ION EXCHANGE
Refreshing the Planet

November 23, 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 October 22, 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 Monday, November 01, 2021 was to discuss the financial performance of the Company for the Second Quarter ended September 30, 2021. 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

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Ion Exchange India Limited
Q2 FY22 Earnings Conference Call
November 01, 2021

Moderator: Ladies and gentlemen, good day and welcome to the Ion Exchange India Limited Q2 FY22 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 the operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you, and over to you sir.

Anuj Sonpal: Thank you. Good afternoon everyone and a very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors we represent the Investor Relations of Ion Exchange India Limited. On behalf of the company I would like to thank you all for participating in the company's earnings conference call for the second quarter of financial year 2022.

Before we begin, I'd like to mention a short cautionary statement. Some of the statements made in today's earnings call may be forward looking in nature. Such forward looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. Audiences are cautioned not to place any undue reliance on these forward looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now let me introduce you to the management participating with us in today's earnings call. We have with us Mr. Aankur Patni – Executive Director, Mr. N

M Ranadive – Group Chief Financial Officer, Mr. Vasant Naik – Executive Vice President of Finance and Mr. Milind Puranik – Company Secretary. Without any further delay, I request Mr. Vasant Naik to give his opening remarks. Thank you and over to you, sir.

Vasant Naik: Thank you Anuj. Good afternoon, everybody it is a pleasure to welcome you to the earnings conference call for the first half and second quarter of financial year 2022. Let me first take you through the financial performance for Q2 of current year on a consolidated basis. The operating income for the quarter was INR 3782 million, a slight decrease of 3% on a year-on-year basis. Operating EBITDA reported was INR 397 million a decrease of approximately 3% year-on-year and the EBITDA margin stood at 10.5%. Net profit after tax reported was INR 272 million, an increase of 2.3% year-on-year while the PAT margin percentage was 7.19%, an improvement of 37 basis points on a year-on-year basis. For the first half of FY 2022, the operating income stood at INR 6923 million, an increase of 5.7% compared to the first half of last year. Similarly operating EBITDA stood at INR 755 million an increase of 4.6%, EBITDA margins were reported at 10.91%, a slight decrease of 11 basis points and PAT stood at INR 505 million an increase of 14.5%. The PAT margin percentage improved to 7.29% compared to 6.73% during the first half of the previous financial year.

Let me take you through the quarterly segmental performance on a consolidated basis. In the engineering division, the revenue for the quarter was INR 2208 million, a reduction of approximately 16% as compared to the same period of last year. The EBIT for this segment was INR 131 million, a decrease of about 22% on a year-on-year basis. For the first half of FY22 current revenues from this segment were INR 3975 million, which was a decrease of 8% and EBIT stood at INR 222 million, a decrease of about 20% compared to the same period of last year. We have a healthy order book on the back of steady flows of medium size orders, coupled with the two large EPC orders received from UP Jal Nigam and IOCL Paradip Refinery respectively in the earlier quarter.

The execution of the Sri Lanka order was affected during the quarter due to the COVID related restriction in that country. However, execution of other engineering projects picked up pace during the quarter. The rising commodity prices continue to affect the margins in this segment. As regard the UP Jal

Nigam project the site has been mobilized and revenue will start accruing from the third quarter of the current financial year. In terms of the order backlog as on 30th September 21 it was around INR 1037 crores excluding the Sir Lanka and the UP Jal Nigam order. If we add both these large EPC size orders the total order book would be more than INR 2,500 crores. We have a bid pipeline of approximately 5970 crores. And with this we have a strong revenue visibility for the next two years from the engineering segment.

Coming to the chemical division, the revenue for the quarter recorded was INR 1347 million, an increase of 20% on a year-on-year basis. The EBIT was INR 283 million an increase of 25%. For the first half of this financial year the revenue from the chemical segment stood at INR 2598 million, an increase of 33% and EBIT stood at INR 555 million an increase of 37% compared to the previous year.

