ION EXCHANGE
Refreshing the Planet

June 13, 2019

To,
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, 2019, 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 31, 2019 was to discuss the financial performance of the Company for the year ended March 31, 2019. 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
Q4 & FY19 Earnings Conference Call
31st May, 2019

Moderator: Ladies and gentlemen, good day and welcome to the Ion Exchange (India) Limited Q4 and FY19 earnings conference call.

I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you sir.

Anuj Sonpal: Good afternoon everyone 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 fourth quarter and financial year ended 2019.

Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today's earnings con-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 on the management's beliefs 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 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 like to introduce you to the management participating in today's earnings conference call. 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. N.M. Ranadive to give his opening remarks. Thank you and over to you sir.

Vasant Naik: Good afternoon everybody. It is a pleasure to welcome you to the earnings con-call for the fourth quarter and the financial year ended 2018-19. I will now take you through the quarterly performance of our company on a standalone basis. The total income for the quarter was approximately INR 4229 million with EBITDA of approximately INR 552 million. The EBITDA margin was approximately 13.05% which has grown by 32 basis points year-on-year. The net profit after tax reported is approximately INR 308 million and the PAT margin is approximately 7.28%, a growth of 22 basis points year-on-year.

I will now take you through the segmental performance of the standalone entity for the quarter. In the engineering division, the turnover was approximately INR 2850 million as against approximately INR 2102 million for the corresponding period last year, a growth of 36%. The EBIT was INR 230 million as against last year INR 180 million, a growth of 28%. In the chemical segment, the revenue recorded was approximately INR 1134 million as against INR 952 million year on year, a growth of approximately 19% over the same period last year. The reported EBITDA for Q4 of financial year 2019 was INR 215 million as compared to INR 192 million in Q4 of 2017-18, a growth of close to 12%.

In the consumer products division, the turnover this quarter reported is INR 325 million as compared to INR 323 million in Q4 of 2017-18. The losses for the quarter has stood at INR 8 million.

To highlight a few financials of the company on the consolidated basis for the full year, the company reported INR 11,956 million as against INR 10,760 million in financial year 2017-18, a growth of 11%. On EBITDA level, the company reported a growth of 43% at INR 1399 million with margins of 11.7% and a growth of 258 basis points in the margins. The PAT reported was INR 659 million, a growth of 65% with margins of 5.51% and a growth of 181 basis points in the margins on a year-on-year basis.

I will now briefly take you through what we feel has been happening in the various segments of the company and beginning with the engineering segment, the good order flow which we witnessed during the current year has resulted in increase in the sales and profitability. Based on the enquiry bank, we expect good order visibility in the coming year also. During the Q4 of 2018-19, Sri Lanka order witnessed accelerated execution and we are confident of maintaining that tempo in the coming year. Revenue recognition in the contract is based on the work progress. The membrane sheets produced from our Goa factory have been well accepted in the market. In the chemical segment, the growth in demand for certain of our product segments has resulted in increased volume and improved profitability.

The company initiated capacity expansion in the chemical segment during the year, and this will be continued in the coming year also. This has helped us to achieve growth in sales and profitability. For the group companies, the overall improvement in their performance has helped the company post better profits for the year 2018-19.

Anuj Sonpal: Now that the opening statements are done, we can open the con-call for Q&A session, although I would request all the participants to restrict their questions to the quarter performance and the future prospects of the company rather than broad-based understanding of different aspects of the company.

Moderator: Ladies and gentlemen, we will now begin the question & answer session. We have our first question from the line of Sunil Kothari from Unique Investment. Please go ahead.

Sunil Kothari: Congratulations for good performance. Sir, I have 2-3 questions. One is if you can share with us order book position, engineering division. Compared to last year, why it is closing much and what is the order book position and any major new project enquiry or order enquiry?

N.M. Ranadive: Order book of engineering division as on March 2019 is 860 crores as against 550 crores of the last year and this does not include Sri Lanka order.

Sunil Kothari: How much is pending while Sri Lanka to be executed?

N.M. Ranadive: Close to 900 crores.

