ION EXCHANGE
Refreshing the Planet

June 6, 2018

Bombay Stock Exchange 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 May 24, 2018, 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 Friday, May 25, 2018 was to discuss the financial performance of the Company for the year ended March 31, 2018. The aforesaid information is also disclosed on website of the company i.e. www.ionindian.com.

Kindly take the information on your record

Thanking You,

Yours faithfully,
For Ion Exchange (India) Limited

Milind Puranik
Company Secretary

ION EXCHANGE (INDIA) LTD. | CIN: L74999MH1964PLC014258
Regd. Office: Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011, India.
Board: +91 22 3989 0909 | Fax: +91 22 2493 8737 | E-mail: ieil@ionexchange.co.in | Web: www.ionindia.com
Offices: Bengaluru | Bhubaneswar | Chandigarh | Chennai | Hyderabad | Kolkata | Lucknow | New Delhi | Pune | Vadodara | Vashi | Visakhapatnam

ION Exchange India Limited
Q4 FY18 Earnings Conference Call
25 May 2018

Moderator: Ladies and gentlemen, good day and welcome to the ION Exchange India Limited's Q4 FY18 Earnings Conference call.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone.

I now hand the conference over to Ms. Aloney Jain from Valorem Advisors. Thank you and over to you, ma'am.

Aloney Jain: Thank you. Good afternoon everyone and a warm welcome to you all. My name is Aloney Jain from Valorem Advisors. We represent the investor relations for ION Exchange India Limited. On behalf of the company and Valorem Advisors I would like to thank you all for participating in the company's earnings Conference Call for Q4 FY18.

We apologize for the delay. Before we begin I would like to mention a short cautionary statement. Some of the statements made in today's Conference Call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties which could cause the actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place undue reliance on these forward-looking statements.

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. Before we begin the call I would like to give everyone a brief introduction about the company so that everybody is on the same page. After that I will introduce you to the management and they will be giving their opening statements.

ION Exchange India Limited is a pioneer in end to end water and waste water solution provider to industries, communities and consumer product side. Thus the company is present across the length and breadth of capabilities around constructing water treatment plants, water treatment products, solutions, its operations and maintenance and manufacturing and supplying of the required specialty chemicals and Resins. The company operates in three segments. One, engineering which consists roughly around 58% of the revenues, second is the chemicals which represent roughly around 32% of the revenues and the third is the consumer product division, this represents roughly around 10% of the revenues on an FY2018 consolidated basis.

ION Exchange was originally found as a subsidiary of Permutit UK in the year 1964 and later in the year 1985 became a wholly owned Indian company. Currently celebrating with 54th year of operations the company represents India as a Global MNC player and operates out of almost all the major countries.

The company offers one stop water and non-water treatment solutions to segments like Infrastructure, Industry, Institutions, Municipal, Home and Communities, urban and rural. The company undertakes designing, engineering and supply of water, waste water treatment, sewage treatment, sea water desalination and recycling plants on Turnkey, BOT, and EPC basis.

The company manufactures world class Ion exchange resin for water and non-water specialty chemicals, membranes, water treatment chemicals and speciality process chemicals. It also provides water and environment management solutions to hotels, homes, parks, hospitals and other establishments by providing safe drinking water and a clean environment. The company has more than 50 patents to their credit and have been probably instrumental in more than a lakh installations globally.

Now I would like to introduce you to the management participating in today's earnings conference call and give it over them to them for opening remarks. We have with us Mr. Aankur Patni who is the Executor Director; Mr. N. Ranadive – Executive Vice President of Finance; Mr. Vasant Naik who is the Senior Vice President of Finance and Mr. Milind Puranik who is the company secretary of the company.

I will hand over the call to Mr. Ranadive for his opening remarks. Over to you, Sir.

Nandkumar Ranadive: Thank you, Ms. Aloney. Good Afternoon everybody. I am N. M. Ranadive, Executive Vice President Finance. It is a pleasure to welcome you to this Q4 FY18 earnings call. I will take you through the quarterly performance of our company on a standalone basis. Total income for the quarter is approximately INR 3,355 million. EBITDA reported is approximately INR 427 million. EBITDA margin is approximately 12.73% which has grown by 73 basis points year-on-year. Net profit after tax reported is approximately INR 237 million. PAT margin is approximately 7.06%. A growth of 31 basis points year-on-year. basis.

