

**Ion Exchange India Limited**  
**Q3 & 9M FY24 Earnings Conference Call**  
**January 29, 2024**

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**Moderator:** Ladies and gentlemen, good day and welcome to Ion Exchange India Limited Q3 and Nine Months FY24 Earning Conference Call.

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

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

**Anuj Sonpal:** Thank you. Good afternoon, everyone and a very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor Relations of Ion Exchange India Limited.

On behalf of the Company, I would like to thank you all for participating in the Company’s earnings call for the 3rd Quarter and Nine Months ended of Financial Year 2024.

Before we begin, let me mention a short question statement:

Some of the statements made in today’s earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management’s beliefs as well as assumptions made by information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions.

The purpose of today’s Earnings Call is purely to educate and bring awareness about the company’s fundamental business and financial quarter under review.

Let me now introduce you to the management participating with us in today’s Earnings Call and hand it over to them for opening remarks.

We have with us Mr. Aankur Patni – Executive Director, Mr. N.M. Ranadive – Group Head of Financial Planning and Risk Management, Mr. Vasant Naik – Group Chief Financial Officer and Mr. Milind Puranik – Company Secretary.

Without any further delay, I request Mr. Vasant Naik to start with his opening remarks. Thank you and over to you, sir.

**Vasant Naik:**

Thank you Anuj. Good afternoon everybody, it is a pleasure to welcome you to the Earnings Conference Call for the 3rd Quarter and the Nine Months of the Financial Year 2024.

For the 3rd Quarter of the current Financial Year on a consolidated basis, the company reported an operating income of INR 5539 million, an increase of 8% on a year-on-year. EBITDA was reported at INR 706 million, representing an increase of 13% year-on-year. EBITDA margin stood at 12.75% and the net profit was INR 472 million, representing a minor decrease of 1% year-on-year while the PAT margins stood at 8.52%. For nine months financial year 24 on a consolidated basis, the company reported an operating income of INR 15,660 million an increase of around 17% year-on-year. EBITDA was reported at INR 1798 million, an increase of 21% year-on-year while the EBITDA margin stood at 11.48% and a net profit was INR 1229 million an increase of 8% year-on-year, and the PAT margin stood at 7.85%.

Coming to the segmental analysis in the Engineering Division:

The revenue for the quarter was INR 3212 million, a minor decrease of 1.5% on a year-on-year basis. The EBIT for this segment was INR 240 million a decrease by 22.5% year-on-year. The segment witnessed satisfactory order flow of medium size jobs. The enquiry bank remained robust however we experienced some delays in finalization of some large value opportunities.

The engineering segment recorded a sequential improvement in turnover. The execution of the large EPC job including the UP Jal Nigam order is expected to accelerate in the ensuing quarters.

Coming to the Chemical Division Segment:

The revenue for the 3rd Quarter stood at INR 1872 million, an increase of 23.5% year-on-year and average stood at around INR 493 million an increased by around 30% on the year-on-year. The chemical segment recorded improved volumes while maintaining healthy margins.

In the third segment, the Consumer Division Segment:

The revenue for the quarter was INR 630 million an increase of around 38% year-on-year. The segment has sustained a growth witness in the past few quarters.

We can now open the floor for the Q&A session.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. First question is from the line of Noel Vaz from Union Asset Management. Please go ahead.

**Noel Vaz:** Could we have an idea of what kind of would the margin outlook for FY24-25 as well as any growth outlook, that is my first question. What is the margin and growth outlook for FY24-25. That's all from my side.

**Management:** The margin and growth outlook for the current financial year is, as we have been indicating in the previous calls, we are expecting that we will be able to maintain margins compared to what we achieved in the previous financial year. As far as revenue growth is concerned, we are expecting year end growth of roughly around 20%.

**Noel Vaz:** Yes. Also, so actually just looking at the order book. Now, order book in bid pipeline if you just compare, I know this is not necessarily the best way of looking at it. But if we look at 3Q versus 2Q, there doesn't seem to have been much both, what is the particular reason for this?

**Management:** I'm sorry, not able to hear you very clearly can you be a little bit louder?

**Noel Vaz:** Yes, sorry about that. So, the thing is, if you look at the 3Q order book and the 3Q bid pipeline versus the 2Q order book and pipeline it seems kind of flattish so is there any particular reason for this?

