given the substantial expansion we are looking at, whom would you be displacing sir in the international market and what specific advantages would we have versus them?

Aankur Patni: Sorry, your question was not very clear. Can you come again?

Karthik Keyan: I was asking you given that you would be displacing somebody because your expansion is a substantial. A, who would you be displacing and B, what specific advantages will you have over them to be able to achieve that?

Aankur Patni: We have already got substantial export presence in terms of our resins and we have been competing with the market leaders in their favored geographies, which means we have been quite aggressive in the market and have been competing with them in the Americas and in the European markets. We do not foresee any challenges in being able to deliver both the quality of the products as well as the services if any required. Per se, the market share which we have in international market is very small and therefore, as I have been saying the headroom for growth is quite large. I do not foresee any problems in expanding our presence further.

Karthik Keyan: Right and in terms of raw material dependence on international markets sir, some thoughts on that could help. I am talking specifically on the chemical side.

Aankur Patni: Some of our raw material is imported and we will continue to rely on at least some degree of imports. Although we are making a sustained effort to reduce reliance on any single geography or supplier.

Karthik Keyan: Who will be your primary imported in terms of countries.

Aankur Patni: It varies and it depends upon where we are able to get the best deal from and as I said that there is a continuous effort to reduce reliance on any single vendor or geography.

Karthik Keyan: If there is time, I would like to ask on question. Not a problem. I will get back into queue.

Moderator: Thank you. The next question is from the line of Ranveer Singh from Edelweiss Wealth. Please go ahead. Mr. Singh , please go ahead with your question.

Ranveer Singh: Yeah. So, wanted to understand and just wanted to reconcile some number. So, last quarter, we had total order book of 2912 and in this quarter, we have 2795 so 117 crore reduction in overall order book and I assume that whatever reduction is should reflect in incremental sales here in engineering side. So, is this understanding correct here?

Aankur Patni: That is right.

Ranveer Singh: So, incremental sales at 66 crore from Q1 to Q2 while our order book has contracted by 117 crores.

Aankur Patni: Yes, there is additional order inflow also during the quarter.

Ranveer Singh: Sir in initial order input has been executed earlier and then there has been no addition to order book that is what you are saying.

Aankur Patni: No, there has been an additional order inflow, it is around 120 crores.

Ranveer Singh: Okay. Yeah, I think we will understand it offline. Secondly, in balances sheet side also, you see that it is the inventory increase of some 50 odd crores. So, is this related to chemical or engineering.

Aankur Patni: This is largely engineering.

Ranveer Singh: Okay, this is from engineering side. Okay, fine and in your presentation, you have mentioned that there is constraint in export in chemical side. So, what kind of constraints currently you are facing?

Aankur Patni: We are talking about a demand constraint. Given the international, economic and geopolitical scenario, there is certainly an impact of that on demand, especially from Europe & America.

Ranveer Singh: Okay and this is going to be a better going for long.

Aankur Patni: Hopefully as the situation improves in these respective geographies both on the economic as well as the geopolitical front, we expect the demand from these markets to improve.

Ranveer Singh: Okay. So, second half look like, there was some constraint here in first half. So, can we expect second half would be better in engineering segment specifically.

Aankur Patni: Second half should be substantially better. The pace of execution of the various contracts which are in hand will be going up. Overall, as mentioned earlier, we are looking at revenue growth on a full-year basis to be roughly around 30 to 35%.

Ranveer Singh: Okay and the last one, CAPEX 70 crores you mentioned for FY23 right.

Aankur Patni: The question was not very clear. Can you come again?

Ranveer Singh: You have mentioned the CAPEX of 70 crores if I heard correctly, so, that was related to FY23.

Aankur Patni: That's right.

Ranveer Singh: And how much we have spent in first half?

Aankur Patni: Around 25 crores.

Ranveer Singh: okay and this is related to which segment?

Aankur Patni: This is largely engineering.

Ranveer Singh: Okay. Thanks a lot, and all this is from my side. Thank you.

Moderator: Thank you. The next question is in the line of Romil Jain from Electrum PMS. Please go ahead.