Sunil Kothari: How much we completed during this 2018-19?

N.M. Ranadive: In 2018-19, we completed 144 crores.

Sunil Kothari: And this will take another 2 years to be completed, current and next year, I think.

N.M. Ranadive: Current year and part of the next year.

Sunil Kothari: Sir, any specific reason for better profitability and higher revenue? Higher revenue you explained well that Sri Lankan project execution was the major reason. Why is the better profitability in chemical segment, particularly in quarter 4 and how you see onwards scope for growth and sustainable profitability?

Vasant Naik: Regarding the Q4 performance of the chemical segment, our exports in the chemical segment have shown a considerable increase in this quarter and for the year also. There is sustained demand and growth in the domestic segment also. As we mentioned, we have increased the capacity during the year in the chemical segment and those capacities are gradually coming onstream, we are now witnessing the benefits in turnover and margins.

Sunil Kothari: Normally, the chemical segment is witnessing a really good demand from global consumers, China one of the reasons. So, what type of CAPEX we have done, how much CAPEX and capacity expansion we are planning? What type of volume growth last year we have done in chemicals and how you see that segment over a period of next 2-3 years?

Vasant Naik: In terms of the CAPEX for the year, we have done close to around 31 crores at company level. Most of the CAPEX is in the chemical segment. And going forward, we expect to continue with the modular expansion which we have been doing in this segment. So, next year, the total CAPEX we are estimating close to around 50 crores. We expect that we will be able to maintain or exceed the current growth which we are witnessing in the chemical segment, also.

Sunil Kothari: Sir, what type of volume growth we have done during 2018-19 in chemical segment?

Vasant Naik: We are dealing with innumerable products. So, it is not really possible for us to give a specific volume growth.

Sunil Kothari: What I am trying to judge is whether there is really a volume growth or only because of China actions, everybody is getting benefits of price only.

Vasant Naik: There is a considerable volume growth also, because as I mentioned, there has been a capacity increase.

Moderator: We have the next question from the line of Sunil Kothari from Unique Investment. Please go ahead.

Sunil Kothari: Sir, water seems to be a big opportunity. We have seen at exhibitions and all and we hear a lot about wastewater treatment and the treated water opportunity seems to be very big. So, how we are preparing ourselves for this segment and any major enquiry for any project like Sri Lanka. Something in detail your view on this segment over the next 3-5 years, how you see this?

Aankur Patni: Mr. Kothari, the space in which we operate is predominantly water and waste water treatment. This is a segment where in India, we are one of the major players. The opportunity in this segment looks very interesting and exciting, but it has been so for the last more than 4 years as we expected initiatives of the government and overall economic growth to result in a lot of business for us. Unfortunately, that had not fructified as much as we had expected, but we continue to be very hopeful that the overall improved scenario will result in good business for the company in the coming years. There are quite a few new developments which have taken place very recently also and all of these augur well for a more greener India which is more compliant with environmental-friendly practices. This will directly result in benefits for your company. So, overall, the opportunity in India certainly looks interesting and very exciting. Even internationally, we continue to gather pace. We are getting improved of traction in the key geographies where we are focusing and I am sure that over time, we will be able to multiply the opportunities like the Sri Lanka project , not just one but I am quite hopeful that very soon, we will be having multiple of these in our kitty. Besides the engineering type of orders, we are seeing good pick up and demand for our chemical side of the business, which is resulting in both volume and margin expansions. The future prospects of this particular business also look good. I hope that answers all your questions.

Sunil Kothari: Thanks a lot sir. It is a very detailed and very encouraging statement. Why I asked was basically because of our past experience, every time we anticipate change in water-related industry and opportunity in India but nothing was happening. So, if there is opportunity, will we be ready or not? That is what I wanted to understand.

Moderator: We have the next question from the line of Animesh Yadav from Samco Capital. Please go ahead.

Animesh Yadav: Congratulations on the good set of numbers. Two questions precisely. First, I could not listen when you were sharing about the Sri Lankan project realization. Could you repeat the same about how much we have accomplished in the Sri Lankan project until now?