**Management:** We have had in recent periods a slight slowing down of the finalization that we have been expecting some of the inquiries, which we were expecting to get finalized during the period. They seem to be shifting because of the current environment both domestic and international. And we are now expecting that some of these may flow over into the next financial year also. So, yes, there seems to be a little bit of a slowdown. And also, a couple of opportunities which we were hoping to convert, we have not been able to because of the terms at which these were finalized. And we have had to let them go so those two reasons account for this.

**Noel Vaz:** Okay, thank you. This is just an overall kind of a look of the different segments. So, in the upcoming, there is a lot of upcoming semiconductor capacity which is expected to come through. Are we well placed to take advantage of that opportunity?

**Management:** Yes, we are quite well placed, we are actively working on a few such opportunities.

**Noel Vaz:** Okay. And by when could we potentially see some kind of move on this front?

**Management:** We have already got a couple of orders on that front. And we should be seeing more of these flowing through the order book in the coming quarters.

**Moderator:** Thank you. Next question from the line of Richa Chowdhary from Electrim PMS. Please go ahead.

**Richa Chowdhary:** If you could just help me understand why was the execution in engineering segment weak this quarter and if you could just help me with the numbers, what order inflow did we see during this quarter and nine months, and if you could just give some guidance on FY24, how much orders are we expecting to close this year?

**Management:** Okay. Engineering we had some constraints on the invoicing front. One of the large orders, which is the UP order, is the procedural issues which we have hinted at in the past that while we have been able to increase the pace of invoicing, but still not adequate enough. There was a large invoicing in the previous years, the 3rd Quarter on the international market, which this time we were not able to match that similar invoicing from large contract. However, for the full year as we had mentioned earlier, we do expect that the last quarter the engineering invoicing will pick up substantially and for the year as a whole we should be able to deliver good numbers.

**Richa Chowdhary:** Sir, what was the order inflow this quarter that we saw?

**Management:** Vasant can you please share the numbers?

**Vasant Naik:** Order inflow was for this quarter 142 crores.

**Management:** And if you could just give a little update of the chemical CAPEX that we are seeing, what are the timelines and the revenue potential that we are seeing in the first and the second phase?

**Management:** Vasant, can you highlight the CAPEX and then I will share.

**Vasant Naik:** As we have mentioned in the earlier con-calls that CAPEX for the refill expansion at Roha, we are expecting the commercial production to start from FY25-26.

**Moderator:** Thank you. The next question is from the line of Sunil M Kothari from Unique PMS. Please go ahead.

**Sunil M Kothari:** Sir, chemical segment has grown after long very, very respectively and our margin is also very good looking at overall chemical industry scenario. We hear from a lot of companies about slowdown and demand not growing up. So, what we have done differently and what is changing for us?

**Management:** Well, we have managed to take a few steps in a timely manner. One was to improve our overall product profile, the efficiencies and throughputs of our various chemical manufacturing facilities. And further to ensure that we managed our cost as best as we could during turbulent times. During the times when the input prices are relatively more stable we do enjoy a slightly better ability to control our margins, and which is what you have been seeing for the past few quarters.

**Sunil M Kothari:** Sir my question is regarding more about this volume growth, revenue growth mainly what domestic or international and how sustainable is this size of growth, because we have grown really well during this quarter particularly chemical?

**Management:** We should be able to grow well on the international trend specifically, as we have been pointing out in the past that a lot of our planned CAPEX is targeted towards the international market. And our current market shares in global markets is quite low, giving us a substantial headroom for growth. We are in discussions with a number of international buyers for these chemical products of ours and these are progressing quite well, as and when the new capacities come up. We are quite sure that we will be able to ramp up the volumes at a good pace. So, we should be able to sustain growth going forward. Margins, as I mentioned have been good, we have been able to improve the product mix sequentially. And that has helped us to improve our margin profile.

**Sunil M Kothari:** Sir one thing is about this, some part of our website there is a media segment some chemical, this –15:30 segment we have also entered and we have executed one project for Akshay Patra one under implementation at petrochemical complex it is a very big project. So, this seems to be a new opportunity and area, if you can little bit elaborate and explain what exactly we are planning to do and what is the size of opportunity?