Romil Jain: Sir just one follow up what I have seen the order inflow so far in the year and what is your annual target for this year?

Aankur Patni: The order inflow in engineering segment was around 528 crores for the first six months.

Romil Jain: Okay, any sense you can give us a full year what your target would be?

Aankur Patni: In the second half we should have substantially more than what we had in the first half.

Romil Jain: Okay, okay. One question. I think we were also kind of doing some restructuring on the entire group level right the subsidiaries and all. So, one is what is the progress of that the treasury shares also and we have a substantial cash balance and we are also getting good cash flows. So, what is the thought process. Of course, 250 crores of CAPEX is lined up for the chemicals business, but apart from that, will we see any allocation towards shareholders on the dividend side, just want to understand these things.

Aankur Patni: The treasury shares which you spoke about are the shares held by our Employee Benefit trusts. They are not intended for any transactions in the open market. They have very much been a stable holding. In terms of the cash available with us, we are certainly looking to deploy it for part funding the greenfield expansion, , and we are also evaluating other modes of inorganic growth.

Romil Jain: Okay. Got it. Thank you so much.

Moderator: Thank you. The next question is on the line of line of Pranay Roop Chatterjeefrom Burman Capital. Please go ahead.

Pranay Roop Chatterjee: Hi, good afternoon again. My question this time is almost chemical segments. You mentioned that 10,000 crore numbers sometime in the call. I could not catch it. So, if you just reiterate, what would be the total market size for you on the export front? That is one and you are expanding capacity aggressively 2 to 3x. By when do you think you can fill up that capacity and I will tell you why I am asking this question. Firstly, your seller base is extremely diversified and you continue to strive to do the same both geographically and sector wise, and also the past annual growth rates has been quite volatile. If I just try to do a simple CAGR over the last 5 to 10 years, it is basically around 10%. Right. So, going forward, what do you think will drive growth substantially higher than that 10% past CAGR, which will actually fill up that capacity.

Aankur Patni: The overall market size for resins on a global basis is in excess of $2 billion. That is why I have been talking about substantial headroom for growth being available there. The proposed greenfield capacity should take roughly three years to reach optimum levels of utilization.

Pranay Roop Chatterjee: Got it. Thanks a lot. I will be back in queue.

Moderator: Thank you. The next question is from the line of Shriram Kapoor from Prabhudas Lilladher. Please go ahead.

Shriram Kapoor: Hi, thanks for the opportunity for the follow up. So, just again, speaking about growth drivers going forward where you see the substantial growth opportunities, especially in your engineering segment is it going to be largely public and government related contracts, is going to be increased of private companies as they try to ramp up their ESG efforts and environmental efforts, where do you see majority of the growth happening going forward?

Aankur Patni: I think we are seeing opportunities evolve on almost all fronts. Firstly, both domestic and international markets and secondly in each of these markets from all segments, including industry, the public sector, as well as from the government directly. Our effort is to make sure that the opportunities that we pick up do not put us to risk as far as our balance sheet or our bottom lines are concerned. We continue to be relatively conservative when we pick up these new opportunities to make sure that we maintain not just the growth trajectory, but also maintain a healthy bottom line. There would not really be a constraint of opportunities available in the market.

Shriram Kapoor: Thanks, and I think you are going to mention some numbers in terms of the full year target for your order inflows. Do you have that number available.

Aankur Patni: By the end of the year, we believe that our unexecuted Order Book would be at roughly an all-time high, close to 3000 crore number But there are still two more quarters to go. There is always a little bit of an uncertainty, but based on what we are seeing as of date, we feel pretty confident that we will end up at an all the time high order backlog.

Shriram Kapoor: Understood. Thanks so much, and best of luck.

Moderator: Thank you, ladies and gentlemen, due to time constraint that was the last question I now hand the conference over to the management for the closing comments.

NM Ranadive Thank you all for participating in this earnings Conference Call. I hope we have been able to answer your queries and questions satisfactorily. If you have any further questions or would like to know more about the company, we will be happy to be of assistance. We are very thankful to all our investors who stood by us and have also in confidence in the company's growth plan and focus. And with this I wish everyone a great evening. Thank you very much.

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