N.M. Ranadive: Sri Lankan project for the current quarter, we have done the invoicing of Rs. 98 crores and for the complete year, we have done the invoicing of Rs.145 crores. Till now, cumulatively we have done the invoicing of Rs. 344 crores and balance invoicing left is Rs. 900 crores approximately.

Animesh Yadav: The next question is regarding the CAPEX plan. You said overall like 50 crores is something which you are planning for this financial year. Out of that, how much would be for chemicals?

N.M. Ranadive: Largely chemical but some portion will be for engineering also.

Animesh Yadav: How do you see in terms of the order pipeline? When we had the last call in the last quarter, if I am not wrong, you shared about like we have 5000 crores of order in the pipeline. Any new projects coming up?

N.M. Ranadive: Currently, bid pipeline is close to Rs. 6000 crores.

Animesh Yadav: And the current order book for engineering is about 850 crores?

N.M. Ranadive: Rs. 860 crores.

Moderator: We have the next question from the line of Mitessh Thakkar, individual investor. Please go ahead.

Mitessh Thakkar: It is basically on the cash on books. Can you just confirm how much is the cash we have on our books and more importantly what plans do we have in terms of utilizing that cash?

Vasant Naik: The total cash and bank balance as of the March end is around Rs. 239 crores and predominantly, the large part of the cash is on account of the Sri Lanka order. So, that will be utilized in the course of the execution of the order.

Moderator: We have the next question from the line of Paras Adenwala from Capital Portfolio Advisors. Please go ahead.

Paras Adenwala: I just wanted to check on your confidence in the future. You mentioned that things are looking up, but would you say that as compared to about say 2-1/2 years ago or 3 years ago, the business landscape as it seems today will help you in augmenting the growth rates as compared to what you have seen in the past?

Aankur Patni: Yes, we should see growth in all the 3 segments. We shared with you our views on the upcoming opportunities in India and also the progress that we have made in the international market. I am confident that we will be able to deliver much better numbers. I think we are looking at forming a new base for growth in the coming year with the help of our current order book as well as the expansions which we have undertaken. I am confident that we will be giving you a growth in the coming year of well over 50%.

Paras Adenwala: In terms of the profitability from the consumer business, do we see the margins improving or the current status would continue?

Aankur Patni: We should see an improvement in margin going forward. The trend has been shown in the last 5 to 6 months where the modified product mix which in that particular segment has given us good results. With certain other changes in policies, I am very sure this traction which we are witnessing will continue and we should see improved performance coming out of the consumer segment also.

Paras Adenwala: Finally, in terms of your mix of business from domestic and international, what is it today and how do you see that panning out over the next 3 years?

Vasant Naik: Our international business contributes approximately 30% of the total turnover.

Paras Adenwala: And do you see that mix changing over the next 3 years?

Vasant Naik: We do expect that the international business will continue to have a larger share of the total turnover in the coming years.

Paras Adenwala: In terms of profitability, is international more profitable than local or it is the same kind of margins?

Vasant Naik: Traditionally, the international businesses do give us slightly better margins than the domestic.

Paras Adenwala: Good to see your confidence. Thank you so much and all the best.

Moderator: We have the next question from the line of Sunil Kothari from Unique Investment. Please go ahead.

Sunil Kothari: Sir, one thing I am wondering is we have generally good cash flow, there is no major CAPEX, and we have very good earning, but our dividend distribution is very poor. On Rs. 55 earning, we are distributing just Rs. 4.5. What is the logic and rationale and do you feel any change will happen because we are already holding cash and we have no major CAPEX? Any detailed thoughts on dividend issue?

N.M. Ranadive: Cash which we are holding is from the customers and that is for the purpose of executing the jobs in future and we have improved the dividend compared to the last year from 35% to 45%.

Sunil Kothari: Dividend I understand from 35% to 45% is definitely an increase, but one should look at constant earning and it is less than 10% of the earning and we don’t have any major capital intensive plan like 200, 300, or 500 crores or any CAPEX or something. So, what is the reason of this conservatism? That is what I am asking?