I will now take you through the segmental performance of the standalone entity for the quarter. In the engineering division, turnover is approximately INR 2,102 million as against approximately INR 2,460 million for the corresponding period last year. EBIT is INR 180 million as against last year's INR 174 million, growth of 3.4%. In the chemicals segment, the revenue recorded was INR 952 million as against INR 939 million year-on-year basis, growth of roughly 1.4% over the same period last year. Reported EBIT for Q4 FY18 is INR 192 million as compared to INR 220 million in Q4 FY17. In the consumer division, the turnover in this quarter reported is INR 323 million as compared to INR 258 million in Q4 FY17, growth of 25%. Losses for the quarter have significantly come down to INR 5 million.

To highlight few financial numbers of the company on consolidated basis, the company reported INR 10,760 million against INR 10,594 million in FY17, growth of close to 2%. On EBITDA level, the company reported growth of 20% at INR 981 million with margins of 9.12%. PAT reported was INR 398 million, growth of 38% with margins of 3.70%.

I will now briefly take you to what we feel has been happening in various segments of the company and to begin with, we will talk about the engineering segment. Recovery in this segment was witnessed post November 17 and continued in this quarter resulting in increase in sales and profitability. There has been encouraging order visibility in the capital goods industry. Revenue against Sri Lanka order has been recognized based on the work progress. The company has ventured into solid waste to energy business in India with the aim of providing cost efficient technology as relevant to India and geographies it serves as part of its larger vision of environment management. Apart from this venture, the company is eyeing water infrastructure projects coming through various government initiatives and schemes.

In the chemicals segment, there has been improved off take due to seasonality in certain products that has resulted in higher sales growth over the previous quarters. Margins have remained under pressure due to rising commodity prices. We have received the USFDA approval for our new capex in Ankleshwar plant and have started trial runs. We are expecting this to hugely impact our revenues and margins in the coming year.

In the consumer segment, higher turnover has resulted in improved overhead recovery and lower losses. The company plans to increase its reach further into the rural landscape of the country where most of the population still has limited access to safe drinking water. In the rural market, the company continued to expand its presence by introducing existing technology in new markets. It works closely with the various government and non-government organizations across the country to take care of the drinking water needs of the rural communities.

Aloney Jain: Now that the opening statements are done we can open the Conference Call for the question-and-answers although I would request all the participants to restrict their questions to the quarter performance and the future prospects of the company rather than the broad based understanding of different aspects about the company. We can now move on to the Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session.

We have the first question from the line of Dimple Kotak from SKS Capital. Please go ahead.

Dimple Kotak: Sir, I have couple of questions. One is that what would be your outlook on each of the segment? Have we bagged any orders in the engineering segment? How much have we booked this year from Sri Lanka project? And in regard to chemical segment, maybe because of the rise in crude prices the margins are suppressed but going ahead what is your view in that? When will we see a recovery both in the topline and in the margins? With respect to the Ankleshwar plant, what is the potential turnover and our tentative clients? Finally on your EPS, the number of shares given in your standalone and in your consolidated press release is different. And EPS calculations are totally different. So can you just help me understand that?

Nandkumar Ranadive: Coming to your first question regarding the Sri Lanka Invoicing. We have invoiced during the year INR 123 Crores for the Sri Lanka order.

Dimple Kotak: Okay, and what will be the run rate going ahead?

Nandkumar Ranadive: Currently we have finished close to 17% of the total order. And in next year we expect to invoice another 35% to 40%.

Dimple Kotak: Got it. And what has been the order book for engineering segment? Have we backed any orders?

Nandkumar Ranadive: For the Engineering segment, the total order book as of now is INR 550 Crores.

Dimple Kotak: That means we have not got any orders because that has been on the execution from INR 600 Crores down to INR. 550 Crores?

Nandkumar Ranadive: No. Orders received during the 4th quarter are close to INR 150 Crores. During the 2017-18 we have bagged orders close to INR 450 Crores to INR 470 Crores.

