

February 15, 2021

To,

BSE Limited
The Corporate Relationship Dept
P.J. Towers,
Dalal Street,
Mumbai – 400 001

BSE Company Code: 500214

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 January 29, 2021, 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 Thursday, February 4, 2021 was to discuss the financial performance of the Company for the third quarter ended December 31, 2020. The aforesaid information is also disclosed on website of the company i.e. www.ionindia.com.

Kindly take the information on your record

Thanking You,

**Yours faithfully,
For Ion Exchange (India) Limited**



**Milind Puranik
Company Secretary**

ION Exchange India Limited
Q3 FY21 Earnings Conference Call
Feb 04, 2021

Moderator: Ladies and gentlemen, good day, and welcome to the ION Exchange India Limited Q3 FY 2021 Earnings Conference Call. As a reminder, all participant lines will be in a 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 touch tone telephone. 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, everybody. And a 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 Earnings Conference Call for third quarter and nine months ended of financial year 2021.

Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today's earnings conference call maybe 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 conference call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

I would now like to introduce you to the management participating with us in the earnings conference call and give it over to them for their opening remarks. We have with us Mr. Aankur Patni – Executive Director, and Mr. N.M. Ranadive – Executive Vice President of Finance, Mr. Vasant Naik – Senior Vice President of Finance, and Mr. Milind Puranik – Company Secretary. I now request Mr. Vasant Naik to give 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 third quarter and nine months ended financial year 2021. First, let me take you through the third quarter financial performance of our company on a consolidated basis.

The operating income for the quarter was INR 3,492 million, a decrease of approximately 12% on a year-on-year basis. Operating EBITDA reported was INR 445 million, which was an increase of about 14% on a year-on-year basis. Operating EBITDA margins stood at 12.74% which improved by 290 basis points on year-on-year basis. Profit after tax was INR 287 million, which grew by about 9% a year-on-year basis. PAT margin percentages were 8.22%, an improvement of 162 basis points on a year-on-year basis.

There has been a steady improvement in the financial performance of the company post the gradual resumption of the economic activities. I will not take you through the quarterly segmental performance on a consolidated basis.

In the Engineering division, the revenue for the quarter was INR 2,161 million, a decline by 15%. And the EBITDA was INR 160 million, down by about 20%. The order inflow has improved during the quarter and we expect that trend to continue in the ensuing quarter as well. Supplies and civil works for the Sri Lanka project were adversely affected resurgence of the COVID infection in the country. Dues for this project have been recognized in the quarter based on the work progress. We expect the situation to normalize in this quarter. The order execution of other ongoing engineering orders picked up pace, resulting in improved sales and margins.

In the Chemical division, the revenue for the quarter recorded was INR 1,148 million, down by about 7% on a year-on-year basis. The EBIT was INR 268 million, an increase of 51%. Sales and dispatches have normalized in this quarter and we remain cautiously optimistic of the continued improvement in this segment. Margins improved due to higher turnover, coupled with operational efficiencies and benefits on account of improved product mix.

Lastly, in the Consumer Product division, the revenue for the quarter was INR 285 million and a loss for the quarter was INR 7 million. While volumes under the consumer segment picked up in this quarter, certain segments continue to remain affected due to the aftereffects of the COVID lockdown measures, thereby impacting the turnover.

Coming to the nine monthly performance on a consolidated basis. The operating income was INR 10,044 million, a decrease by approximately 11% on a year-on-year basis. The operating EBITDA was UBR 1,167 million, an increase by about 23% on a year-on-year basis. The operating EBITDA margins stood at 11.62%, which improved by 319 basis points year-on-year. And the net profit after tax reported was INR 729 million, a growth of 12% on a year-on-year basis. The PAT margin percentage was 7.26%, which improved by 147 basis points on a year-on-year basis.

Now, coming to the consolidated segmental performance on a nine monthly basis. In the Engineering division, the turnover was INR 6,497 million, a decline of 10% on a year-on-year basis. The EBIT margin was INR 438 million, a decrease of 14%.

In the Chemical division, the revenue recorded was INR 3,098 million, a decrease of 14% on a year-on-year basis, and a reported EBIT for this segment was INR 672 million, an increase of 32% on a year-on-year basis.

