

February 14, 2020

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 22, 2020 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 Tuesday, January 28, 2020 was to discuss the financial performance of the Company for the third quarter ended December 31, 2019. The aforesaid information is also disclosed on website of the company i.e. [www.ionindia.com](http://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**  
**Earnings Conference Call**  
**January 28, 2020**

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**Moderator:** Ladies and gentlemen, Good day and welcome to the Ion Exchange India Limited Q3 FY20 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” and then “0” on your telephone phone. I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you.

**Anuj Sonpal:** Thank you Steven. Good afternoon everyone and a warm welcome to you all. My name is Anuj Sonpal. We represent the investor relations of Ion Exchange India Limited. On behalf of the company I would like to thank you all for participating in the company’s earnings conference call for the third quarter of financial year 2020. Before we begin, I would like to mention a short cautionary statement as always. Some of the statements made in today’s concall 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 beliefs as well as assumptions made by and information currently available to management. Audiences are cautioned not to place undue reliance on these forward looking statements in making any investment decisions. The purpose of today’s earnings 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 today’s earnings concall. We have with us 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 and Good afternoon everybody. It is a pleasure to welcome you to the third quarter and 9 monthly earning concall for the year 2020. I will briefly recap the third quarter performance of a company on a consolidated basis. The operating income for the quarter was INR 3982 million this has grown by approximately 54% on a year-to-year basis. Operating EBITDA reported was INR 392 million which has grown by about 110% on a year-on-year basis and the EBITDA margin as a percentage stood at 9.84% which is a 260 basis point increase year-on-year. The net profit after tax reported was INR 263 million which has grown by 233% on a year-on-year basis. The PAT margin was 6.6% which has grown by 354 basis points on a year-on-year basis.

Going through the quarterly segmental performance on a consolidated basis in the engineering division the turnover was INR 2,555 million as against INR 1,330 million for the corresponding period last year which has witnessed a growth of almost 92%. The EBIT was INR 200 million as against last year INR 53 million a growth of 277%. The increase in the sales and profitability of the back of the healthy order backlog. The Sri Lanka order execution is proceeding satisfactorily and the revenue recognition for the quarter is based on the work in progress. In the chemical division the revenue recorded was INR 1,233 million as against INR 1,123 million for the corresponding period last year which has witnessed a growth of 10% on a year-on-year basis. The reported EBIT for this segment was INR 178 million as compared to INR 121 million in Q3 of FY19 a growth of 47%.

In the consumer product division the turnover for the quarter was reported INR 323 million as compared to INR 327 million in the corresponding quarter of the previous year. The loss for the quarter was INR 8 million as against INR 4 million in the third quarter of the corresponding year. Higher volumes has resulted in the growth in the topline on the year-to-year basis in this quarter. The company expect improved performance in the ensuring quarter with the increase in volume.

Now coming to the 9 month performance on a consolidated basis the operating income for the 9 month was INR was 11,287 million a growth of approximately 55% on a year-on-year basis. The operating EBITDA was INR 952 million which has grown by 103% on a year-on-year basis and the margins as a percentage stood at 8.43% a growth of 202 basis point year-on-year. The net profit after tax was INR 653 million a growth of 118% on year-on-year and the PAT margin as a percentage stood at 5.79% which has grown by 170 basis points against the corresponding period last year. In terms of the segmental performance on a consolidated basis in the engineering division the turnover increase by 7,188 million as against INR 3,881 million for the corresponding period of last year a growth of 85%. The EBIT margin was INR 507 million as against last year INR 251 million a growth of 102%.

The chemical division the revenue recorded was INR 3,587 million as against INR 3,030 million with a growth of 18% on a year-on-year basis and the reported EBIT for this segment was INR 509 million as compared to INR 330 million in the corresponding quarter of last year a growth of approximately 54%. In the consumer product division the turnover reported was INR 934 million as against INR 824 million a growth of around 13% and loss for the 9 month was INR 42 million as against INR 21 million for the previous year. Now I hand over the mike back to Mr. Anuj Sonpal.