Dimple Kotak: The order book, I believe was INR 550 Crores in the starting of the year or INR 600 cores in the beginning of the year?

Nandkumar Ranadive: INR 550 Crores.

Dimple Kotak: So what is the order book in the engineering segment as on date?

Nandkumar Ranadive: Excluding Sri Lanka project, it is INR 550 Crores.

Dimple Kotak: Okay sir, and say in terms of your chemical segment what is the outlook over there? When can we see that growth trajectory coming in? And margins will be suppressed because of the oil price. So by when do we expect things to be better for us?

Management: We do not expect this current trend of lower margins and suppressed growth to continue for long. We believe that the growth and margins of the chemical segment will get normalised over a period of next two quarters that is Q1 and Q2 of the current year . The pharma resins setup in Ankleshwar should also start showing improved performance with some of the long approval processes come towards closure resulting in a gradual pick up of clients for that particular unit. We are also envisaging that we might need to incur further capex on that particular unit to cater to upcoming demand.

Dimple Kotak: What would be the kind of capex you would require and what is the potential turnover which you are targeting this year from this segment?

Nandkumar Ranadive: Capex for the entire year is around INR 50 Crores and that will be mainly in the chemicals segment.

Dimple Kotak: For FY19, what would be the capex requirement?

Nan**dkumar Ranadive:** FY18-19 total capex will be close to INR 50 Crores for the company and majority of it will be in the chemical segment.

Dimple Kotak: What will be the difference in the margins with current existing chemicals what you are getting and from this new plant since it would be going in the niche segment?

Management: It should be an incremental of around 2% to 3% or so.

Dimple Kotak: Lastly if you can just help me with EPS calculations?

Nan**dkumar Ranadive:** For the EPS calculations, when we consolidate the accounts, the shares held by the subsidiary companies are eliminated. This is the reason for the difference in calculations for working in the consolidated and standalone.

Dimple Kotak: What is the numbers of shares we will take in? 1.46 is the shares which we have; if I divide the number it is coming to 27 whereas the press release has reported 34?

Nan**dkumar Ranadive:** For arriving at net shareholding for standalone entity you remove 26,62,914 shares which are held by employee shareholding trusts from the total shares and for arriving at net shareholding for consolidated shareholding you further remove shares held by subsidiary companies totalling to 437,874 shares.

Moderator: Thank you. The next question is from Rahul Pawar from India Capital. Please go ahead.

Rahul Pawar: Can you please put a new press release with the clarification what the lady was telling about the EPS first of all? And secondly, we are listening to your call for few quarters why the story is not converting into the numbers? And where we can see what kind of attractions you are getting from the government side. So what is the overall take of the management on the economy and on your own industry?

Management: We have been witnessing a period of slight uncertainty during the last one year or so, which was brought about by the tax related legislations . The consequent hurdles for certain segments in the industry took a little bit of time to overcome. However, we have been reporting over the last quarter or so that we are seeing a bit of an uptick for our engineering side of business as well as for our chemical side of business. Hence, we do feel that in the coming quarters the economy in general will perform better than what it has over the last few quarters. Ion Exchange as well as water treatment and waste water treatment industry as a whole should benefit from the improving economic scenario. In short, you should see better performance in this year.

Rahul Pawar: And what kind of government tenders are opening up? What kind of news you are getting from the State Government or Central Government?

Management: We expect increased level of order inflow from the Government both at the Central and State level. And we will be participating in these opportunities selectively. Exact numbers are very difficult to predict at this point of time. We know that next year would be the election year and the flow of activities would also be affected by the time lines associated with the elections.

Moderator: Thank you. The next question is from Varun Ghia from Equitree Capital Advisors. Please go ahead.

Varun Ghia: My first question is that in the past one year, what is the amount of order you have bid for? And how much percentage of that you expect to receive in the next one year or so?

Nandkumar Ranadive: Our current order bidding pipeline is close to INR. 4,500 Crores.

Varun Ghia: So, in the past one year you have bided for this much in the engineering segment?

Nandkumar Ranadive: This is the current enquiry book.

Varun Ghia: Okay, and how much do you expect to receive?