**Management:** Sure. These two energies is one of the areas where there's a lot of effort being put by the government and industry alike to effectively convert the waste into usable energy. And this happens to various routes including production of gases, which are there, thereafter converted into an energy, we have been working on this area for some time. Akshay Patra, as you mentioned was one of the first projects which we undertook to demonstrate the technology. We are working on a few of these opportunities and hope we will be able to convert at least one or two of the large ones in the near future.

**Sunil M Kothari:** And this larger must be what, 1500 crore size of business or smaller one?

**Management:** There are various sizes available and a lot of discussions going around on this topic. And we would want to start executing medium size ones and then, there after get into really large ones.

**Sunil M Kothari:** And last point sir, I would like to understand, you rightly said that.

**Moderator:** Thank you. Next question is from the line of Mr. Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:** My question is, can you just throw some color on the bid pipeline. The segment which we are looking at especially in e-segment, and why there is a delay in conversion is it something to election and we expect this conversion to happen in this fiscal or we expect most of the projects will get postponed to the next fiscal?

**Management:** Let me first tell you about the conversions in the recent period and then I will ask Vasant to give you the numbers on the bid pipeline. In the recent period, we are seeing some kind of slowdown in finalization of open inquiries and offers, and this would be on account of the current economic and political scenario both domestically and internationally. Domestically, you are very well aware of the impending elections and other political developments, internationally also because of the rapidly evolving economic scenario, and there are geopolitical developments in various parts of the world. So, different inquiries get affected by different things, but we have seen some degree of slowdown both in the international inquiries and offers as well as in the domestic ones. We are hopeful that some of these large ones that we are pursuing, we would be able to close relatively quickly, but it's now not certain that some of the ones which we were hoping to convert during the current year, whether those will actually get closed during the year. So, some of these would slip into the next financial year. Vasant can you give numbers with regard to the inquiry pipeline?

**Vasant Naik:** The inquiry pipeline as of December end was around 8526 crores.

**Mohit Kumar:** Sir, which are the countries are of our interest to us, I am talking outside India?

**Management:** We are quite active in the Middle East, Southeast, as well as in Africa. These are the prominent markets where we work as far as the engineering business is concerned.

**Moderator:** Thank you. Next question is from the line of Krishna Kansara from Molecule Ventures PMS. Please go ahead. The next question is from the line of Angad Katdare from Sameeksha Capital. Please go ahead.

**Angad Katdare:** My first question is on the guidance on the for the engineering segment and chemical segment for FY24 and 25, if you could throw some light, sorry I missed it earlier.

**Management:** For the current financial year, we are saying that for the engineering segment, we should be growing at roughly around 25% and for the chemical segment on a consolidated basis, we should be growing at roughly around 10% or thereabouts.

**Angad Katdare:** Okay. And how much will the recent acquisition MAPRIL contribute to the overall chemicals segment?

**Management:** We would be getting the benefit of roughly three quarters by the end of this financial year, Ranadive we can you spell the numbers on a approximate basis.

**N.M. Ranadive:** Approximately it will be 75 to 80 crores.

**Angad Katdare:** And can you throw some light on the margins from April?

**Management:** You are asking margins for the chemical segment right?

**Angad Katdare:** Yes, the guidance as well as from the acquisition?

**Management:** For the chemical segment as a whole we should be on a consolidated basis, we should be delivering margins similar to what we delivered for the full financial year 2022-23. On the three-quarter performance we are seeing a level which is quite similar to what we achieved in the last year and that gives us confidence that we will be able to maintain the overall margins.

**Angad Katdare:** That's great to hear sir. If I could just chip in one last question from my side, what will be the peak sales from the current capacity in the chemical segment and how much will the additional capacity add to the peak sales, the Roha CAPEX? So, current capacity, the additional Roha, that would be helpful sir. Thank you.

**Management:** At this point of time, we are doing roughly, we are going at roughly 70% capacity utilization. And roughly 60% of that is contributed by the resin business. The Roha capacity expansion is per resins only and it will double the current capacity. So, that's how the number is done.

**Moderator:** Thank you. The next question is from the line of Mahesh Agarwal from Agarwal Family Office. Please go ahead.

