ION EXCHANGE
Refreshing the Planet

July 21, 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 June 26, 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, June 30, 2020 was to discuss the financial performance of the Company for the year ended March 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 DATTATRAYA PURANIK

Digitally signed by MILIND DATTATRAYA PURANIK
DN: c=IN, o=Personal, postalCode=400057, st=MAHARASHTRA, serialNumber=d6fbd44a9f43c6a27b3ccf18918beda27b92f0a7779fdcf18edaafd859f9a03c, cn=MILIND DATTATRAYA PURANIK
Date: 2020.07.21 17:29:05 +05'30'

Milind Puranik
Company Secretary

Ion Exchange India Limited
Q4 FY20 Earnings Conference Call
June 30th, 2020

Moderator: Ladies and gentlemen, good day and welcome to the Ion Exchange India Limited Q4 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 "0" then "*" on your telephone phone. I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you Mr. Sonpal.

Anuj Sonpal: Thank you Deepesh. Good morning 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 company's earnings conference call for the financial year and fourth quarter ended 2020. Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today's earnings 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 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 call and give it over to them for their opening remarks. We have with us Mr. Aankur Patni, Executive Director, 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 now to give his opening remarks. Thank you and over to you, sir.

Management: Thank you Anuj. Good morning everybody. It is a pleasure to welcome you to this fourth quarter and financial year ended 2020 earnings concall. First let me brief you on the COVID-19 impact on the business operations of the company during the lockdown. In compliance with the directions issued by the Government of India, the company has suspended operations at all its offices and manufacturing locations in India with effect on 21st March 2020 to ensure the safety of our employees and their families and to contain the spread of the virus. However, with the progressive lifting of the lockdown and the relaxation given by the government, the company has resumed its operations at manufacturing locations based on the permissions which it has received from the respective local government administration. Industrial services activity mainly operation and maintenance has continued at the locations wherever the customer units are in operation and customers have arranged such permission from local administration. The company had also resumed the civil activities for our major project being executed in Sri Lanka after receiving necessary permission from the Sri Lanka government. On our loan repayment front, interest servicing and other financial commitments to banks and financial institutions have been made as per schedule and we have not opted for any moratorium being offered currently by the RBI. The company has taken all precautions and safety measures necessary for the containment and prevention of COVID-19. It is following all the regulation and conditions as required to comply with the permission given by the respective government authority. Now coming to the consolidated performance of our company in the fourth quarter of financial year 2020. Operating income for the quarter was INR 3511 million so the decrease of approximately 19% on a year-on-year basis. Operating EBITDA reported was is INR 393 million, which was a decline of about 34% on a year-on-year basis. The margins stood at 11.19% with decrease by 268 basis points year-on-year, net profit after tax reported was INR 287 million which decreased by 21% on a year-on-year basis and the margins were 8.17%, a decrease of 19 basis points on a year-on-year basis. Operation of the company were affected in Q4 FY20 due to the COVID-19 pandemic and the resulted lockdown in several geographies including India. This resulted in deferral of dispatches across all three segments thereby impacting the sales and margins. And as I mentioned with the phase wise lifting of the lockdown all our manufacturing operations and most of the offices are functional. We have invoked force majeure clause for our major projects where the company anticipates contractual delays due to lockdown.