Nandkumar Ranadive: Last year overall we have received orders close to INR 460 Crores. Current year we hope to do better than this.

Varun Ghia: And from this how much is the Government contract and remaining private?

Nandkumar Ranadive: , Government sector orders will be close to 30%.

Varun Ghia: Are you focusing more on the Government orders or the private side?

Nandkumar Ranadive: Both.

Moderator: Thank you. The next question is from Yash Agarwal from Crest Capital. Please go ahead.

Yash Agarwal: A clarification on the Sri Lankan order. You said that by the end of the year 35% to 40%, so you will execute incremental 35% to 40% or 35% to 40% of the total order by FY19 end?

Nandkumar Ranadive: Incremental 35% to 40%.

Yash Agarwal: So 40% of INR 1,300 Crores, that is about almost INR 450 Crores - INR 500 Crores you are expecting to execute?

Nandkumar Ranadive: Yes.

Yash Agarwal: Also I had a question on subsidiary. If I do a consolidated minus standalone calculation, the profitability has increased sharply. It is primarily led by reduced cost of goods sold. Because if you see the turnover has reduced from INR 84 Crores to INR 60 Crores so what has led to this and how sustainable is this?

Nandkumar Ranadive: During the current year, the Indian engineering subsidiaries have shown improvement. Though there is not much improvement in the turnover, the cost have come down and that has resulted in the reduction in the losses in the subsidiaries. We are hopeful this performance will be sustainable in the coming years also.

Yash Agarwal: How much have you totally invested in Ankleshwar plant?

Nandkumar Ranadive: Ankleshwar plant is an old plant. It is not a new plant.

Yash Agarwal: But this FY18 have you invested anything because you got the USFDA approval you were saying and it will help improve the revenues and margins?

Na**ndkumar Ranadive:** During the year, we have invested INR 15 Crores in the Ankleshwar plant.

Yash Agarwal: And sir, you mentioned that this year you expect a higher order inflow from INR 460 Crores. How much higher would that be about INR 700 Crores to INR 800 Crores, is that a right number to go with? What is the order inflow target for this whole year?

Management: It would be a difficult to give you an exact guidance on it. But yes it should be significantly higher than that last year number of INR 450 Crores.

Moderator: Thank you. The next question is from Kunal Bhatia from Dalal & Broacha. Please go ahead.

Kunal Bhatia: Sir, just wanted to know in terms of the Sri Lanka order I missed out on the total order executed till date would be how much?

Nandkumar Ranadive: INR 199 Crores including last year's.

Kunal Bhatia: Also a clarification on the net diluted equity. What number is the one which we should work with?

Nandkumar Ranadive: There is no ESOP'S. So basic and diluted it is same.

Kunal Bhatia: No, I am asking after removing the cross holdings and everything what is the net equity or the number of shares that we should work with because there is confusion on that front?

Nandkumar Ranadive: The number of shares to be considered for standalone is 12,003,745 and for the consolidated basis it is 11,565,871..

Kunal Bhatia: In terms of the Ankleshwar unit, if you could just give a brief on the INR 15 Crores invested in the current year, what kind of asset turns it can throw and also the next year? We have mentioned about a INR 50 Crores expansion that some bit of it would be going for the Ankleshwar plant again, so how much of that INR 50 Crores will be going towards Ankleshwar and what kind of asset turnover are we expecting?

Management: You should be looking at minimum one to one-and-a-half times of asset turnover happening in this year whereas in coming years it should improve on to more than 2 times to 2.5 times.

Kunal Bhatia: 1.5x on INR 15 Crores?

Management: That is right, INR 15 Crores.

Kunal Bhatia: Next year how much are we investing in Ankleshwar plant?

Nandkumar Ranadive: Close to INR 20 Crores.

Kunal Bhatia: INR 20 Crores in FY19.

Moderator: Thank you. The next question is from Pranav Tendulkar from Rare Enterprises. Please go ahead.

Pranav Tendulkar: Sir, I just have some questions about each of the verticals. So engineering vertical you said that the segment order book has actually improved. So what are the underlying factors that are driving the uptick in the orders?