The sales and dispatches improved in the domestic segment, however the logistic challenges continued to affect the company's exports. The margins were under pressure due to the unabated increase in the raw material cost. The company has taken measures to mitigate the impact including passing cost to the customers wherever possible. And coming to the last segment, the consumer division segment revenue for the quarter was INR 353 million an increase of about 69% on a year-on-year basis. The losses for the quarter were down to INR 5 million versus the loss of INR 8 million for the same period in the previous financial year. And for the first six months this segment clocked revenue of INR 589 million, an increase of 40%. And the losses stood at INR 18 million compared to 17 million in the same period of last year. New product launches at the end of the first quarter are getting a good response in the market. And we are hopeful that this segment will perform better in the ensuing quarter. With this we can open the floor for the question-and-answer session.

Moderator: Thank you. Ladies and gentlemen we will now begin with the question-and-answer session. First question is from the line of Pratik Kothari from Unique PMS. Please go ahead.

Pratik Kothari: Couple of questions from the chemical side. One, if you can highlight I believe there are a couple of ongoing either planning or execution of CAPEX which is undergoing on the chemical side, if you can highlight the same and what would be our current capacity utilization?

Management: We had announced CAPEX in the chemical division a couple of quarters or so back. That CAPEX continues to be on track. For the Greenfield project, we are awaiting environmental clearance and once that is available, the execution on the ground will get started. Capacity utilizations have increased during the quarter. And we are in the range of roughly 75% to 80% at the moment.

Pratik Kothari: Okay, fair enough. So, if you look at our chemical division over last many quarters, maybe 10 or 12 quarters, excluding the COVID one, we have been in the range of 110 and 130 crores on a quarterly basis for past three years now. So, just wanted to get your views, because we still have capacity which is left to be utilized, when do we break out of this quarterly chemical revenue that we are doing and why is it being stuck here for past many quarters now?

Management: We have been facing quite an unprecedented situation over the last year due to COVID. And now even when the global economy starts to see some bit of uptick in terms of mitigation of the COVID risks, we continue to face significant challenges on the front of logistics and the associated costs. I am quite hopeful that in the ensuing quarters the situation would turn towards near normal. In any case, we have seen better growth in the chemicals division during the current period. The growth would have been even better if the challenges related to supply chain issues, price rises, and logistics were not there. You should expect to see improvements in the coming quarters.

Pratik Kothari: Fair, enough. And last part on this, we did highlight that the raw materials have increased significantly, and we are in process of passing this. So, how much would that affect be and what should we consider a sustainable margin here, because even currently we are higher than what we used to do a say a year or two back?

Management: The current period has been affected by the increased prices of a wide range of raw materials,. In fact, some of the input materials have seen price rise of even 100% - 200%. It's quite unprecedented in recent times. Even as we try to pass on these cost increases to customers, we are faced with continued volatility. And hence the margin stabilization is yet to be achieved. I do hope that in the coming quarters, we will see less volatility and at least some downward trends in raw material prices leading to improved margins. I am not able to give you a very firm guidance for the third quarter during the continued uncertainty in input price trends. You could continue to expect some strain on margins, at least during the coming quarter.

Moderator: Thank you. The next question is from the line of Mike Sell from Alquity. Please go ahead.

Mike Sell: If you could just give us an update on how you're doing between the company listed on the National Stock Exchange as well as the Bombay Stock Exchange. Thank you.

Milind Puranik: We have already made application to National Stock Exchange and our application is at advanced stage of consideration. Because of some technical queries, which are being replied and complied, the application will take some time to process. We have already taken a decision to list on NSE. And we are actively following up with the National Stock Exchange to list our shares.

Mike Sell: Thank you. And although it's impossible to be definitive, do you think we're talking three months, a year, what's your best guess?