I will now take you through the quarterly segmental performance on a consolidated basis. In the engineering division, the turnover was INR 2,198 million as against INR 2,919 million for the corresponding period last year a decrease of 25%. EBIT was INR 263 million as against INR 310 million, a decrease of 15%. Revenue recognition for the Sri Lanka project in the quarter was affected due to the COVID-19 impact. Post receipt of necessary permission from the Sri Lankan government we have recently resumed our supply and civil works. While the engineering order book remains healthy the order intake for the quarter was muted due to the general economic slowdown and the delay in the order finalization due to the lockdown. The chemical division recorded a turnover of INR 1102 million as against INR 1203 million for the corresponding period last year a decrease of 8% on a year-on-year basis. The reported EBITDA for this segment was INR 224 million as against INR 234 million a decrease of 4%. margins due to the operational efficiencies resulting from the capacity increases coupled with change in the product mix due to the seasonality of certain product lines. In the consumer product division, the turnover was reported was INR 323 million as compared to INR 326 million in the corresponding quarters of the previous year. Loss per the quarter was INR 28 million as INR 6 million in the fourth quarter of the corresponding year. Here also the adverse impact of the COVID-19 lockdown affected the volumes thereby resulting in the lower recovery of the fixed cost. And the annual performance on a consolidated basis the operating income for the full year was 14798 million witnessing was growth of approximately 27% on a year-on-year basis. EBITDA reported was INR 1346 million, which grew 26% on a year-on-year and the percentage and EBITDA margin percentage stood at 9.1% which decreased by 7 basis point on a year-on-year. The net profit after tax for the year was INR 940 million a growth of 43% year-on-year. And the PAT margin stood at 6.35% a growth of 68 basis points over the corresponding period last year. Currently to the annual segmental performance in FY20 on a consolidated basis, in the engineering division the turnover increased by to INR 9386 million and against INR 6851 million for the corresponding period last year, an increase of 37%. The EBIT was INR 770 million as against last year 561 million a growth of 37%. The chemical division recorded a revenue of 4689 million as against is previous year of 4234 million a growth of 11% on a year-on-year basis. The EBIT was 734 million as compared to 564 million in the corresponding period last year which is a growth of approximately 30%. In the consumer product division, the turnover was 1,257 million as compared to 1,099 million in the previous year, a growth of almost 14%. EBIT loss was at INR 70 million as against INR 27 million in the previous year. Finally, I am happy to announce that the Board of Directors has recommended a final dividend of Rs. 1.50 per equity share for the financial year 2019-20. Considering the interim dividend of 45% declared in March, the total dividend for the year is around 60%. We can open the floor to the question and answer session.

Moderator: Thank you very much. We will now begin the question and answer session. First question comes from the line of Sunil Kothari from Unique Investment, your line is unmuted.

Sunil Kothari: Sir, basically two questions I want to understand broadly, chemical segments seems to be doing really well in terms of profitability, but maybe because of capacity constraints or whatever reason, we are not able to grow as much which we were anticipating and expecting since last one or two years, the growth rate is maybe 10-11%. In March we can understand that the revenues were lower. So, some more thoughts on how we want to grow this business, capacity constrain or any capacity addition, what we are planning to do, that's my first question and second is, we are broadly an engineering company and our majority turnover comes from engineering and EPC and order inflow during last one, one and a half year has been very muted and very slow. So, how will you look at the scenario, we will be taking little bit risk and taking some order at a little lower margins, because otherwise we will not be utilizing our capabilities which we have created.

Management: Let me answer by saying that the performance which you see for the entire year and the 11% growth has come in spite of the severe constraints faced in the last quarter. The chemical segment would have shown higher growth if the last quarter was normalized one. Regarding the capacity constraints which you mentioned, we have recently increased capacity in our critical chemical lines. This is a continuous process as we have mentioned over the last few concalls, we keep increasing capacity as and when we feel that there is a need to augment any particularly line. Also, I had mentioned in the previous concalls that we are evaluating a Greenfield expansion and that is also going to go ahead once we will see the economic environment improve. As far as the engineering segment is concerned, our order book today is significantly stronger than what it used to be a few years back and we continue to try and make sure that we take in orders which are commercially prudent. We consciously avoid being overly aggressive by taking is one big risky order which could be followed by cash flow troubles and undue risks on our balance sheet. We prefer to try and make sure that the orders are conducive to long term growth and not necessarily a lumpy growth. So, I understand your concern. Please rest assured that we are working continuously to make sure that we have good profitable growth in all segments.

Sunil Kothari: Great sir. Sir one last question is if you can provide us order book compared to last year 31st March and currently, and second we were very strong in some semi development and developed markets. So, we were anticipating some good orders also. So, if you can just throw some light on where, which are the hiccups, where this order is not coming any thought process on this EPC related product segment?