In the Consumer division, the turnover for the nine month period was INR 707 million, a decline of 24% as compared to the previous nine months. Loss for the segment was INR 23 million.

With this, we open the con-call for question and answers.

Moderator: Thank you very much. We will now begin the questions-and-answer session. The first question is from the line of Sunil Kothari from Unique Investments. Please go ahead.

Sunil Kothari: Sir, congratulation for a really good set of numbers even in very challenging times. Sir, my question is a little larger to understand on Chemical segment. We have really done very well in terms of profitability during these nine months and this quarter, but our revenue during the last six, eight, nine quarters actually we are ranging between Rs. 100 crores to Rs. 120 crore, in the range from maybe around Rs. 110 crores, Rs. 112 crores. So, to understand the things, which are the roadblocks to the growth? Because we are very positive and optimistic on the growth opportunity in the Chemical segment, which I believe, again, also we will be definitely doing those things. But which are the impediments and challenges, maybe domestic and exports, both the market?

Management: Thank you, Kothariji for the compliments on the overall performance. As far as the Chemicals segment is concerned, we have seen improvements in this quarter. The business is quite dependent on the overall level of operations in the industries. So during the period when the pandemic was in full rage, the operational levels for various industries had come down substantially, thereby, they had an impact on the consumption patterns of chemicals. And that led to a hit on the top-line numbers. This has happened both on the domestic and international front. As of the last quarter, as Vasant mentioned, we are seeing progressive improvement and monthly top-line numbers have come near normal levels. On the domestic front, the performance has been much better than the international front where the impact of the pandemic is still being felt in some of our major markets, like North America and Europe. The normal level of revenue from these regions would be significantly higher than what we are getting today.

Sunil Kothari: So sir, your outlook on margin also will remain very positive because we are really improving well on margins also. So, how you look in the medium-term this margin scenario, Chemical segment particularly?

Management: The margins are very sustainable at the levels which you currently see. We have had a lot of improvements on the front of efficiency and throughput. And therefore, progressively as utilizations climb further, we hope to see some further improvements on the margin levels.

Sunil Kothari: And sir, my last question is, in the AGM we discussed about consolidation of international subsidiaries and some associates merger with the listed company, any update would you like to comment? Because we are doing a lot of right things in terms of corporate governance, in terms of balance sheet, treasury sales and all these things. So this is just one point on which sometimes investors are raising issues about so many subsidiaries and associates. So would like to just know your thoughts or listen your views on this consolidation of so many entities.

Management: A lot of the international subsidiaries are required for operating in those respective countries. You would know that many countries in the Middle East and Southeast Asia, as well as in Africa have now brought in provisions which give substantial preference to domestic companies in those countries. So it is quite advantageous to have a local company there, and that's one of the primary reasons why independent companies operate in those respective geographies. Besides that, there are other companies within our fold in India, which we are in the process of consolidation. You would hear about the merger of a few entities into the main company in the near future. The process is already on, and because of the intermittent hurdles which we faced on account of COVID and other issues, that process has taken longer than we had originally expected. But it is progressing now, we think that in the next few months that process should be completed.

Moderator: Thank you. The next question is from the line of Siddharth Rajpurohit from JHP Securities. Please go ahead.

Siddharth Rajpurohit: Congratulations on a steady set of numbers. Sir, first on the Chemical business, sir, what are our key raw materials and where do we source it from?

Management: It's a very wide range of products that we deal with. There are various sets of raw material that we use. A few of them are petroleum based, and others which are not. The sourcing is also from a wide mix of international and domestic sources. We have over a period of time tried to make sure that our concentration of sourcing from any particular geography is limited to the extent possible.

Siddharth Rajpurohit: Okay, sir. Can we have a breakup between petroleum and non-petroleum, and domestic and import, a broad breakup?

Management: I would not be able to share with you an exact percentage at this point of time, however, I can broadly indicate that petroleum based chemistry would represent a significant portion of the chemical purchases.. Having said that, it is pertinent to also note that, even where we have a petroleum based chemistry, the price movement for those raw materials are not always in tandem with the crude price movement. If you are trying to correlate our cost variations with the petroleum price volume, you might not get a very good correlation.

Siddharth Rajpurohit: Okay. And sir, on the margins, I want to understand is the margin because of higher realization or better cost to the company?