Milind Puranik: I can't predict any timeline because there are various issues involved.. We are actively following up with National Stock Exchange butI can't give you any concrete timelines.

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

Saket Kapoor: Sir as being answered by you to the earlier participant regarding the chemical segment, that due to the volatility in the raw material prices, we would be observing a subdued quarter going forward also. So, if you could give us some color on what constitutes the raw material sir and the end product names and how are the price variations being and its application.

Management: We use quite a wide basket of input raw materials. We have petroleum-based inputs, plus a lot of other input materials which are non-petroleum based. Unfortunately, as you might have heard from other companies as well, the price rise on input materials has been quite widespread and it's not restricted to one or two small buckets only. It is impacting both our resins and water treatment chemicals portfolio. As mentioned earlier, we are expecting the strain on the margins may continue and as I highlighted earlier, some of the raw material prices continue to rise in an unprecedented manner. At this moment, it is difficult to accurately forecast how much the impact is going to be, but I do expect that this one way upward trend would see some kind of plateauing in the coming quarter and then hopefully go down towards more normal levels.

Saket Kapoor: Can you give the name of the few key chemicals that constitute this and out of the top line of 131 crore for the quarter, this key chemicals contribute or how many of them constitute the basket, will you give some color on the same?

Management: We manufacture two major categories of products in the Chemical Segment one is resins which have petroleum based inputs to a significant extent and other is water treatment chemicals.

Saket Kapoor: Right sir. And you as told earlier that the utilization levels are in the vicinity of 80% to 85%. So, going forward for H2 the utilization levels are going to remain in that bracket or can we see an uptick depending upon the demand scenario?

Management: The utilization levels are in the range of around 75% to 80% and we are witnessing a slight uptick on this. Hopefully towards the end of the year we should see slightly higher utilization than this. We remain optimistic about an early resolution to the current international logistics challenges. If the container availability and container movement comes back to somewhat more normal levels, we will have a corresponding positive impact on our export revenue and should lead to revenue growth.

Saket Kapoor: And sir out of the total sales, what is the export contribution?

Management: Vasant can you throw some light on it?

Vasant Naik: It is around 35% in the chemical segment.

Saket Kapoor: And I have two more questions one for engineering and one for consumer. So for the consumer to come first, this quarter we have seen improvement over the previous quarter in terms of revenue and also for the PBT losses. So looking at today's environment, how is particularly with COVID relaxations in place. How are you seeing this segment for the H2?

Management: You're asking about engineering segment?

Saket Kapoor: No, sir consumer product and engineering also I have a question but firstly the consumer perform better for this quarter over the June quarter. So the COVID restrictions being uplifted that has that has been a major contributor if I am not wrong, so how are things shaping up and it should also include a piece of the AMC part of the story, if I'm not wrong, so please elaborate on the same.

Management: Consumer segment is doing better in the current year, a few of the new product launches have got a good reception from the customers. So, we are quite hopeful that in the coming period we would see further improvement in the trend. The COVID related restrictions have had a negative impact on the overall growth story. If they had not been there, we would have seen further improvements in both the top line and correspondingly the bottom line. But we are quite hopeful that in the coming quarters the situation will improve and the consumer segment would start to contribute positively to the bottom line of the company.

Saket Kapoor: So, we may exit this year with a positive at least PBT level for the consumer depending upon today's business environment?

Management: We are hopeful that we may come pretty close to the breakeven levels.

Saket Kapoor: Sir, I'll come in the queue for the engineering segment and I have one question about the tax payment also, if I am allowed them I may ask.

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

Rahul Dhruv: I specifically wanted to talk about the UP project and the margins they're in, because we can see that in the first two quarters the engineering margins have actually come off too close to 6% or lower actually 5%, close to 5%. So when we see an uptick in the next quarter because of the UP project what kind of margin should we be looking at?

Management: Vasant you can confirm the margins on the on the engineering segments, I think it is close to 6% right?