Management: Current order book size is 643 crore and last year it was 860 crore. Last year we have received a large order from Cairn Energy. The order inflow has been 402 crore and as mentioned earlier in our opening statement, the order inflow was muted in fourth quarter. And regarding the large infrastructure jobs, which you're referring we are still pursuing the large infrastructure jobs in different geographies. But due to the current situation, decisions have been deferred by most of the governments, but we are positive that something will click in third or fourth quarter or at least the opportunities will progress on in third and fourth quarter. However, largely all these things depend on how things are shape up in the next few months.

Moderator: Thank you. Next question comes from the line of Chirag Dave from Emkay Global Finance, line is unmuted.

Chirag Dave: Sir, I just wanted to have an update on the Sri Lankan order. Firstly the order executed in the current quarter and secondly do we foresee a delay further in this order?

Management: During the current quarter, we have invoiced Rs 40 crore on the Sri Lanka order and the total invoicing for the 19-20 is 294 crore We have already received the extension from the customer – viz the Sri Lankan Water Board. And we are seeking further extension because of the COVID conditions as we have already invoked the force majeure clause.

Chirag Dave: Okay. Secondly sir I've seen that your mark-key client include many hotels as of now so that might have taken an impact on your revenue for the current quarter and year end as well?

Management: The hotel industry is certainly impacted substantially during this period of the pandemic. We expect that the industry will take a little bit time to come back to normalcy as travel restrictions remain in force. We have presence in almost all the major brands across the country. While this segment of the market is not expected to do well in the first two quarters, we hope that things will pick up after the second quarter. Having said that, it should be noted that this particular segment is not a very significant contributor to the overall revenue of the company.

Moderator: Thank you, Mr. Dave. Next question comes from the line of Manish Kayal from Nippon AMC. Your line is unmuted you may ask your question.

Manish: I have a question on the working capital since 95% of our clients are private sector clients and the impact we have seen out of the lockdown more in Q1. So it will be great if we can give some color on working capital outlook, whether that will impact our execution going forward. My next question is on the product side, the EBITDA loss has increased this quarter. So can you give some color on when we will be able to break even this part of our Consumer Product business, though it's small, but still it eat away the profit that we make in other two segments. So these are two questions from my side. Thank you.

Management: If I understand it right, you're asking about the EBIT cycle for a particular segment?

Manish: The product segment, the smallest segment of?

Management: The consumer?

Manish: Yes, consumer sir.

Management: Right. And the question was that we are seeing a negative number in the last quarter and when we will be able to recover from that, is that correct?

Manish: Yes.

Management: Consumer segment because of the nature of selling in that industry, was quite adversely affected in the month of February and March. We have taken a lot of measures during the last few months to make sure that our product lines are improved and presence on the digital marketing front is substantially ramped up in order to cope with this new environment of selling. While this has yielded some benefits, it will still take some more time before we come back to normal levels of revenue. I hope that should happen in a couple quarters. So, once that happens we should be back to a growth trajectory the segment was showing till the third quarter where we were seeing significant growth on year-on-year basis. . And the other question was to do with working capital and if you can repeat the question again please?

Manish: So, my question was 95% or more than 90% of our client base is from the private sector. So, any stress or any concerns on the working capital on the receivable side that we are facing because quarter one was the most impacted because of lockdown. Any comments on the working capital?

Management: You are right, we are witnessing longer than usual working capital cycles. Many of our customers had cash flow issues during this period. We have been continuously endeavouring to make sure that our payments do not get stuck. Wherever possible, the new orders that we are picking up take into account this uncertainty and our commercial terms have been modified to minimize the impact of the situation. Nonetheless, while there have been slight delays in the payments coming from at least some of the large and small clients, we do not really foresee any major collection issues going forward and we're taking all possible steps legal, commercial and other ones to make sure that our interest are protected.

Moderator: Thank you. Next question is from the line of Jinal Sheth from Awriga Capital, your line is unmuted.