Management: We are benefiting from better realization, better control on costs and further, as I had mentioned earlier, quite a few initiatives which have led to improvement in operating efficiency and throughputs. So, all of these have together contributed to the increased profit levels. There has been some intermittent benefits due to favourable input price movement, which is more transient in nature. But the other elements which have contributed to margins are much more sustainable.

Siddharth Rajpurohit: Okay. So with capacity utilization we are currently at 60% plus, so with utilization the margins have a scope to increase?

Management: Yes, with increasing utilization the margins would have a tendency to improve further.

Siddharth Rajpurohit: Sir, in the membrane unit, we are at what utilization?

Management: Overall we would be roughly around 70%.

Siddharth Rajpurohit: And in the Engineering divisions, what is the order book in this quarter?

Management: Order book is Rs. 620 crores at the end of the December quarter.

Siddharth Rajpurohit: What was there in this quarter?

Management: This quarter, the inflow was Rs. 170 crores.

Siddharth Rajpurohit: Okay. And sir, one more question then I will come back in the queue. Sir, our receivables are under stress even though we are more focused on the industrial and not on municipal. So what is the reason for the stretched receivables and what is the scope for improvement, although we have steadily been improving?

Management: As of December end, the receivables are in the region of just under Rs. 476 crores. And that level was around Rs. 516 crores in March. So receivables have come down. And if you see, more than 60% of our turnover comes from the Engineering segment. And in this business, there is always a 10% to 15% retention from every invoicing So a fair amount of this retention is part of this receivables.. And this is the nature of the EPC business. Overall, the receivables are in line with the kind of business we are doing.

Siddharth Rajpurohit: Okay. But the government has reduced this now to I think 3%, so will this help?

Management: We are doing a lot of business with the private sector also so I don't think the retention percentage per se will get substantially affected.

Moderator: Thank you. The next question is from the line of Dipen Shah, an individual investor. Please go ahead.

Dipen Shah: Congratulations on a good set of numbers, sir. Sir, I had a couple of questions on the Engineering side. Firstly, if you can just throw some more light on the Sri Lankan order. What were the issues, is it primarily COVID because of which the project has been elongated? And when do we expect the project to get completed? That's the first question.

And the second question is, how do we see the visibility of this business in the next year? Since we have an order book up about Rs. 600-odd crores, which is approximately two quarters of revenue, so we were actually talking about a large order and if you can just give us some more visibility on how should we expect things going ahead over the next one year.

Management: The Sri Lankan revenues have been impacted in the last quarter, because of the fresh COVID infections which have resurfaced in the country. Due to this, material as well as labor movement was affected.. We are quite hopeful that this situation would improve in the coming quarters. And our expectation is that the total revenue that we will book on this account for the financial year will be in region of around Rs. 350 crores to Rs. 375 crores.

In terms of visibility for the future, visibility is pretty good. As I had mentioned in the previous call also, we are in the final stages of closing out a couple of large contracts and should be in a position to announce it pretty soon on completion of the commercial documentation.

Dipen Shah: Sure, that's very reassuring to hear, sir. And sir, just one more thing I had, that's more on the balance sheet side. Sir, we have got some treasury shares which have been outstanding for quite some time. Could you just give us some management perspective on how do you intend to go ahead with these treasury shares, whether we want to liquidate them or we should expect these to stay in the balance sheet for some time?

Management: These are shares held by employee trust. They have never been in the market in terms of being available for trading. The trust has held on to these shares for more than 35 years or so. So, there is no intention to bring these into the open market for trading or any such activities.

Dipen Shah: Okay. Sir, in the last year we had realized about Rs. 20-odd crores from sale of some shares, am I right in my understanding?

Management: This was done in order to comply with certain SEBI regulations. And the shares which were disposed by the trust were taken up by the other constituents of the promoter group. So there was no sale in the open market.

Moderator: Thank you. The next question is from the line of Dhrushil Jhaveri from Aditya Birla Mutual Fund. Please go ahead.

Dhrushil Jhaveri: Sir, my question is on the new CAPEX on the Chemical side. Have you taken any decision on the greenfield plant and what are the thoughts there?

Management: Yes, we have taken a decision. We are proceeding with the plans to expand capacity. Land is already allotted. We should be therefore on track to have this greenfield project commercialized in FY 2023.