Vasant Naik: Yes, on a six monthly basis the segment margins are 6.5% and for the quarter it is 6.1% on a standalone basis.

Rahul Dhruv: I was looking at the consolidated number.

Management: Also, your question on the impact of the UP projects, the UP projects are reasonably comfortable on the margins. And once we start executing these, and the revenues from these start flowing, they would have a positive impact on the number that you currently see.

Rahul Dhruv: Okay. Secondly, on the Sri Lanka project, again over the last quarter we have not seen a major execution the number remains the same. And of course that was primarily because of COVID but what do you see going forward?

Management: We expect the execution to pick pace and we are still quite hopeful that we will be able to complete most of the significant deliverables of the contract by the end of the financial year.

Rahul Dhruv: And one last question I was seeing a big spike in inventory for this quarter from around 127 crores to 171 crores. So, any specific reason why that is happening?

Management: This is a contingency measure against the volatility in various commodities and input materials, both from the perspective of price, as well as from the perspective of availability, it's a very conscious decision by the company.

Rahul Dhruv: So basically, this inventory is at a much higher price than previous quarters. And if we have a reduction in these prices at raw material prices, will we still be able to pass them on?

Management: Basically, this inventory gives us protection both on the revenue and margin fronts.

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

Chetan Vora: Sir just wanted to ask that after the quarter four results we had said that for the FY22, our revenue growth will be 20% overall, and we would be able to maintain our yearly margins in the engineering and the chemical division. So in the first half, the revenue growth in the engineering division has been negative down by 8%. And on the margin front for the first half, the engineering division is a margin of 6.5% versus a full year margin of 10%. And where is the chemical with margin of close to 22% versus the full year last year 24.6% to be precise. Sir now, we are already one month passed in quarter three. So, we would like to understand where do we stand in terms of meeting the guidance what we had given for FY22 sir, thank you.

Management: In order to compare the margin performance in the current year versus how we performed in the last year, it's always better to compare year to date versus the year to date at last year. If you do that comparison, you would see that the margins have been somewhat comparable to what we have seen last year.

Chetan Vora: Yes, year to date numbers are better, but the quarter four of last year was like in engineering we did close to 17 odd percent margin. And in chemicals we did 29% margin. So whether it would be fair to extrapolate March quarter we would be doing the same numbers. That's why I was here just giving a full year numbers, that's what you had guided out, we would be outpacing our FY22 numbers in terms of margin versus FY21 margins?

Management: Typically, if you look at the trends over the last few years, the second half always tends to be better than the first half and the last quarter does tend to be the heaviest quarter of the year. You should expect something similar in the current year also. The margins in accordance with the scale that is achieved should see much better percentage coming in the latter half of the year. That said, the first half has been quite impacted by price surges as we have discussed during the last few minutes. And as I have mentioned, we do expect some of these increased price trends to continue into the third quarters and maybe even further. So, it is very difficult for me to give you the same degree of comfort with regard to achieving the heightened margins, especially on the chemical segment. On engineering segment, I still feel we would be coming close to what we achieved last year.

Chetan Vora: Okay. And sir lastly by how much we would have taken the price and what would be the remaining, the price hike we need to take to ensure that we are comfortable at the margins level?

Management: It is a continuous process and depending upon the products and the contracts, the price variations are discussed with the customers and taken. It is not a flat price increase and it's not always across the board at the same percentage. Further, it is also not a single one time prices rise. As we just discussed, we are seeing a continuous one way upward trend and we have been forced to take multiple price rises from customers. Please also note that there is always a lag in passing on the cost increase to the customers. And I'm quite hopeful that by the end of this quarter, we should see a reversal of the one way upward trend and if that happens, the margins hopefully would become better.

Chetan Vora: And sir lastly on the engineering, whether the first of the revenue decline was 8%. So, what sort of the billing will start from this quarter onwards. So, would it be fair to assume that our engineering will be reporting a growth on a Y-o-Y level sir?