Jinal Sheth: Trying to understand the opportunity at the global level in terms of the chemicals business, so that also would include I'm presuming your resins and your water treatment is the global level tough for you or it's just India that you kind of focusing on, wanted to get a bit of understanding on that?

Management: We are looking at a global opportunity and you are right, we're looking both at resins and water treatment chemicals. It's a product-based business, wherein our ability to reach markets far and wide is better. We continue to grow strongly in the international as well as in the domestic markets.

Jinal Sheth: A question related to that, when we look at the industry structure globally, of course there are some larger gives us like to kind of grab share in that right, inputs on that will be helpful?

Management: We have been competing with all the major players in the international front for quite a few years. And most of these players are present in India as well. And we have found reasonably good success in the past few years. I believe that our products are capable of competing with any credible manufacturer across the globe and we will continue to gain market shares in targeted geographies. This holds true for the domestic market also. We have been able to establish our credentials both as a high quality supplier and someone who offers very good value for money.

Jinal Sheth: Okay, and last just, which are the key markets globally that we're focusing on, besides I am talking about the chemicals business in the water treatment?

Management: We are e spread quite far and wide. Lot of products go to the North American market, European market, Middle East, and Southeast Asia and also to the African region. So spread is quite wide..

Moderator: Thank you, Mr. Sheth. Next question comes from the line of Sharad Singh, he is an Individual Investor, line is unmuted.

Sharad Singh: Sir I had a question, sir who would be our competitor in the chemical space and the resin?

Management: The resins market tends to be dominated internationally by large players like Purolite, Du Pont and Lanxess. In the domestic market, the largest competitor we have on the resins front is Thermax. On the chemicals front international competitors include Ecolab, Suez and SNF and in the domestic market we have the likes of Thermax , Vasu Chemicals and Chembond. So, competition depends both on the markets and on the specific product line in question and you may have a different set of competitors in each of these.

Sharad Singh: Sir, so most of the players in this industry are organized players or how is the market structure in the chemical space?

Management: The resin market is largely organized and the chemical market for the larger industries tends to be comprised of organized players. But as the size of the customers decreases, we encounter increasing number of unorganized players.

Sharad Singh: Sir my next question is for the engineering segment, you mentioned your order book stands at 630 crore if I am correct last concall it was at 760 crore. So, is it the orders that have been executed or there have been some cancellations and same for the bid book if you could give us some along the bid book sir?

Management: In the last quarter of the year Q4, the order inflow was quite muted because of the overall slowdown that we were witnessing during the quarter, and also the impact of the pandemic. Apart from this, quite a few orders got executed during the quarter. So that's the reason for some shrinkage in the overall order book. We have not witnessed any significant cancellations.

Sharad Singh: Okay. Sir one last question, where does the bid book stand today?

Management: Our inquiry book would be in the region of around 4000 crore.

Sharad Singh: And the same 20%?

Management: That's been the traditional gain percentage

Sharad Singh: We should expect the same, okay. Thank you sir, I'll come back in the queue.

Moderator: Thank you Mr. Singh. Next question is from Mr. Anurag Patil from Roha Asset Managers, line is unmuted.

Anurag Patil: So, sir how much was the deferred revenue in Q4 due to COVID and lockdown issues and can we expect this deferment to Q1 compensating the overall loss in the Q1 due to lockdown, what run rate we can expect in the Q1?

Management: Compared to what we were expecting in January of this year, the March ending we were short by at least Rs 200 crore. That was the kind of impact which we had and some of this, we would certainly be able to recover in this first quarter of 20-21. But as things go, it will take time for the overall scenario to improve enough for normalcy to return.

Anurag Patil: Okay. And sir in terms of Sri Lanka and Vedanta order how much would be the pending execution as of now?

Management: The Sir Lanka, the pending execution as what was mentioned earlier is around 50% of the contract value and regarding Vedanta we don't give specific for each contract in the concall.