**Anuj Sonpal:** We can now open the question and answer session.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Mitul Mehta from Lucky Investment Managers. Please go ahead.

**Mitul Mehta:** Sir, basically my question is pertaining to the chemical divisions just wanted to get some more understanding on the resin manufacturing capacity currently that we are operating and what is the road map over next 3 to 5 years if you can enumerate it will be very helpful, I also want to know as to how big the industry in India is, how much is imported, how much is domestically sourced so if you can just help us to understand?

**Vasant Naik:** Regarding the resin capacity utilization, it is close to 90%. The global opportunity size in resins is very large in comparison to size of business which we currently execute, it runs in more than billion dollars. We are continuously adding new value added resins to our product basket which would keep allowing us to participate in more and more opportunities both in India and globally. So it is an ever expanding market size for the Company in that respect..

**Mitul Mehta:** Yeah sir what I wanted to understand is that you know we currently running at about 90% capacity utilization and so we are more or less at peak, is it possible to do some debottlenecking and growth the resin manufacturing business in the ensuing quarter or do we have to put up a new Greenfield manufacturing plant which I believe that we have got load from the Orissa government, so can you help us to understand that?

**Vasant Naik:** In terms of the capacity utilization of 90% which we just mentioned now that is based on the increased resin capacity which we have been adding on a modular basis for the last couple of years. In the last concall also we have said that we are also looking at an opportunity of Greenfield project, but those discussions are still at the initial stages and as and when we decide and firm up on the decisions we will be communicating accordingly to all the stakeholders.

**Mitul Mehta:** But on the existing infrastructure of the resin capacity how much can we grow?

**Vasant Naik:** During the year also we have undertaken the modular expansion and we expect the new capacities to go on stream in the fourth quarter. So that should take care of some of the debottlenecking what you had just mentioned and going ahead as I said we are evaluating whether to set up a Greenfield project and we will communicate it as and when we firm up on the decision.

**Mitul Mehta:** So locally sir who are the players in resins and how big are there in terms of size most of the competition are typically in 300 to 500 crore sort of sales?

**Vasant Naik:** The total local market of resin is in the region of Rs. 300 crores and the main competitor is Thermax. Lanxess is also there but they are more into the overseas market.

**Mitul Mehta:** So we are largely exporting?

**Vasant Naik:** No, We service the domestic as well as the export market.

**Mitul Mehta:** Sir, coming on your engineering business you know we are currently in the midst of executing the Sri Lankan order, so x of Sri Lankan order if you can help us to understand the growth in the order book as well as growth in sales and once you know this Sri Lankan order gets executed fully by next year are we confident of you know adding similar size of order to our order book by getting orders internationally if you can just throw light?

**N.M.Ranadive:** Excluding Sri Lanka, the current order book is Rs. 766 crores and during this quarter, the order inflow is Rs. 155 crores.

**Mitul Mehta:** And if you can also give us some sense on your order pipeline?

**N.M.Ranadive:** Current enquiry book is close to Rs. 5,000 crores.

**Mitul Mehta:** And what is our bid-to-win ratio typically historically?

**N.M.Ranadive:** Approximately 20%.

**Mitul Mehta:** So by when this 1,000 crore incremental orders will be added to our order book?

**N.M.Ranadive:** In next - three quarters they will get added.

**Mitul Mehta:** Sir, my last question is we in our previous conference call we have been hearing that we are also winning some large international orders which will be as big as Sri Lanka so any thought on there or any progress because it is yet not seen any of those orders materializing?

**N.M.Ranadive:** As we have pointed out in the past also, these large orders have their own gestation period. It is difficult actually to predict the timeframe in which these orders will get materialized and hence we are not in a position to make any announcement at this juncture. However, we are reasonably confident of having success in the near future.