N.M. Ranadive: The reason of the conservatism is traditionally the EPC business requires cash and we don’t want to have a situation when we are surprised with the lower cash on hand. That is the reason we are always conservative

Sunil Kothari: And this policy will remain?

N.M. Ranadive: Decisions are taken by the board from time to time depending upon the situations.

Sunil Kothari: So, there is no dividend distribution policy, some percentage or some part of the income?

Aankur Patni: As such, Mr. Kothari, you would have heard from the previous questions that the company does plan to undertake significant amount of capital expenditure in the current year as was indicated by Vasant. Further, as I had indicated to the previous questioner, the company hopes to create a new base for future growth and expect to post a growth of more than 50% in the coming year. So, with that, requirement of cash for this growth becomes more and we don’t feel that we should be compromising on this growth capital going forward and hence the need to retain a little bit of cash as a buffer.

Sunil Kothari: But one thing just I wanted to clarify. You are saying 50% to 60% growth?

Aankur Patni: That’s right. I said well over 50% revenue growth in the coming year 2019-20.

Sunil Kothari: We already done 80 crore cash generation and before working capital change, PAT plus depreciation and we are investing just 50 crores. That is why I am trying to understand that even current year cash flow is big enough for investment in this 50-

crore investment. So, do we have any further major CAPEX plan for not in the current year, maybe next year?

Aankur Patni: As explained to you Mr. Kothari the requirement is not just towards CAPEX. Cash requirement would come from the increased dividend distribution also there is significant requirement of cash for increased scope and scale of operation. We feel that the shareholder value growth which will happen as a result of the impending growth will be far greater and hence it is in the best interest of all stakeholders that we be a little bit conservative in terms of distributing the cash available.

Moderator: We have the next question from the line of Varun Ghia from Equitree Capital. Please go ahead.

Varun Ghia: Sir, you have guided for 50% to 60% revenue growth. You have some Vedanta orders of around 500 crores. Entire order will be executed this year?

Vasant Naik: The Vedanta order is not 500 crores. It is around just under 400 crores.

Varun Ghia: So, that along with Sri Lankan order would contribute majorly to the revenues, right?

Vasant Naik: That's right, and the Vedanta order is over a 2-year period. But what you are saying is right. These 2 major projects will contribute to considerable chunk of the total revenue growth.

Varun Ghia: Your bidded order is around 6000 crores. It has increased from 4000, but we haven't seen any orders being adding to the engineering segment. It was 500 since the past 2 years and now it is 800.

N.M. Ranadive: During the current year, we have order inflow of 806 crores and last year order inflow was 452 cores, i.e., in 2017-18.

Varun Ghia: And what is the execution timeline?

N.M. Ranadive: Execution time is approximately 18 to 24 months.

Varun Ghia: In the consolidated numbers, the other income has gone up by around 12 crores. What is this other income of 33 crores total?

Vasant Naik: It is largely the interest income.

Varun Ghia: So, next year, it should come down, right? Because we are going to use the cash for our Sri Lankan order.

Vasant Naik: We will see how it goes.

Varun Ghia: Your subsidiary losses have come down. What has changed and how much is the current loss and when will it get positive?

N.M. Ranadive: Subsidiaries operating in the chemical field have shown improvement and most of the chemical subsidiaries have made profits and the losses in the engineering companies have come down substantially. As informed to you earlier, in a couple of years, most of the companies will be breaking even.

Varun Ghia: How much will be the current loss in the subsidiaries this year?

N.M. Ranadive: We have multiple companies. It is not one company. So, each Company will have its own set of financial numbers. However, overall impact of consolidation is positive.

Moderator: We have the next question from the line of Amit Jain, a retail investor. Please go ahead.

Amit Jain: Many congratulations to the entire team for an outstanding all round performance. I wish to know about the waste-to-energy business of the company. What is the order book there?

Aankur Patni: The waste-to-energy business is not yet a high volume business in India. The company has set up first plant of its kind to demonstrate the methodology .The Initial order book is expected to be around Rs. 25 Crores.