Anurag Patil: Okay sir, sir incomes of Vedanta order are we facing any payment issue or delay or postponement as of now?

Management: We have been in discussion with the client, they certainly had some hiccups in terms of their cash flows but our discussions with them have been quite productive and we have started to again receive payments from them. So, we do not expect that we will have any problems eventually.

Anurag Patil: Okay, and one last question what would be your Capex number in FY21?

Management: In view of the current uncertainty, , presently we are restricting it to the essential and the maintenance CAPEX and completing what we had already started last year. We will be able to have a fair view of what is going to be the CAPEX, maybe at the end of the Q2 when the business scenario is much clearer.

Moderator: Thank you, Mr. Patil. Next we have Mr. Pratik Kothari from Unique AMC, your line is unmuted you may ask your question.

Pratik Kothari: Sir on the chemical side if we can talk about what kind of volume growth did we see this year, what kind of capacity utilization do we have, and given the recent CAPEX that we did, which is largely on the chemical side, what kind of ways that we can see or what kind of revenues that we can do out of this division?

Management: The chemical division now effectively has capacity utilization of roughly 60% on a normalized scale, so we should be able to substantially ramp up the overall revenues from chemicals based on our current capacities.

Pratik Kothari: Fair enough and what could be the volume growth for the year?

Management: You're talking about the year gone?

Pratik Kothari: For the chemical again.

Management: FY20 you are asking?

Pratik Kothari: Yes.

Management: We have mentioned on earlier calls, the product mix is extremely varied and it's very difficult to give you a sense of what the volume growths look like. It has to be assessed on the basis of the overall revenue growth.

Pratik Kothari: Fair enough. So, the huge jump in the margin which we saw on the chemical side was largely due to product mix?

Management: Substantially due to product mix and also because of efficiencies, which were improved because of various measures taken.

Pratik Kothari: Fair enough. And sir my last question on the engineering side now when you go and talk to clients in terms of orders, which are already pending or in terms of getting new orders, what sense are you getting from there in terms of timeline, are they asking that let's execute this six months later or in terms of getting a new order, the things which are in your pipeline, is the discussion more around let's talk about it in FY22, if you can just give us some sense of how you're seeing the industry pan out in terms of order inflow?

Management: Certainly, there have been a lot of diffidence in the discussions specially April and May. We are now increasingly seeing some degree of optimism return and the discussions have started with a large portion of the customers with whom we were earlier in dialogue. I am quite hopeful that as time goes by we will see further improvements**.**

Pratik Kothari: Fair, because we hear a lot about all companies deferring the CAPEX, we ourselves also said that we won't be doing any major CAPEX this year, we do only some maintenance. So just trying to get a sense how challenging will this year be for us?

Management: Certainly as I said that there has been diffidence in the first couple of months April and May. Some of these customers, who were not willing to talk in those months or had deferred their capex, shave started to relook and there are quite a few active discussions now going on. And as I said, I expect that as the months roll in we will see increased flow of activities. These CAPEX cycles from start of discussion to conclusion will take anywhere between one to six months. And the actual execution happens thereafter. So we will likely see less than normal order bookings in the first half and hopefully by end of the second quarter, things would start looking up quite a bit.

Moderator: Thank you, Mr. Kothari. Next question is from the line of Vikash he is an Individual Investor, line is unmuted.

Vikash: Sir my question is regarding the revenue breakup for the last year where you have shown 188 crore revenue from the sale of services, sir, I want to know what type of revenues are booked under this, is this operation and maintenance revenues only or there is something else only?

Management: This is largely comprising of service, operation and maintenance revenue and design and engineering work.

Vikash: Okay sir. And my second question is regarding the share of employee trust. Recently we have sold some shares and we have included 20 crore as other equity, so can we assume that the balance share also whenever they will be sold, their profit will also be included in other equity?

Management: Yes.

Vikash: Okay. And sir my third question is nowadays we are seeing the curve in China imports. So, our industry will be benefited from this, we will directly benefit from this curve from China imports?