**Mitul Mehta:** So as far as the chemical business goes we can comfortably grow at 15% to 18% in times to come?

**Vasant Naik:** Yes, we are confident that we will be able to maintain the double digit growth in the Chemicals segment.

**Mitul Mehta:** Sir my last question if you allow me what is the total capital employed including the working capital in the chemical business?

**Vasant Naik:** The total capital employed is disclosed in the segment results. But since you have asked ,it is around Rs. 143 crores.

**Mitul Mehta:** But this also includes the working capital?

**Vasant Naik:** The capital employed includes the working capital plus the fixed assets deployed in the segment.

**Moderator:** Thank you. The next question is from the line of Nilesh Soni from IndiaNivesh. Please go ahead.

**Nilesh Soni:** Sir, I have certain book keeping questions sir can you please come out with the revenue booked in from the Sri Lankan order for the quarter?

**N.M.Ranadive:** Sri Lanka revenue booked during the quarter is Rs. 110 crores.

**Nilesh Soni:** Sir, excluding the large order for the engineering segment can you please give us the YoY growth for the 9 month FY20 excluding the large orders?

**N.M.Ranadive:** Excluding Sri Lanka, our engineering segment has grown by 41% on a year-on-year basis.

**Nilesh Soni:** This is for 9 month right sir?

**Vasant Naik:** It is for 9 months.

**Nilesh Soni:** Any can you give us the reason?

**Vasant Naik:** We have been carrying a higher order backlog compared to the previous year, and the improved rate of execution of the engineering orders that has contributed to the higher turnover in the segment.

**Nilesh Soni:** Sir, can you please give us the 9 month order inflow for the FY20 and FY19 order inflow?

**N.M.Ranadive:** 9 month order inflow is around Rs. 350 crores.

**Nilesh Soni:** And sir what would it be for FY19 for the same 9 month?

**N.M.Ranadive:** Current 9 months order inflow is Rs. 350 crores as against the last year 9 month order inflow of Rs. 733 crores which included the large order of Cairn Energy which was Rs. 372 crore.

**Nilesh Soni:** And one more if I can squeeze in for the 9 month FY20 can you give the breakup between the resin and chemical in the chemical segment?

**Vasant Naik:** Resin will constitute approximately 60% of the total turnover in the chemical segment.

**Nilesh Soni:** And sir last question can you please give me the receivable and the cash balance as of today?

**Vasant Naik:** The total cash including all the bank balances and the temporary deposits is around Rs. 357 crores.

**Nilesh Soni:** And sir receivables?

**Vasant Naik:** Receivable position is around Rs. 440 crores.

**Nilesh Soni:** And sir the last the other current liabilities or the advance from the customer if you can help me?

**Vasant Naik:** It is around Rs. 230 crore.

**Nilesh Soni:** Sir, this is other current total other current liabilities or advance from customers?

**Vasant Naik:** The advance from customers is around Rs. 230 crores.

**Moderator:** Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

**Deepak Poddar:** Sir, I just wanted to understand like we have been going more than 55%, 60% for last two, three quarters now given your capacity what constraint do you have in terms of 90% utilization level and even the order book, do you expect this kind of trajectory to continue going into fourth quarter i?

**N.M.Ranadive:** Fourth quarter yes.

**Deepak Poddar:** And FY21?

**N.M.Ranadive:** FY 21 guidance we will share by the end of this financial year.

**Moderator:** Thank you. The next question is from the line of Kaushal Kedia from Standard Chartered Bank. Please go ahead.

**Kaushal Kedia:** I just have one question on the Sri Lankan order wanted to understand how much of the Sri Lankan order is pending as on date?

**N.M.Ranadive:** Cumulatively we have booked close to Rs. 600 crores of revenue. Balance invoicing pending is Rs 600 Cr..

**Kaushal Kedia:** Sir, this order is expected to be completed on time I think the scheduled this thing is May 2020 if I am not wrong?