Management: Yes, as guided earlier we are hopeful that we will get to this 20% revenue growth that we had told earlier and we should see the improvements in margin in the second half of the year.

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

Shantanu: Sir, I wanted to ask questions with regards to the engineering segments. We can see that in quarter one our order book was roughly 730 crores and by end of this quarter it is roughly 1030 crore. So which industry do me receive the order as in huge jump of 40%.

Management: There is one major order which has got added to the overall order book and that came in from IOCL Paradip.

Shantanu: Okay. Few more set of questions for the engineering segment only. Like, I understand that our engineering segment has roughly two sections as in one is project and thre is EPC and other is OEM so what is the combination between EPC and OEM?

Management: If I get your question, right you're asking for the bifurcation between service revenue and project engineering revenues. Is that what you're asking?

Shantanu: That's the same.

Vasant Naik: .IExcluding Sri Lanka business, EPC revenue, Service business and Standard Equiment business contribute approximate equally in the total Engg Segment.

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Shantanu: Okay. and this includes UP Jal Nigam and Sri Lanka project am I right?

Vasant Naik: It doesn't include UP as well as Sri Lanka project because then it will change the picture.

Shantanu: Okay. And sir so in all these three line of businesses, what is the domestic and export contribution?

Vasant Naik: Excl. Sri Lanka business, export is 15%.

Shantanu: Okay, so last question. If you have to consider engineering segment as a whole then how much will be domestic and how much will be exports?

Management: In the current year, if you take the overall engineering revenues, the service revenue would be somewhere in the range of 20% to 25%. And exports would be somewhere in the range of around 35%.

Moderator: Thank you. We'll move on to the next question that is from the line of Indrajeet Chakraborty an Individual Investor. Please go ahead.

Indrajeet Chakraborty: I have two questions. Firstly, what is the update about the large international orders which the company has been pursuing and if you could kindly update about it and number two is this consumer goods segment we have such a beautiful product lineup, why is it that the company is not very aggressive, it seems to me the company is not very aggressive in increasing this consumer goods segment, if you can kindly explain, thank you very much.

Management: With regard to the consumer segment, we are quite committed to increasing segments profile and the number of new product launches. We are targeting segments which are having relatively low competitive intensity, especially where we don't need to commit a lot of funds for upfront marketing. And since the consumer segment contributes less than 10% of our revenues, we have been very careful about how we distribute our funds and assets so that it does not jeopardize the other segments. That said, we are going to see an increased bit of activity from the company to promote its consumer products. I had mentioned earlier, the new product launches are getting very good reception from the customers. And as the revenues pickup, we would see more visibility of the same.

Indrajeet Chakraborty: Thank you. And regarding the large international orders, if you could kindly update that, What is the scenario right now, what is the position maybe we can win within this year or maybe next year or something like that if you can, please update.

Management: We continue to pursue these very large international opportunities and over the last quarter, there have the positive movements on a few of these.But as we have said over the past few calls, until and unless we are able to ink the documents, the expected timelines are not really predictable. These are government contracts which go through multiple layers of approvals and validations. So it becomes difficult to predict when exactly those discussions will conclude. We are still hopeful that we'll win at least one of them, and we will be able to make some kind of announcement by the end of the financial year.

Moderator: Thank you. The next question is from the line of Rushabh Shah from RS Capital. Please go ahead.

Rushabh Shah: So, sometime back there were rumors that DuPont was trying to take over the company or if you can share some thoughts here and also a promoter stake is 27%. So, is there any plan to increase or decrease here going forward?

Management: A similar question was posed in the previous concall also and I had voiced my concern over reliance on rumors, I would again request you please do not pay attention to rumors and stick to the facts as declared by the company.

Rushabh Shah: On the promoter side is there a plan to increase or decrease its stake going forward and by how much if it is?