**Mahesh Agarwal:** First question was, just to get an update on again Mapril the Portugal subsidy. And specifically, just wanted to understand more around, is that purely a trading business or does that also have any manufacturing capabilities, either in Portugal or anywhere around Europe? And then also related to that, I'm guessing those numbers have now started reflecting on a consolidated basis for us, is that partly the reason why we have seen a boost in the chemical numbers this quarter that would be my first question please.

**Management:** The Mapril acquisition we did primarily for reaching into the European market and also to establish a manufacturing base in Europe. It has manufacturing facilities in Portugal, which is on the chemical side of the business. We are getting advantage of this business as I mentioned earlier, by the end of this financial year, we should be consolidating roughly three quarters into our numbers. It has contributed to the growth of the chemical business during the period. And it is part of the reason the standalone business has also grown during the 3rd Quarter reasonably well. So, we should be expecting to benefit both from the international and domestic markets in the coming quarters.

**Mahesh Agarwal:** And with the margin profile of this business, and specifically the chemicals part be similar to the margin profile that we have for our Indian chemical manufacturing?

**Management:** They are not the same kind of chemicals; they are different kinds of chemicals. But on an overall basis, we are seeing that Mapril is being able to add well to our current bottom line. Going forward, as I had mentioned on a consolidated basis, we would be able to maintain the overall margins for the year as of whole, so that would give you some idea.

**Mahesh Agarwal:** Understood, and any plans for expansion over there, do we have sufficient capacity in that company right now for our demands?

**Management:** We are improving the facilities there in order that we are able to cater to a wider range of products. So, some degree of augmentation is going on while they have decent capacity in place. But we would be improving and augmenting it as required.

**Mahesh Agarwal:** Understood. And sir my second question is related to China, asked us before as well but as their economy continues to worsen across different industries, companies, we are hearing a lot of stories of them desperately dumping products at 2%, 3% ,4% EBITDA margin whatever it is to break even, are we seeing any kind of that behavior across the resins, or the membranes or any of the other chemical components either globally or in India?

**Management:** Yes, we are seeing a degree of price dispersion if I may call it. But we have been able to handle it and counter it quite well. There are, for our chemical business qualities and important criteria. And not all customers look at a chemical supplier only on a price basis and that gives us a lot of strength in our international market. However, the influence of reduced pricing available by the Chinese suppliers does have a bearing on negotiations which we have, but again as you would have seen that we've been able to manage our margins quite well. So, we are hoping that we will be able to continue this in the future also.

**Mahesh Agarwal:** Understood, thank you. And if I may ask one more question regarding the GPCL consulting investment. So, that seems to be a relatively small company, like 7 crores of revenue and it's partly owned by REITs, EXIM Bank and a few other companies. What is our thinking when we are investing in this company, are we trying to become or trying to make it a completely owned subsidiary and what does the value add because we operate in a bunch of different sectors as well it seems not just in the water sector?

**Management:** That's a strategic investment on our part. As you rightly observed EXIM, one of the key contributors there. It's not really an operational investment, but we are supporting the initiatives of various bodies, including EXIM in order to facilitate business in the international markets.

**Moderator:** Thank you. The next question is from the line of Chirag from Intellects Stock Broking. Please go ahead. Next question is from the line of Sunil M Kothari from Unique PMS. Please go ahead.

**Sunil M Kothari:** Thank you. Sir my question is related to the competition which you seem to be filling the increasing in the engineering segment. So, how you see the scenario maybe over a year or two, maybe near term fine, but you would be proposing to capture this lower profit margin witness or we will stick to whatever choices are there?



**Management:** The opportunity size will continue to be very good as we come out of the current year my belief is that we will see an increase in CAPEX in our economy. And that would create a much larger pie, we will continue to be careful about what types of businesses we pick up and at what commercial terms. Apart from the domestic market, an important consideration for us is the opportunity which we have in the international market, and we are pursuing some very interesting opportunities in global markets. So, on the whole I am very sure that we would have a very good bit of business coming in from Indian as well as the international markets going forward. Yes, the current quarter has been less than what we had otherwise expected. But this should improve in the coming quarters.