**Vasant Naik:** As per our ongoing discussions with the customer, the contract will get extended by few months with the mutual agreement.

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

**Sunil Kothari:** Sir, we have booked roughly I think 255 crore for Sri Lanka and our target was 500 crore so if any change in schedule implementation or you feel is there any delay or any thoughts on Sri Lankan order?

**Vasant Naik:** We have already booked during the current 9 months Rs. 253 crores and we expect at least another Rs. 200 crores in the fourth quarter and as I explained earlier, the contract will get extended by few months with a mutual understanding with the Sri Lankan Water Board.

**Sunil Kothari:** Sir, can you give membranes business size for the 9 months or how it is growing some thoughts because that is very promising and great business, so any experience because we have started I think just very recently so how it responds domestically exports and the development?

**Vasant Naik:** Regarding membrane, we are seeing steady sequential improvement in the off take from this facility. We have spent considerable time in getting the products stabilized in the market and based on the customer feedback the product acceptance is very encouraging. We expect the improvement in volume to continue in the coming quarters. In terms of the capacity present utilization is around 40% to 45% and we expect to reach 50% by the year end. In terms of the opportunity, it is pretty big size because it is not only the domestic opportunity which we are talking but also the global market. We are also looking to invest further maybe in the next year to further augment the capacity to take care of the export demand.

**Sunil Kothari:** And sir what is the revenue contribution from membrane during first 9 months?

**Vasant Naik:** We are not giving specific numbers, but in terms of the capacity utilization as I just mentioned it is around 40% to 45%.

**Sunil Kothari:** Sir my last question is I think somebody also tried to understand and ask is during last before 9 months on a year we were expecting some good orders bigger orders from interesting markets also. So I am not asking why it is not coming or it will come, but is there any change in environment or competitive situation I may be better or maybe some qualitative comments in the investment opportunity regarding this type of projects which we have done in Sri Lanka?

**N.M.Ranadive:** Opportunities continue to exist, and we are pursuing the same . There is no change in our guidance. But as we explained before, such orders have longer gestation finalization cycle and it is not possible to comment on the exact timeline.



**Sunil Kothari:** And sir my question is on domestic opportunities on sewage treatment plant and all this things which we were awaiting since long from municipal corporation and all, so are we getting any realistic contract or maybe inquiries and tendering or it is just talk of opportunity and there is nothing is happening domestically in terms of water treatment?

**N.M.Ranadive:** We are in touch with progressive municipal corporations we are very particular about the commercials of the any project. So depending on the project scope, either we will go as a EPC contractors or we may be part of a consortium agreement with another partner.

**Moderator:** Thank you. The next question is from the line of Santosh Yellapu from India Nivesh. Please go ahead.

**Santosh Yellapu:** Sir, first question I would like to understand the Sri Lankan order sir at the time of signing the agreement with the Sri Lankan water board the organization there and now getting an extension of this order or the key terms, is there any change in the key terms that could lead to you know liabilities for us any sort of just again I am asking this question just because we are seeing a scenario where the project is getting delayed?

**N.M.Ranadive:** There are no changes in the key terms as such and project is getting extended not because of us, but there are the reasons which can be primarily attributed to the Sri Lankan Water Board. There were some delays in getting permissions. However, we do not anticipate any loss, or any cost overrun because of the extension of the contract.

**Santosh Yellapu:** As going back to one of the speakers had asked the question we said that the global markets for resin is more than a billion dollars, given the current bouquet of our offering what is the addressable market for us within that 1 billion dollar?

**N M Ranadive:** We are not a very big player when it comes to the global market.

**Vasant Naik:** So just to add to what Mr. Ranadive is saying, globally we are a small player so whatever capacity additions we are presently doing, and we propose in the future will not have limitation of market opportunity.

**Santosh Yellapu:** Sir one question what is the reason for difference in the standalone console revenues in the chemical segment that we reported during the quarter, do we have any subsidiaries that caters to the chemical segment out of India?