Management: If you look at the trend of disclosures from promotors it was actually a higher percentage than the current 27%. It was closer to the range of 44%, But pursuant to some modification to SEBI guidelines, the overall holding had to be recast and the disclosures were changed. So, part of that 44% now gets disclosed as non-promoter, non-public shareholding. However, there has been no change as such in the promoters shareholding. Also, there is no immediate plan to have a change in the current status.

Moderator: Thank you. The next question is from the line of Amit Jain a Retail Investor. Please go ahead.

Amit Jain: If you can share your views on what kind of policy action is expected from NGT and Central Pollution Control Board and what kind of opportunities can come for the sector and for our company?

Management: We are seeing a great deal of action and initiatives by both these bodies. The approach towards the environment as you all may have noticed, has improved and it's part of a global drive towards sustainability. We do expect that the Indian central and state governments will continue to push for more environment friendly statutes and greater compliance. As this gathers further momentum we do expect to benefit from it. Your company, as you would know, has a comprehensive range of solutions which address the need for water treatment, waste treatment, effluent treatment, sewage treatment, technologies and also minimize usage of freshwater wherever that concern exists. So we do expect to benefit greatly.

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

Pratik Kothari: Sir, just one question on the engineering side and reading quite some that on ground private sector CAPEX is about to start with the next 6 to 12 months a lot of capacity building on the steel, cement, et cetera. And given the environmental norms none of them would be able to proceed without keeping us in the loop. So, do you see the same on the ground in terms of heightened inquiries at least from domestic?

Management: Yes, it is evident, the overall level of inquiries that we are receiving from the Indian industries is much better than what it was. And all indications are that the level of activity or increased CAPEX is only going to increase in the coming months. Unless the current round of economic uncertainty caused by the spike in the raw material prices and the logistic and shipping challenges changes that scenario towards the negative. That said, the current book of inquiries itself is quite healthy for us. And I do expect a lot of them would convert into orders in the coming months.

Pratik Kothari: Fair enough. Sir similar question on the international market side because I believe a year or two that we spoke about some large inquiries from Asia or even Africa for that matter. Anything that is materializing there any page that you see on that side?

Management: One of the callers just a couple of questions back had the the same query. We are seeing traction on some of these very large opportunities and unable to really comment on when this will come to a close and we will be able to announce a new order. That said, certainly there is positive movement on a few.

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

Saket Kapoor: So, just to sum up, for the chemical segment the margins will hit a trough for the third quarter also because of the vagaries has been outlined by the management and if the same reverses, we can see an improvement in margins from fourth quarter onwards. Enter for the engineering segment also there should be an uptick in the execution cycle for H2 and as has been the case last year for consumer products, we are seeing an uptick and that is going to be the continuity for the second half are these observations correct sir?

Management: Engineering, yes the second half would see increased revenue and its corresponding impact on margins will be visible.. So that is a positive impact, consumer segment also what you say is correct. As far as chemical segment is concerned, we expect the revenues to see some uptick in line with trends seen in earlier years also. The second half does tend to be heavier on revenues. As far as margin is concerned, what I was commenting was, we will strive to attain the same level as compared to last full years margin. But, I'm not very sure how much we will be able to compensate for the dip in margin that we have seen during the first half and the continuing pressure on the raw material prices. So that's a degree of uncertainty there, but I do hope that one way upward trend of raw material prices will abate and we will be able to return to higher levels of profitability.

Saket Kapoor: And sir the engineering segments is last year was a COVID affected year although this year also unfortunately the first quarter was so, we could see growth numbers in terms of revenue also, the execution would be higher than what we closed last year as per the current environment?

Management: Yes, we will see increased degree of execution of the Sri lanka contract going forward. The other segments or sub segments of the engineering business do seem to be in line to give the normal trend of heavy fourth quarter. So, all of these together should ensure improved revenue members.