**Sunil M Kothari:** Sir last question is, because you can get some lower execution of UP project and some delay in execution. It seems that next year, our executions will be far better. So, would you like to try to guide us about engineering segment growth next year 24-25?

**Management:** Yes, it does look that we will be carrying through a substantial size of order book into the next year. And for the UP contract as you mentioned we should be carrying through good quantum, we would want to ensure that the invoicing level picks up or continues to pick up sequentially. Apart from just that, the other large contracts that we have, as well as the new contracts which we are hoping to win during the coming quarters. The overall trend of invoicing should improve going forward. But it's actually a little bit early to start giving guidance out for the next year as a whole. So, I am just giving you a generic outlook. And hopefully, over the course of the next two or three quarters, I would be able to give you much more color.

**Moderator:** Thank you. Next question is from the line of Amit, an Individual Investor. Please go ahead.

**Amit:** Sir, I don't know if I heard you correctly. Did you say that we will do a 10% revenue growth for the year in chemicals business?

**Management:** Yes, you heard that right. We are targeting to grow by roughly around 10% on a consolidated basis.

**Amit:** So, how much would that translate to into organic growth if you don't mind, because the nine month number is flat in the chemical business. So, what kind of organic growth are we looking at in Q4?

**Management:** So, on a standalone basis, we would be growing by roughly around 5% and on a console basis roughly by around 12% that answers your question.

**Moderator:** Thank you. The next question is from the line of Krisha Kansara from Molecule Ventures PMS. Please go ahead.

**Krishna Kansara:** So, sir my question is regarding chemicals division. So, in this quarter, we saw that the chemical segment grew by around 30%. So, if you could just break this growth into three parts, let's say how much was led by volume, how much was due to pricing and how much was due to the inclusion of Mapril in our consolidated statements, that would be helpful sir. Thank you.

**Management:** For getting a sense of what's coming from April, as we mentioned a little while back, we are roughly expecting around 80 crores top line addition by the end of the financial year from that operation. In terms of volume versus price growth, those are the kind of details that we don't really furnish on the calls, but I can give you a broad sense that during the last few months, or recent few months, we have seen a degree of price correction on the downward side. So, our customers have benefited from slightly lower pricing from us and the growth which you see is in spite of that.

**Krishna Kansara:** Okay. So, the growth is volume lead and sir this 80-crore top line is for the whole FY24, like last two quarters basically?

**Management:** Yes, the 80 crores top line addition which I mentioned is for the financial year as a whole and we started consolidating after the first quarter so that's what.

**Moderator:** Thank you. Next question is from the line of Mahesh Agarwal from Agarwal Family Office. Please go ahead.

**Mahesh Agarwal:** I just wanted to double click on the China issues, specifically if we look at the domestic Indian market, are there any import duties or anti-dumping duties in place right now because something the government has been very proactive about is protecting some of the critical industries specifically related to China dumping and China in the resin market, I believe is 40% to 50% of the global supply. So, are there any of those policies already in place to protect local manufacturing from that, and if not is there any ongoing dialogue or discussion with the government around those?

**Management:** We have from the government the initiatives have been to promote the Make in India concept and in the various government tenders, there is a definite direction given to the procurement teams to favor products manufactured in India. So, there is a definite advantage which accrues on account of that. The anti-dumping duties or otherwise would feature on very specific cases. In general, we don't see anti-dumping duties coming into the products which we deal with. But, as I mentioned we are getting benefits from the government on other accounts.

**Mahesh Agarwal:** Understood, and what would be the reason why you don't see anti-dumping duties because that's one thing the government has been very proactive about for a lot of other products and industries. So, is there something about the nature of our products and industries that it would not make sense for the government to do so?

**Management:** Yes, to an extent because the kind of pricing that we are seeing from them, which is on landed basis. I would believe that the government probably feels that they don't need to intervene at this point. But we would, we keep keen eye on these matters, and we do bring it up to the government when we feel it is important.

**Mahesh Agarwal:** Understood. And what would be if you can give a rough sense of the difference in landed prices between say, a desperate China price versus our price in India and then also what the price differences would be when we sell abroad?