**N.M.Ranadive:** Yes.

**Santosh Yellapu:** Which one sir?

**N.M.Ranadive:** Most of the subsidiaries will do the business of chemicals as well as engineering.

**Santosh Yellapu:** No what I am trying to understand is do we have any manufacturing plant?

**Vasant Naik:** No.

**Santosh Yellapu:** That is one and lastly if you look at the long term trends the consolidated chemical segment margins have had to during 16, 17 wherein 16%, 17% kind of range and now they have fallen down to 13%, 14% level I am talking about the console level, so has there been any shift you know what could be the reasons for that and where do we see this margins going forward I am referring to segment margin console level sir?

**Vasant Naik:** I think largely the console level segment are also driven by how we perform in the IEI standalone segment. In the standalone segment, the chemical margin as a percentage on a Q-on-Q and also on a year-to-date basis have shown a sequential increase and this improvement is automatically translated in the consolidated numbers. We are expecting the margin improvement should continue in the coming quarters also.

**Santosh Yellapu:** And last question sir in the last concall sir had mentioned that there are one or two orders which are getting finalized and we can expect them to be awarded soon if I recall correctly, so what is the status of those one or two orders and if you could just give some color on the pipe line of tenders that we are participating into what is the nature of the clients from any specific geography or is it private clients or government clients or specifically from any particular industry that we are targeting if you could just give some colors on these aspects that should be very insightful?

**N.M.Ranadive:** As told you in the past also, we are in discussions for large infrastructure orders both internationally as well as in the domestic markets, but it is very difficult to predict the exact timelines in which this will get materialized.

**Santosh Yellapu:** It is fine I am not asking for any timeline I am just trying to get some color when you say if we try to assume that we are talking to more of private players and less of government?

**N.M.Ranadive:** More of the government or government backed projects.

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

**Rishi Surana:** I had one question first is you gave an order inflow number as 155 crores for the quarter so what will be the invoice revenue for the quarter in the engineering segment?

**Vasant Naik:** If you are talking of the engineering segment, it is around Rs. 244 crores for this quarter.

**Rishi Surana:** Second question is on a order book sir you had mentioned in the last call that you are expecting some government and infrastructure order which would actually skew your

numbers so just wanted to get a sense like how is the progress over there because I understand that you cannot give a timeline to it, but if you can give some understanding as to how are you moving ahead in this segment of government and infrastructure segment?

**N.M.Ranadive:** The progress is good and to our satisfaction We cannot commit anything by when this will get materialized, but we are hopeful we will have a good order inflow coming our way shortly.

**Rishi Surana:** Last question can you give me a target for FY20 as to what will be the revenue would it be around 16 crores or 1,800 crores like for the total business total company as a whole?

**Vasant Naik:** We do not give any guidance for the year, but what we can only say is looking at the 9 monthly figure ,we expect the growth to continue in the fourth quarter.

**Moderator:** Thank you. The next question is from the line of Nilesh Sairam, an Individual Investor. Please go ahead.

**Nilesh Sairam:** So recently I mean in the last quarter we have been seeing some selling of the company shares by the trust which hold the shares and some buying from the promoters or directors, so can you just help us understand shareholder structure?

**Milind Puranik:** See basically these shares are part of the shares held by Employee Welfare Trusts and SEBI has recently issued guidelines regulating these schemes. To comply with the new SEBI guidelines, Company has taken various steps to regularize these schemes and the sale of shares is part of that exercise.

**Nilesh Sairam:** So can we expect like all the shares sell by the trust will be completely transferred to the promoters in their names?

**Milind Puranik:** It is not yet decided. Further course of action will be decided from time to time.

**Nilesh Sairam:** Also so when Ion Exchange was set up in India, we saw that some loan was given to Ion Exchange to purchase these shares, so do these loans still exist or have they been paid back

**N.M.Ranadive:** Most of the loans have been paid back , but some loans are still outstanding.

**Nilesh Sairam:** Another thing I wanted to understand was you have been saying that the consumer division will breakeven in some time is that still the case or what is the plan because we have been planning also some projects large scale projects for villages you know how is that coming?