Dhrushil Jhaveri: Okay. And what would be the total CAPEX?

Management: the CAPEX would be north of Rs. 100 crores.

Moderator: Thank you. Next question is from the line of Hitesh Jain, an individual investor. Please go ahead.

Hitesh Jain: Sir, I had a couple of questions on the Engineering segment and probably one on your overall cash flows and balance sheet situation. First, could you please help us understand the reason for the decline in Engineering revenues, given that the booking numbers have consistently stayed very strong? How should we look at this conversion of the book that you have to build? And typically how many months this takes? And within Engineering, what is the proportion of revenues which are repeat or flow? And what is the proportion that is impacted by the book you have? That's the first question.

The second is a related one. If I see that capital employed in your financials within the Engineering segment, you have shown a Rs. 70 crores increase year-on-year and there has been a decline in the quarterly revenue that you have on a year-on-year basis. So, could you please help us reconcile this? Should we be modelling a very material pickup in the revenue in the Engineering segment due to some investments that are taking place currently?

Lastly, if I look at your working capital cycle, and somebody has already asked the question on your receivables. A large chunk of why you have been able to have that efficiency in the working capital cycle is also because of the elongation of the payable days in line with the receivable days. Now, who are the vendors to whom you are making these payments and what are the contours of that, if you could explain that please? Thank you.

Management: Regarding the Capital employed in the Engg segment,, there is increase in the cash and bank deposits primarily relating to the Sri Lanka project. and that has resulted in the higher capital employed for the Engineering segment.

Second question which was raised is, why the Engineering revenue has declined on a quarterly basis despite the higher order inflow. The Engineering revenue is also inclusive of the Sri Lanka revenue and in this quarter, the Sri Lanka revenue was lower at around Rs. 43 crores. And if we exclude the Sri Lanka revenue for this quarter the Engineering revenue in fact has grown by almost 19%.

Hitesh Jain: Thank you. Now, again on the capital employed question. So is it fair to correlate that the increase in capital employed that we have seen on a year-on-year and even on a sequential basis is mostly because of the Sri Lanka project and flow through impact of that into revenues will come in the next few quarters?

Management: Yes. As I mentioned, the capital employed has increased because of the increase in the cash and bank primarily of the Sri Lanka Project.

Hitesh Jain: If I could just ask one last question, on the Rs. 100 crores greenfield project that you talked about, is there any sense on the revenues or the volumes or even the target market that you are looking at for the next five years, given the high asset turn that your business has, as it stands right now currently at? Because if I see your net blocks and the revenue that you generate, there is a 10x asset turn. So if you could give us a little bit of a sense on how you look at revenue over the next five years, please. Thank you.

Management: We would be increasing capacity by almost 100%. And therefore, the potential of revenue growth there is equivalent to what we currently generate from the resins setup. And over a period of three to five years, we should see a progressive improvement in the product mix, which should have a consequent benefit on overall realization levels and also on the margins.

Moderator: Thank you. The next question is from the line of Anil Kumar Sharma, an individual investor. Please go ahead.

Anil Kumar Sharma: Congrats for the good number. My first question is, where do you see the next year 2022? This year is an extraordinary year, 2022 where you see your projections of EBITDA and revenue? And number two, are we planning some listing in NSE? Because our main hindrance is our stock is not listed at NSE.

Management: We have initiated the process of getting ourselves listed on the NSE. And in due course of time we hope that that will happen. In terms of next year projections, we are looking at substantial improvement, both on the front of Engineering as well as Chemical revenues. As we have been discussing over this call as well as the previous call, both of these segments have suffered quite a hit during the first half and also partly in the third quarter. In spite of this, we are hoping to end the year at par with the previous year. So, we would be able to make up the deficit which we have seen in the first half of the year partly in the third quarter. And there is a further hope that, by the end of the year, we will be able to register a small growth. Of course, I

should add a caveat that we have a couple of major contracts, including Sri Lanka, in which we expect revenues to flow through in a certain quantum. And if there is some further unexpected disruption on these accounts, then my projection, as I mentioned, could change slightly. But, overall, the trend is that we should be able to wipe out the topline deficit which we have seen in the first half of the year. Next year should see a substantial growth over FY21 numbers.