**Management:** That's a very broad market scope that we are looking at. So, it is difficult to generalize this but yes, we do see, when they get desperate then the price differences can become significant to start making impact in the customers mind. But for chemicals as I mentioned, it's not just the pricing for a lot of our key customers. It goes way beyond pricing, its quality, the service that you provide and other things. So, pricing is not always the only criteria.

**Mahesh Agarwal:** Understood. And then how long would generally obviously I'm sure this will vary as well, the contracts on the chemical side, are they more on just a purchase order to purchase order basis, or is there also some form of a longer-term contract with customers on the chemical side?

**Management:** So, there are a lot of customers who would give out a one-to-three-year contract, they would be up taking care of their facilities with the help of our chemicals. And they would be a few where they would be procuring the chemical products on specifications. But yet, we would probably be supplying some of these customers for many years at a stretch. But even though it is from purchase to purchase, we do manage to hold the **customers**.

**Mahesh Agarwal:** Understood. And then on the EPC side, I just wanted to get your thoughts around what you are all seeing in terms of the landscape of projects, which are out there, both on the private sector and then specifically on the public sector as well. The reason I'm asking that is the government has been pushing out a lot of tenders around water related projects, both in municipal, wastewater irrigation and historically that's not an area I know that you guys have been too keen to focus on, we focus more on the private side. But what is the opportunity that now looking like both on the private and public side and is there a change in mindset for us to maybe start focusing more on some of the public tenders as well?

**Management:** So, we have been looking at some of the opportunities from the government sectors for some time now. But we remain very cautious about which opportunities we would want to work aggressively on and to what extent we are able to mitigate the risks which we perceive. And it's an evolution that we are ourselves going through in terms of where we put our filters on a commercial front. So, we still are light on the government sector, and relatively heavier on the private sector. The way we define private sector includes the Navratna Companies from the government. So, the PHUs like for example an NTPC or Indian Oil, they would be a part of our private sector basket, and we go after these opportunities quite aggressively.

**Mahesh Agarwal:** Understood, got it. For instance, I believe there's a desalination project now coming up for Mumbai, Navi Mumbai, would that be something that would fit the profile of projects we would be interested in?

**Management:** Well, we take a balanced approach towards such an opportunity. And while we are interested in participating in it, the mechanisms of participation may be different from direct EPC contract.

**Mahesh Agarwal:** The RO membrane supply would probably go from us, I'm guessing given our market share even if it's not the EPC aspect.

**Management:** Right. So, we look at different ways of participating in some of these opportunities. Unfortunately, I can't share more details on the call. But yet, we would participate in one.

**Moderator:** Thank you. Next question is from the line of Ayush Agarwal, an Individual Investor. Please go ahead.

**Ayush Agarwal:** I was saying that, on your consumer products segment, we are seeing increased losses from quarter-to-quarter, are you facing any challenges in reining in profitability?

**Management:** At the moment the focus is on ramping up the overall revenues of that segment. And we are investing quite a lot on the manpower as well as increased expenditure on marketing. And that's the reason that you are seeing the volumes growth of that business. But it has also contributed negatively to the bottom line. So, if we had maintained the business levels at earlier levels, and we had also not focused on increasing the infrastructure for future growth we might have seen better profitability.

**Ayush Agarwal:** Understood. And recently, I read that PCBL is looking at entering the water treatment segment, I believe they bought out some major private company which is involved in water treatment chemicals. So, how do you stand in comparison to them at this stage?

**Management:** Which company did you mention?

**Ayush Agarwal:** Philips Carbon Black, they had recently acquired.

**Management:** Well, there are always new entrants who look into getting into the market in one form or another. And we already, it's not a monopolistic market in any case, there are several domestic as well as global majors present in the space. As we've been mentioning, in the past, for example in our resin business we continue to enjoy more than 40% market share in the country. So, competition is a part of the playing field.

**Ayush Agarwal:** Got it. And my last question is regarding your increase in deferred taxes, like I was looking at the balance sheet, and I believe your deferred taxes have doubled from the previous quarter, could you give us some more information on what taxes have been deferred?

**Management:** Vasant can you come in on that?

**Vasant Naik:** This is as per the income tax provision. So, these basically arising out of the timing differences. So, this will get while this will be widened out in the coming quarters, so we don't expect the effective tax rate to materially change.

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

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

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