Management: We have been seeing an improvement in the economy as a whole which has led to an improved number of projects going through and ION Exchange typically gains from such an improvement in capital expenditure in the economy as a whole; that has been one of the drivers. Two, there are lot of the projects which had got stuck or were facing hurdles because of the changed regulatory environment especially on the taxation front. They started to move and that also gave an improved flow of fresh orders; as also we once again started execution of the orders which we had already received but were on hold pending clarity on taxation issues. Apart from these couple of reasons which directly impacted the engineering business on the domestic front, improvements have also been witnessed on the international front. So, all three together are driving the uptick in orders.

Pranav Tendulkar: Sir, any vertical wise like engineering what are the main industries that drive this order book segment like can you just mention the top two, three? Is it sugar or is it chemical what is it exactly?

Management: The largest industrial consumers for the water treatment industry on the capital expenditure side are the core sector industries like power or steel or large petrochemical facilities. These are the ones which tend to give the largest sizes of orders. And you will see a direct correlation between an improvement with respect to capital expenditure in these sectors and the orders inflow for the water treatment industry.

Pranav Tendulkar: Sir, also I missed the number that you mentioned that INR 199 Crores of the Sri Lankan order is been executed till now but what is the amount that has been executed in this year?

Nandkumar Ranadive: INR 123 Crores.

Pranav Tendulkar: And next year you are saying that it is almost INR 390 Crores that you will execute out of INR 1,300 Crores 30%, is that right?

Nandkumar Ranadive: 35% to 40% so it could be ranging from INR 400 Crores to INR 475 Crores.

Pranav Tendulkar: Sir, in consumer what is your plan to make this vertical big like it is there for some time but sadly it is not scaling up the way we visualized it?

Management: We continue to focus on the strategy of looking at segments which are not heavily mass advertising oriented but at other segments of the market where the competition is less intense and it is far more technology driven. We feel that our product range offers a good value proposition in these segments**.** We are looking at a strategy which is less intensive on upfront marketing expenditure which tends to be a drain on the company as a whole at least during the initial couple of years or such expenditure.

And this strategy seems to be paying off. In the current year we have seen improvements happening across various sub verticals of the consumer division. We are sure that you should be able to see further rewards of it in the next couple of years.

Pranav Tendulkar: So typical consumer here is the local governing body like civic bodies?

Management: When we are talking about consumer segment most of the time we are talking about individuals or we are talking about community of individuals so it could be an institution or a building complex or a commercial complex or rural community. So it is often not to do with the Government .

Moderator: Thank you. We take the next question from Harsh Shah from Dimensional Securities. Please go ahead.

Harsh Shah: Sir, wanted to know in your chemicals division can you give us the details of capacity utilization for both your pharma resin plant as well as the normal water treatment resins?

Nandkumar Ranadive: Resin plant the capacity utilization is close to 90% and the chemical plant the capacity utilization is around 65%.

Harsh Shah: 90% for the pharma resins?

Nandkumar Ranadive: Resin plant as a whole.

Harsh Shah: And around 65% for water treatment chemicals.

Nandkumar Ranadive: Yes.

Harsh Shah: Another question pertaining to chemical division is on quarterly basis if I see the margins fluctuations are too high in the chemicals division. So what is the reason behind it?

Nandkumar Ranadive: Seasonality is one factor and moreover in the first two quarters an abnormal change in product mix led to deviations from normal margins.

Harsh Shah: So this is a continuing factor say it will always be the same in first two quarters the product mix will always be unfavorable?

Nandkumar Ranadive: More or less, yes. Seasonal variations cannot be avoided.

Moderator: Thank you. The next question is from Santosh Y from IndiaNivesh. Please go ahead.

Santosh Y: Sir, I have three questions. First question pertaining to the engineering segment. If we are guiding for a 35% to 40% execution it would be done by year end and if it is a three year contract what initiatives we are doing that remaining 60% would get executed in the third year? That is the first question. Second question- what were the initiatives being taken by the company that led to around 15 days decline in the receivables both at the standalone level and at the consolidation level? This is noteworthy because despite flattish sales we have seen a decline in the consolidated receivables and I also want to understand what led to margin improvement in the subsidiaries level? I know the question has been asked but what initiatives or what will be the drivers that led to such improvement?