Management: A few of the products which we manufacture compete with the Chinese products in the international as well as in the Indian market. Resins and membranes in particular. And we certainly expect to benefit from these curbs on the Chinese products. Having said that, across industries, you would probably know that the input raw materials come from China on varying extents. And, all players across industries are striving to find alternate vendors. Some of the raw materials which we use were also sourced from China. While we have taken steps to switch to alternate suppliers, a complete shift may not be possible in the short term.

Vikash: Sir have heard somewhere that we are now launching healthy water, it is basically superior water than the pure water. Is it true, and can we throw some light on this, it is some sort of antioxidant water which I know, can we throw some light on this?

Management: Our consumer product segment continues to work towards improving the product profile and also improving the quality of the products. We are in the process of launching a new product which we hope would be significantly more value added than our past line of products. So, you would hear more detail about it shortly as we go into a full-fledged launch.

Moderator: Thank you, Mr. Vikash. Next question comes from the line of Amit Jain from Retail Investor, line is unmuted.

Aditya Dubey: So my question was that, we are the present in the wastewater treatment category. I wanted to understand are we getting or do we have the technology to be into sewage treatment opportunities that are coming along in India, with some of our competitors are bidding for and definitely looks like an opportunity which could be running into 8 to 10 years from now because, there aren't too many sewage treatment plants across India for most of the cities. So, just if you can give some light on this?

Management: In terms of technology, we are very much there in sewage treatment technologies. Over the past several years, various municipalities have been trying to set up the STPs and the current effort across India is to augment the capacity and / or technology of these sewage treatment plants or refurbish them, as the case may be. We are very much present as a participant and we will selectively participate in the coming opportunities. We are very careful in assessing the specific states and municipalities where market conditions favour our chances of winning orders. So, we are not present across the board, but we will participate in some of these opportunities.

Aditya Dubey: And sir what would be the kind of margin profile for these kind of sewage treatment in particular project as compared to our traditional margin profile?

Management: For the government segments, these are all tendered jobs and one has to become the lowest price bidder. So the margins tend to be squeezed. Sewage treatment or effluent treatment opportunities with industrial and other customers tend to be better than in other areas.

Moderator: Thank you Mr. Dubey. Next in line we have Mr. Sunil Kothari from Unique Investment, line is unmuted.

Sunil Kothari: Sir my question is, which are the cost leavers, we have ways where we can control our cost and maybe because of this tough environment we can maintain or try to reduce our cost pressure because what I see is other expenses figure if we take quarterly, it ranges between 45 to 50 crore, I am talking about standalone other expenses, whether top line or revenue is 400 crore or 300 crore. So, which type of these other expenses are and which cost levers we have to control our cost?

Management: We're taking quite few steps in the current period to ensure that in our overall cost footprint is reduced. Substantial measures have been initiated to reduce fixed costs on almost all fronts. But it has to be balanced approach because we do expect the economy to start reviving, not too far into the future and that's why it's not only about cost cutting, but to make sure that we are just removing the flab while making sure we remain efficient and competitive. You also asked about what the other expenses are constituted off.

Sunil Kothari: Right sir.

Management: Other expenses are largely comprised of, it includes the utility expenses for our chemical segment, the administration and selling & distribution expenses, like advertisement travel freight and packing.

Sunil Kothari: So, these are mainly fixed type of expenses?

Management: No, it is a mix of expenses. For example some of these expenses are sales related- like travel freight and packing, it is largely dependent on the turnover. But there will be some component of expenses which will be fixed – mainly administration related.

Sunil Kothari: Right. And sir my next question is how much is the pending execution absolute numbers for Sri Lanka?

Management: Sri Lanka we are finished close to 50% of the jobs. So, close to 50% is pending.

Sunil Kothari: Yes, so what is that number sir if you can please inform?

Management: It will be in Indian currency could be Rs 600 crore.