Amit Jain: This Hyderabad project was a CSR initiative or it was a regular business?

Aankur Patni: The Hyderabad project was not a CSR initiative, it is a regular business as explained before.

Amit Jain: Another thing I wanted to know is ion-exchange resin is for extraction of lithium and nickel from water to make batteries for electric vehicles. Is our company present in that, a particular chemistry?

Aankur Patni: Our resins can certainly be used for that chemistry and we are trying to make sure that our presence in the electric vehicle market is all-round, not just for this particular application but for other applications also.

Amit Jain: Another thing I wanted to know is what are the pre-qualification criteria for bidding for large projects and does the company find challenging to bid for large projects?

Aankur Patni: The pre-qualification criteria tend to be multiple and it varies from project to project. Wherever we don't meet all the PQ criteria for a particular project, then we actively look out for some form of joint venture or partnerships and make sure that we don't lose out on opportunities which we are keen to pursue.

Moderator: We have the next question from the line of Animesh Yadav from Samco Capital. Please go ahead.

Animesh Yadav: I would like to ask about the margins. If I see the segmented margins for this quarter as well as annually from last year, it has like softened. Any comments about that?

Vasant Naik: Which specific segment are you discussing?

Animesh Yadav: Chemicals.

Vasant Naik: Chemicals if you see, in the initial quarters of this year, there was a spike in the crude prices and that is why our input cost had gone up significantly and while we had taken measures to pass on the input cost to our end customers, there is always a time lag in the passing of such costs. So, that is why in the first 2 quarters, there was some contraction in the margin percentage, but as we have moved on sequentially in the quarters and even in this quarter, the margin profile has now improved, but on a year-on-year basis, yes, there is around 1% contraction in the margin percentage.

Animesh Yadav: What do we expect in the future, like is it going to improve?

Vasant Naik: We do expect, as I mentioned, the top line to match or exceed the growth which we have witnessed in the current year and we are hopeful of at least maintaining the margin percentage.

Moderator: We have the next question from the line of Faisal Hawa from H.G. Hawa & Company. Please go ahead.

Faisal Hawa: My question is what is the strategy of the company going forward regarding this Namami Ganga project. Secondly, is there any program to really beef up the business of this consumer products because it is now at a very miniscule level of revenue for us. Third question is what is our strategy with regard to the entire Railway Neer project and are we expanding in that or are we getting some more contracts?

Aankur Patni: In terms of Namami Gange, we have shared on multiple calls that we were eagerly looking forward to the contours of that particular opportunity and we were inclined to participate in specific geographies and opportunities where we felt that we would be able to do justice without compromising on the financials of the company. However, the expected opportunities from Namami Gange have not fully materialsed. Therefore, less than 50% of the expected funds have actually been deployed in this scheme. So, we are still waiting for this opportunity to fully play out and we will participate in opportunities which fit our selection criteria. I am sure that in the coming 3-4 years, we will certainly be doing at least a few projects out of this scheme.

Second, you asked about consumer products. We continue to look at that space without trying to burn upfront cash and, therefore, we are not really concentrating on product lines requiring big budget marketing or advertising spends. The product mix has changed and that has yielded some good results for us. We are very hopeful that following this strategy in the coming periods, we will be able to speed up the growth from this segment. Under the consumer products segment, we are not just talking about the home RO or inside the home kind of products, we are also looking at products which go into slightly larger community usage. We are getting significant traction in that space and we are able to contribute to the overall quality of the solutions which are provided and our technological abilities become key differentiators.

As far as RailNeer is concerned, we continue to participate in those projects and we are currently running a few of the plants of Railways.

Moderator: We have the next question from the line of Sunil Kothari from Unique Investment. Please go ahead.

Sunil Kothari: Sir, this year we have done roughly stripping inter-segmental revenue of around 1100 crores standalone and we want to grow 50% to 60%. I am wondering consumer products division is not growing. Chemical has limited scope, maybe 15% to 20%. So, remaining growth will come from this project execution of Sri Lankan order? And related to that question is, after the execution of this major order of Sri Lanka, how we are preparing ourselves for future to maintain this engineering division segment's revenue and growth? Are we preparing for any further new orders or we are expecting something? So, a little bit clarity, because this 50% to 60% growth we have never done. That is why again I am repeating.