Nandkumar Ranadive: Coming to your first question, the Sri Lankan order execution we have already executed 17% till now and another 35% to 40% will be executed in the second year and the balance 40% to 45% will be executed in the third year. From the subsidiaries we have already explained we have improved the cost of sales and that will be sustained in the coming years also. And large engineering jobs which were there in some of the subsidiary companies have been executed and that is one of the reason for reduction in the losses in those subsidiaries.

Santosh Y: And sir, reason for fall in this receivables both in the standalone and at the consolidated levels? In terms of days I am asking, sir.

Nandkumar Ranadive: We will come back to you on this question.

Santosh Y: Sir, one last question if I may add just pertaining to the subsidiaries part please?

Nandkumar Ranadive: Yes.

Santosh Y: Sir, given that now this large legacy contracts have been completed now what kind of orders we see for these subsidiaries? Would we see a de-growth kind of scenario in these subsidiaries or what is the pipeline looking like? Just add some color please.

Nandkumar Ranadive: No, we are not looking at de-growth kind of scenario in the subsidiaries. But we are definitely more cautious in taking the orders in the subsidiaries particularly foreign subsidiaries.

Santosh Y: So if any order book sitting at the subsidiaries level? I know we do not have practice but any color on that part?

Nandkumar Ranadive: Order book which you have mentioned is sitting in the parent company only.

Santosh Y: I am just trying to get a color of what is the order book sitting at the subsidiaries? If I have to model into my revenues from the subsidiaries how should I model it?

Nandkumar Ranadive: It could be in the range of INR 75 Crores to INR 100 Crores.

Santosh Y: And most of the orders you have won or they are likely to be are related to this? Yeah, it has not moved to the number I am just trying to get a color and feel of which segments or which geographies or what is that you are doing that that will gives the comfort that we are going to see such kind of revenue per se?

Nandkumar Ranadive: No, the revenue is definitely going to improve in the subsidiary companies in the years to come.

Moderator: Thank you. The next question is from Yash Agarwal from Crest Capital. Please go ahead.

Yash Agarwal: Sir, I just wanted to ask when is the final date for the Sri Lankan order? By when does it have to get completely executed?

Nandkumar Ranadive: By May 2020.

Moderator: Thank you. The next question is from Varun Ghia from Equitree Capital Advisors. Please go ahead.

Varun Ghia: Sir, in the subsidiaries there are still losses of around INR 9 Crores so wanted to know what does these losses pertain to and when do you see that coming down?

Nandkumar Ranadive: Currently the losses continue to be in the two major companies, one is ION Exchange Enviro Farms Limited and the other one is Global Composites Limited. We hope to turnaround in the Global Composites Limited in the course of the next few quarters. Regarding Enviro Farms, the matter is before SAT. We expect it to be over during the current year and then we will be in a position to take corrective actions. .

Varun Ghia: But what are these losses like pertaining to?

Nandkumar Ranadive: Losses are mainly pertaining to the interest on the loans which they have taken. There are no operational losses as such.

Varun Ghia: And one more question. Do you see any international orders being received in the coming years?

Nandkumar Ranadive: Our enquiry book includes those and we are hopeful of receiving those orders.

Varun Ghia: Wanted to know the value of those international project bids?

Management: It is close to 50% of the total value in the pipeline. That should be roughly in the range of around INR 2,000 Crores.

Moderator: Thank you. The next we have a follow up question from the line of Dimple Kotak from SKS Capital. Please go ahead.

Dimple Kotak: Sir, since you said that you will see again a revival in chemicals segment but chemical segment in the past have been doing well growing in high double digits. So that level of growth when will it come and would the margins be still under pressure because of high crude prices?

Management: Crude prices will continue to exert pressure on the margins as long as the upward volatility in the crude prices continues. We are trying to take all possible steps to ensure that it the impact on our margin is limited and we are able to hold the margins close to normal levels.

Dimple Kotak: Sir, if you can just highlight few steps you are taking because is it a pass through for us?