Sunil Kothari: 600 crore great sir. And sir my last question is to Mr. Patni, sir we have faced this type of industrial downturn maybe in 2008 onwards previously also, we have very good experience of facing this tough situations, you do you see any major structural change in terms of players, in terms of competition because whenever good times come people try to compete very heavily and then when tough time comes, they lose the market and they are removed from the market also. So, do you see a major change in the attitude of the players who behave sensibly, like you always are careful about bidding to the municipality orders and all these things. So, if can throw some light and make us understand how any major changes, I think in the thought process of the player?

Management: Competitive landscape is ever evolving. Major shocks like the pandemic tend to significantly increase the risks and obviously lead to more of the marginal players dropping out of the race. Even before the pandemic struck, we were already in the middle of a significant slowdown. Even some of the larger players in the market, especially on the EPC side of the business, were substantially affected. While we have seen some competitors withdraw or scale down their operations, by and large, the larger players have spruced up their act. It has probably been more painful for smaller sized players, especially those with already stretched resources. As an industry we look forward to better quality of opportunities and an improved competitive landscape.

Moderator: Thank you. Next question comes from the line of Sharad Singh he is Individual Investor, line is unmuted.

Sharad Singh: Sir my question was about membrane you put up can you please explain like, what's the market for this the membrane market?

Management: You are asking the size of the membrane market or it is not very clear?

Sharad Singh: The size and the target industries that we plan to employ it?

Management: Okay. The membrane market in India is roughly around 700 crore, to 750 crore. And a good portion of this market is also open to traders, not necessarily manufacturers. We tend to participate more in the organized part of the market and also supply to the OEMs who use our products in their manufactured engineering equipment's. So, not necessarily going to the end customer in all cases.

Sharad Singh: Okay. And sir when you say good portion of this market belongs to traders, so are these imports or are these other players making the membrane in India?

Management: No. So, some portion of the market is dominated by traders who would import commoditised low value membranes from countries like China and quality & service may not be the most paramount, we do not tend to participate in these markets.

Sharad Singh: Okay. Sir what would be our target market share in the one or two years as far as 700 crore total market, what would be our target share?

Management: We would like to aim for the leadership position in a period of around three years..

Sharad Singh: Sorry sir what percentage in three years?

Management: We would like to be the top player in this market in a period of two to three years..

Sharad Singh: 60% sir?

Management: Come again?

Sharad Singh: 60% share as a dealer or more?

Management: No, it is not, it does not become so one sided normally if one gets a share of around 20-25% in this market.

Sharad Singh: Okay. And sir next for the chemical side, what would be the market again for the resins and the chemicals sir and our target both India and overseas?

Management: The resin and chemical markets is a very large market, if you start talking internationally the equivalent to a few billion dollars as whole. Resins for example would be around a figures $2 billion, however, while we can address a substantial part of this market, we do not necessarily have that full gamut of products to fully address it. Our objective is to continuously grow and expand our presence both in Indian market and in the global market.

Sharad Singh: Sir would it be fair to assume we will be slowly moving to become a specialty chemical in the company from the current engineering company in future, two years down the line?

Management: Our approach and our principle has been to be an one stop environment management company which means you look at both the things, looking at all the requirements of the customer which are relevant to the space of conserving environment in which we play. So, we would like to retain this character and offer services in all front engineering, chemicals, as well as services.

Moderator: Thank you. We will take the last question for the day and the question comes from the line of Amit Jain from Retail Investor, line is unmuted.

Amit Jain: I would like to know the company has launched surface and hand sanitizers, these are targeted at industrial consumers or retail consumers and what would be the revenue the company is expecting from here?

Management: We are looking to reach out both to industrial as well as retail customers and the product has just been launched. It's not been very long and we hope that we'll be able to generate sizeable revenue from this but more importantly, offer right quality of products to the customers. I would expect that the revenue from all these product lines taken together would add to something like 15 or 20 crore revenue number.

Moderator: Thank you. I now hand the conference over to Mr. N M Ranadive from Ion Exchange India Limited for closing comments, over to you sir.

Management: 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 are really thankful to all 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: Thank you. On behalf of Ion Exchange India Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you all.