Anil Kumar Sharma: And last question regarding consumer business, are you expecting this year to be breakeven? Can we expect next year to be breakeven in the Consumer business?

Management: Yes, our expectation was very much that we would see a breakeven on the Consumer segment in 2021. However, I have often repeated it, the year has not gone as planned. It is looking a little unlikely that breakeven would happen in this year. But almost certainly, subject to things being normal, we should see that turnaround happen in next year.

Moderator: Thank you. Next question is from the line of the line of Siddharth Rajpurohit from JHP Securities. Please go ahead.

Siddharth Rajpurohit: Sir, what is our gross debt and cash level?

Management: We have not taken any fresh borrowing during the quarter, so the debt level will be slightly lower than September due to the term loan repayments..

Siddharth Rajpurohit: And what would be the cash on book, sir?

Management: It is higher than what we had in the month of September, in the region of around Rs. 440 crores.

Siddharth Rajpurohit: Okay. And would we be taking debt for the CAPEX?

Management: Yes.

Siddharth Rajpurohit: Okay. And what would be the asset turn on this Rs. 100 crores CAPEX in the resin business?

Management: Over a period of time we should see at least in the region of 2.5x to 3x.

Siddharth Rajpurohit: Okay, sir. And sir, what is your long-term guidance, three, four years down the line? Where can we be in terms of growth, revenue and profitability?

Management: I can give you a very broad guidance rather than committing to specific numbers. My expectation is we should be growing substantially on the chemicals front with expanded capacities coming through on resins as well as the other chemicals. In a three-to-four-year period, we should be looking at multiple of where we are today. On the Engineering front, I am very hopeful that we would be in a position to secure a few more large orders in the nature of the Sri Lankan contract. Further to that, our performance in the international market is in general seeing a good trend. We have been able to strike success with larger industrial contracts and continue to see improvements in obtaining orders of the smaller or more modular equipment. With

expected improvements in the Indian economy, performance of the engineering business on the domestic front should also show good growth. Therefore, it would be safe to say that we are hoping to achieve a multiple of the current revenues for both the chemical and engineering segment. Consumer segment has been depressed for quite some time, but I remain very optimistic with some of the new products that are being planned, and the strategic changes in certain sub-segments of this market. We hope that the consumer segment will witness good growth over a three to five year period.

Siddharth Rajpurohit: Okay. That is very clear, sir. Sir, for FY 2022, can we assume 20% growth, given the very depressed year?

Management: I think as it stands today, I am more than hopeful that we should be able to surpass that number and by a good extent. But I would be more comfortable to give a specific guidance on this front somewhere around the next call.

Moderator: Thank you. The next question is from the line of Arpit Singh from Karma Capital. Please go ahead.

Arpit Singh: I was just going through, there have been a lot of environmental reports about the damage the desalination has been causing on the nearby ecosystem. So just wanted to know, if like one project is set up for desalination does the company also provide solutions for remediation or like the impact that the project would have on the nearby ecosystem? Are there any ways available by which some impact can be reduced?

Management: We do not offer services for environmental remediation per se. But almost every large project of desalination that is undertaken would be accompanied by a very thorough environmental study which is carried out whether it is an industrial or a government project. And environmental study on the impacts is a prerequisite in almost all such cases. We are very sensitive to potential harmful impacts on environment and the ecosystem and avoid projects where we are convinced that it is not for the greater good.

Arpit Singh: Okay., And sir, can you throw some light on that when you say that how the water is taken in and how it's going out? There are things by which you can mitigate. So what are those? What can be done in those things?

Management: We can take this question offline. Valorem should be in a position to organize such a discussion.

Moderator: Thank you. The next question is from the line of Amit Jain, an individual investor. Please go ahead.

Amit Jain: My question is, globally, in the last few months, bottled water companies are doing very well. Considering our company's depth within the water business, doesn't it

make sense to launch a premium bottled water brand like Evian or a mass market bottled water like Rail Neer or flavored water?

Management: ION Exchange has been the supplier to Indian Railways under the brand of Rail Neer over many years. And for large part of existence of the brand of Rail Neer, we have been one of the leading suppliers to the Railways. So we have been very much present on this segment. We also supply our equipments to quite a number of bottled water suppliers. However, our intention to participate directly in this market by going with our own brand is currently not there.