Management: Yes, We are trying to ensure that we are able to pass through some of these costs. But it is a function of time. It takes little bit of time for these cost impacts to go through to customers. So as long as the volatility in the crude prices continues the margins do tend to come under pressure. We do not expect that to continue for too long and they should be in a position to normalize in the space of next two to three months.

Moderator: Thank you. The next question is from Devang Mehta from Bay Capital. Please go ahead.

Devang Mehta: Just wanted to understand what part of the revenues are coming from in the chemicals segment out of roughly INR 350 Crores what part is resin and what part is water treatment chemicals?

Nandkumar Ranadive: **Aprox.** 50:50.

Devang Mehta: And are we directly competing with the water treatment chemicals like BASF? So, are our products similar or competing products to be BASF?

Management: BASF has a large range of chemicals but it is not very often in competition with us. However, there will be some specific chemicals or specific segments where it could come in competition with us, generally not.

Devang Mehta: And does our input in the water treatment chemicals include ATBS monomer?

Management: ATBS would be there but , that is not a very significant raw material.

Moderator: Thank you. The next question is from Sabyasachi M from IndiaNivesh Securities. Please go ahead.

Sabyasachi M: The engineering segment margins improved a lot if I compare with the last year same quarter. Is it fair to assume that it has improved on account of Sri Lankan order executions in this quarter?

Nandkumar Ranadive: To some extent but not entirely because of that.

Sabyasachi M: So the margin improvement can be attributed to high margin domestic orders as well?

Nandkumar Ranadive: Yes.

Sabyasachi M: And may I know from which sectors which are these orders in the domestic front?

Nandkumar Ranadive: Medium segments.

Sabyasachi M: Any specific industry?

Management: We cannot throw lot of color on this Sabyasachi, I am sorry. But yes, it is quite broad in terms of the industries from which we are getting slightly better margin orders. AAlso, one part of it is to do with the margins at which we are getting orders and the second part is to do with better operating efficiencies .

Sabyasachi M: Second question would be any update on the sewage treatment plant the tenders are floating somewhere in February-March by the Municipal Corporation of Greater Mumbai? I assume that we have participated if not all but in some projects of that, any update on that?

Management: Sabyasachi I cannot answer this on the call.

Sabyasachi M: So we have also started to venture into solid waste to energy I believe so any update if you can throw?

Management: We had ventured into this business segment some time back and there is a recent innovation which we have worked upon which is giving us very good results. We are working with few industries as well as Municipalities with this new technology and we do expect that the rewards of those should be visible in the coming year.

Sabyasachi M: Any orders you expect in this year?

Management: Yes, we do expect some orders in this year, Sabyasachi.

Moderator: Thank you. The next question is from Kunal Bhatia from Dalal & Broacha. Please go ahead.

Kunal Bhatia: Most of my questions have been answered. Just with regards to the number of shares which you gave of 1.2 Crores on the standalone sir, how do we reconcile that with the given figure in the press release or even in the annual report because the annual report also mentions about 1.45 Crores shares?

Nandkumar Ranadive: Total shares are 14,666,659. On standalone basis to be considered is 12,003,745, it is because of shares held by employee trust fund. Please refer to note number 5 of the standalone results and for the consolidation you have to consider 11,565,871 shares because of the cross holdings by the subsidiary companies.

Kunal Bhatia: Sir, I understood that but in your press release had just mentioned held by the Trust so the remaining shares are just held by the Trust or is it what we have to take? Meaning if you could just reconcile the number?

Management: Kunal, as Nandkumar Ranadive had just mentioned, if you deduct the Trust shares from the total number of shares, that gives you the reconciliation with respect to the standalone figures for calculation of EPS. For consolidated numbers there are some other subsidiaries which have crossholdings those also get knocked off. And that is the reason why there is a difference between the standalone figures and the consolidated figures for EPS calculation.

Moderator: Thank you very much. That was the last question in queue. I would now like to hand the conference over to Mr. N. M. Ranadive from ION Exchange for closing comments.

Nandkumar Ranadive: Thank you all for participating in this earnings Conference Call. 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 will be happy to be of assistance. We are very thankful to all our investors who stood by us and have also in confidence in the company’s growth plan and focus. And with this I wish everyone a great evening. Thank you.

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