**N.M.Ranadive:** We are confident that with the focus on the specific market segments and the products, we should be able to grow the consumer segment profitably and we are hopeful that very soon we will be coming close to the breakeven point.

**Moderator:** Thank you. The next question is from the line of Santosh Yellapu from IndiaNivesh. Please go ahead.

**Santosh Yellapu:** One small follow up question on the advance part, advance from customer has declined despite an increase in the order inflows, is it that the new orders that we are winning are very small orders which tend to have either low or zero margins kind of thing or is something that I am not reading correctly here?

**Vasant Naik:** As the large orders gets executed especially the Sri Lanka order, the advance will keep on reducing for that order so that will impact overall the total advance from customers.

**Moderator:** Thank you. The next question is from the line of Raj Mohan an Individual Investor. Please go ahead.

**Raj Mohan:** Though you have expressed phenomenal optimism with the opportunity size in the past, do you feel on the ground playing out of order flow which had been a bit slower has turned a little more favorable in terms of green shoots that you are seeing the core sector growth showing sometimes they are bottoming out, do you see more in a sense do you see more velocity in large order movements on the ground?

**N.M.Ranadive:** The economy has not picked up as expected and we expect subdued GDP numbers for the entire year. The core sector industries are also not doing great. The current opportunity pie from this sector is essentially lesser than what we would have normally expected under normal circumstances. Larger portion of our business is coming from the relatively smaller and medium size industries that is a current profile of the business. Few industries from these segments are showing signs of recovery , although at slower pace. International orders also it is more or less the same story. We are hopeful that with the government initiatives and government spending , the growth in the economy to pick up from the next year onwards. This works well for our engineering business as our engineering business largely depends on the new projects being launched. We see large opportunities from the various government and the infrastructure segments which we are pursuing in the domestic and international market. Even if one of them comes in a particular quarter then probably order inflow numbers will skew in favor of the large sector.

**Raj Mohan:** So as of now we are not seeing any major green shoots is what I take away from your answer and coming to the point of large opportunities in the international market in government and infrastructure space, are these from the developing world and though you mentioned about uncertainty in fact long gestation order conversions are any closer to consummating any such order in the next say 2 quarters or this calendar?

**N.M.Ranadive:** Yes, we are hopeful in the next two-three quarters.

**Raj Mohan:** And largely are there from the developing point or there across?

**N.M.Ranadive:** Yes, developing countries.

**Raj Mohan:** You have mentioned an inquiry bank of 5,000 crores you have an objective assessment of how the inquiry bank as such is growing year-on-year with sort of increased awareness of order confirmation?

**N.M.Ranadive:** The inquiry bank has been in the region of 5,000 to 6,000 crores over the last couple of years.

**Raj Mohan:** You are not seeing any growth in that inquiry bank happening year-on-year with larger awareness on ESG, larger awareness on water conservation and stuff like that you are not seeing any material improvement in the inquiry bank?

**Vasant Naik:** See the inquiry bank largely has remained at the same level of around 5,000 to 6,000 crore, but what are really seeing is the shift away in the inquiry bank towards the waste and effluent treatment side

**Raj Mohan:** Finally with government budget under strain both at the Central and the State level, do you see pressure on municipal corporation budgets to thereby some short-to medium-term challenges on order bagging for you?

**N.M.Ranadive:** As explained earlier also, any municipal order or even the government order we are participating only if the commercials are in our favor. We do not want to make a long term commitments for the order which are not with acceptable commercial terms.

**Raj Mohan:** One final thing you had indicated to growing by double digits for the next two years or something, so you do not give any specific guidance based on what you are seeing in terms of your order book are you comfortable with that kind of rate of growth?