Amit Jain: My next question is, how's the new product development pipeline looking at the new R&D setup at Patancheru.

Management: We have got a pretty good track record of bringing in innovative products into the Indian market. In fact, one of the pioneers in a lot of technologies like reverse osmosis or zero liquid discharge, we were the first to bring these into the country. We continuously innovate on all fronts, which is chemical space and engineering space. And we are certain that the new facility that we have set up will enhance our abilities and speed up the introduction of newer products.

Amit Jain: Thank you very much. When was the last time we had a price hike in the Chemical resins business and the membranes business? If you could throw some light on that.

Management: That's a continuous process, it depends upon the market dynamics. And various sub-products in the resin as well as the membrane portfolio would have their independent cycles of price changes.

Moderator: Thank you. Next question is from the line of Sunil Kothari from Unique Investments. Please go ahead.

Sunil Kothari: Sir, my question is, we have very high receivable but a major portion of that is, you rightly said, retention money. So if you can provide us a number what is the retention money out of those receivables?

Management: Over Rs. 80 crores.

Sunil Kothari: Thank you. And sir, my next question is, we are planning to invest around Rs. 100 crore plus something in this new chemical greenfield facility. And what I understand is that you are planning to commercialize this by maybe end of this next financial year 2021, 2022, is it right in understanding?

Management: We should be in a position to complete the execution of this greenfield project by FY 2023.

Sunil Kothari: Okay. And sir, last question is, our earlier plan was to finish this Sri Lankan order by May or June 2021. As things stand today, what's your expectation now, any major change or delayed deadline? Or you feel by June we will be able to complete?

Management: Consequent upon the resurgence of COVID infections in the country. We have been facing hurdles in the recent times for material movement as well as labour movement. It is likely that it will now shift by at least a couple of months, if not more.

Moderator: Thank you. Next question is from the line of Amit Jain, an individual investor. Please go ahead.

Amit Jain: If you can share some thoughts or give some colour on the prospects of a stock split or a conservative bonus issue.

Management: Right now it is not something which we have considered.

Moderator: Thank you. The next question is from the line of Madhu Misk, an individual investor. Please go ahead.

Madhu Misk: Sir, I want to congratulate to the company for the calibrated and consistent growth. That is one fine quality I find in the company, congratulations again, sir. And then another thing that Chemical division commercialization, I think I have missed that, is it end of financial year 2022 or is it calendar year 2022 end?

Management: It is expected to commercialize towards the end of FY 2022 or the beginning of FY 2023

Moderator: Thank you. The next question is from the line of Prateek Kothari from Unique Asset Management. Please go ahead.

Prateek Kothari: Sir, my question was on the margins that we have seen on the Chemical side, it has substantially improved over last six, eight quarters. One of the reason you did mention was operational efficiency that we have seen, but another reason that we mentioned in the presentation is also product mix. Can you just talk about qualitatively how has the product mix changed over last two, two and half years that we are seeing substantial change in margins?

Management: It is a continuous effort on our part to make sure that we are improving the ratio of higher value added products. These include products which are targeted for the Pharma sector, food and beverage sector, to name just a few. And over the course of quite a few quarters now, that effort has been yielding results. If it was not for depression which we are seeing in international market, this ratio would have seen a further improvement. So, on a very broad level, I would expect that the overall concentration of the higher value added products would continue to improve.

Prateek Kothari: Fair enough. Sir, and in continuation to an answer to earlier participant regarding the benefit trust shares which got sold last year, about Rs. 20-odd crores worth of shares. I believe that money did come into the company, right, because it was part of our cash flow last year? But the remaining you said that we don't intend to sell.

Management: That's right, it flowed through to the company because of obligations of the trust,

Prateek Kothari: Okay. So, the remaining shares are owned by ION Exchange company, right?

Management: The shares are owned by the employee welfare trust As I had mentioned earlier there is no intention to use these shares for trading on the stock exchange in general. So these are unlike the typical treasury shares which are held under the stock option schemes, these are not in that nature.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today. I would now like to hand the conference over to Mr. N.M. Ranadive from ION Exchange India Limited for closing comments.

N.M. Ranadive: Thank you all for participating in this earnings con-call. I hope we have been able to answer your question satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations managers at Valorem Advisors. Wish you all a great evening. 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 line.