Saket Kapoor: Okay. Sir on the tax part when we look at the cash flow the tax paid net office 40 crore, 39 crore 64 lakhs and whereas for the first half our provisioning is to the tune of 21, 23 crore so what should one read into this tax payment of 40 crore for the first half sir?

Management: Some part of the tax will be pertaining to the previous year also.

Saket Kapoor: Okay, because there is no break up provided there. So, if you could give?

Management: This disclosure is as per the format which is mandated by SEBI.

Saket Kapoor: Okay, there's some portion maybe related to the previous year at the time of finalization of accounts for March 21?

Management: Yes, during the year we would have paid some tax pertaining to the previous year.

Saket Kapoor: Okay. And lastly sir what is the size of the order book from an executable portion from the Sri Lankan and UP, we have not started execution. So, what is the size and what is the scope of work for the Uttar Pradesh government part?

Management: Sri Lanka order backlog is USD 41 million as of September 30th.

Saket Kapoor: $41 million?

Management: USD $41 million.

Saket Kapoor: Yes, and for Uttar Pradesh?

Management: UP Jal Nigam contract is close to 1200 crores.

Saket Kapoor: And what is the scope of work there for the UP projector and this elections falling next year when will be commencing the Uttar Pradesh project and what is the advance that we have received from the government and what is the schedule

Management: The process of execution for Uttar Pradesh contracts is a staggered one as the project entails providing drinking water to individual households spread across various villages. And this requires us to create detailed project reports and followed by signing of agreements with various clusters of villages. So, this process is on. We have received mobilization advances against almost 1/3 of the total number of villages envisaged. Once we start execution, and the agreements are signed to that effect, we are expected to complete that contract within 18 months period. So this period has started for 1/3 of the villages. The remaining villages we would take up once the respective agreements get signed for those clusters.

Saket Kapoor: And what is our scope of work, the delivering of Jal Sa Nal scheme should be the one where we are participant**?**

Management: That's right.

Saket Kapoor: So, what is our scope of work here, it's a long EPC project by other companies will also be, the ecosystem would be very large for this.

Management: Our scope starts from taking the water from the source right up to delivering it to the household. We don't do the work inside the household we leave the pipeline outside the house.

Saket Kapoor: That is the DI pipe laying part, is it only the laying of the DI pipe part just wanted to understand that?

Management: We are taking water from an untreated source, thereafter the water is treated and then there is storage and distribution. So, distribution is a part of the overall delivery.

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

Madhusudhan Reddy: Sir my question is regarding this UP order, government orders are notorious for the receivable problem and our company is aware of this and used to be very cautious about this. But this is one piece take it further which we got, I just want to know your thoughts on this, is there any change in the way government is working or receivables thing, do you see any problems that you foresee any problems there?

Management: We have been very conscious of this very fact as outlined by you and we continue to be conservative on this front, we take each of these opportunities and evaluate it very cautiously. We have evaluated the various risks involved in the current scheme including that of receivables. We feel that the scheme is substantially financed by the Central Government and the fund flow is very well defined. And these are relatively fast track contracts with each single contract or DPR on which we are working, covering a small cluster of villages.

So it's not one very large contract, it is actually an aggregation of multiple smaller sized contracts, which makes it a little bit better to manage the overall cash flows and keep the risks under check. So while your question is valid, but yes, we have tried to be mindful of all aspects and we remain just as careful as we were earlier.

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

Indrajeet Chakraborty: Sir, I'm back more with one small question. I just want to ask something regarding the international orders which you are hopeful about, is it that we are looking at something which is similar in size to the Sri Lankan order, or will it be much bigger than that. That's my small question sir.

Management: These contracts are in the same range as the Sri Lankan contract.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. N M Ranadive from Ion Exchange India Limited for his 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 company. We would be happy to be of assistance. We are very thankful to all our investors who stood by us and also have confidence in the company's growth plan and focus. And with this, I wish everyone a great evening, wish you safe, prosperous and Happy Diwali. Thank you.

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