**N.M.Ranadive:** We do not give any guidance as such for the order book as well as for the revenue.

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

**Rishi Surana:** Sir, if I look at your 9 month number of order inflow versus the invoice book it seems like that the order inflow is a little lower than the way you are invoicing the orders, so how do you see the growth once the Sri Lankan orders get over how do you see the growth of the company because it seems like that the invoicing is faster than the way the orders are coming, sir if you can just highlight on that?

**Vasant Naik:** Considering the market opportunities and bid pipeline, we are hopeful to not only sustain this number but also ensure future growth.

**Rishi Surana:** And sir last question on the chemical front you said that the resin facility after the debottlenecking and everything so you are operating at approx. 90% capacity utilization, so until and unless your new CAPEX comes up, so you mostly so if I get a guess than from the next year your chemicals revenue will be mostly stagnant right because since you do not have any CAPEX coming up on chemicals or is my understanding wrong here?

**Vasant Naik:** Our CAPEX is a ongoing exercise which we do in this segment so next year also we have a CAPEX plan of around 50 to 60 crores and this is apart from the Greenfield opportunity what I just informed earlier in the concall which we are evaluating for the resin expansion, but even if we do not do the Greenfield expansion our modular CAPEX will continue for this segment for the next year also. With such modular expansions also we will have enough capacities available to take care of expected growth without any bottlenecks.

**Moderator:** Thank you. The next question is from the line of Kavalpreet an Individual Investor. Please go ahead.

**Kavalpreet:** Sir, I am not sure if you answered this as I missed some part of this concall I wanted to understand this Sri Lanka it is a fairly large order so in that sense I wanted to understand the market do customers look for certain eligibility criteria now since you have crossed a certain orders size, does that make it easier for you to compete for larger orders and if that is the case our orders you have bid for are they similar range to Sri Lankan order or does the order size vary significantly in this market?

**N.M.Ranadive:** Some of the opportunities what we are looking at in terms of the order size will be similar to the Sri Lanka order. Coming to your first question yes definitely it will enhance our pre qualifications.

**Kavalpreet:** Sir and could you give me a sense if there is such an eligibility criteria in the market now that your executed order of this size till at what limit if there is an upper limit for order base or is that an open to all?

**N.M.Ranadive:** Eligibility criteria will differ from order-to-order.

**Kavalpreet:** Sir, the other question I had was when the Sri Lankan order came in what was the capacity building measures which you took if you could highlight that especially in terms of your HR in terms of your employees strength if they were home grown leaders who are now executing this order or section of consulting basis and how do you see them playing a bigger role as part of your company once the Sri Lankan order is done?

**Vasant Naik:** In terms of the capacity per se, this is not something like a chemical segment where you need to build in the manufacturing capacity We have built in our expertise at a backend in terms of our design team and the project execution team for handling this type of project. This team

can be deployed for other projects as and when the Sri Lanka order gets completed. So it is more on the manpower and the technical expertise where we have built in the capacity.

**Kavalpreet:** And sir the head of the Sri Lanka order the execution, was it with you prior to the order wins or have you increase your employee strength to increase the order execution?

**Vasant Nair:** Some of employee strength which we have taken in Sri Lanka are the local employees to help us support in the execution of the project but some of the teams have been deployed from our India office. The local employees taken in Sri Lanka to help us in the execution are basically contractual the employees. So as the projects get over, their contract will get over.

**Kavalpreet:** Sir and what about leadership the management the top level head of the order of the project was he with Ion Exchange from the beginning?

**Vasant Naik:** Yes, the top management for the Sri Lanka order is from Ion Exchange India only.

**Moderator:** Thank you very much. As there are no further questions I now hand the conference over to Mr. N M Ranadive for closing comments.

**N M Ranadive:** Thank you all for participating in this earnings concall. 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 we would be happy to be of assistance. We are very thankful to all our investors who stood by us and I also had confidence in the company's growth plan and focus and with this I wish everyone great evening. Thank you.

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