Aankur Patni: You are right. This kind of growth we have not seen in the past and that is why I said we are changing the paradigm for the company and establishing a new base for future growth. We certainly are looking for many new larger orders to come into the fold of the company. As we have shared with you the enquiry pipeline looks very promising, and we should be in a position to give you much better order book numbers in the quarters to come. That would establish the growth trajectory of the company with this new base for the coming years. The growth is certainly coming in large chunks out of the engineering business but it is also being contributed to by the chemical segment and it will be also contributed to some extent by the consumer segment in the coming year. Chemical business is being supported with, as I said, improved performance in the domestic as well as the international market but it is also going to get a fillip because of the capacity expansions. So, it is going to be overall growth for the company and if you have noted from our past financials, growth in chemical segment generally tends to augur very well for the profit growth. So, even if the chemical segment does not give us the same quantum of revenue jump as from the engineering segment, even this relatively lower quantum augurs well. So, I am confident that not only we will be doing well in the coming years but we should also be able to sustain that higher level of performance in the coming years.

Moderator: We have the next question from the line of Animesh Yadav from Samco Capital. Please go ahead.

Animesh Yadav: If I am not wrong, this approximately 19% of growth rate in chemical segment, it is will be around it for this financial year?

Vasant Naik: Yeah, hopeful of maintaining or exceeding the current growth percentage what we have witnessed in 2018-19.

Animesh Yadav: In terms of engineering, what growth rate you are expecting? I missed to listen that.

Aankur Patni: As was shared by Vasant earlier, we are looking at, at least a couple of the large orders getting executed during the current financial year and they will be contributing a fair chunk of the growth which we expect during this coming year which will be augmented by the growth which we will get out of the chemical segment

Animesh Yadav: My next question is regarding the capacity utilization of Goa membrane sheet plant. What is our current capacity utilization?

Vasant Naik: Currently, it is around 55%.

Moderator: We have the next question from the line of Jignesh Shah from JSK Securities. Please go ahead.

Jignesh Shah: Sir, I have got 2 questions. Can you specifically let us know how much was the fresh order intake in quarter 4 and also specifically quarter 3?

N.M. Ranadive: Quarter 3 was 111 crores and quarter 4 was 75 crores.

Jignesh Shah: Second question is especially in the chemical segment, while I think the previous year while we have seen a lot of crackdown in the Chinese companies because of which generally there has been a lot of boom which has generally come in for lot of chemical companies within India. While you did mention that you had a rise in input cost because of which and there was a lag in kind of you passing on the cost to the end customer. Just want to understand your end customer base regards to the chemical segment and how much is in terms of the volume rise and the price rise ultimately with regards to the revenue?

Aankur Patni: The customer base for the chemical segment is both domestic and international. It is a very varied group of customers which is from the small and medium scale industries as well as the very large industries. Likewise, in the international market wherein it would also go into the distribution and municipal segment through them. So, the base for the chemical segment is pretty large. As you rightly stated, the previous year during the first half, we had encountered a significant increase in the input cost that took a little time to pass on to the customers. But having done that, both in the Indian and international market, we feel the expansion in the market, has not happened just because of the absence of Chinese companies, although it has certainly helped our cause. Further, while the Chinese situation has been bit of a boon for the profit margin increase, we have not waited on those profit margins.

We are continuously improving our efficiencies and should maintain these margins even when some of the Chinese capacities come back on stream. Further, Chinese companies are certainly going to have a more difficult time in the international market because the structure of their costs has undergone a change. This will make our products more competitive as compared to earlier. So, we should expect that the market expansion witnessed by us is here to stay and the margin profile would be sustained in at least the coming 1 to 2 years.

Moderator: We have the next question from the line of Sudhir Bheda from Right Time Consultancy. Please go ahead.

Sudhir Bheda: At the outset, I would like to congratulate you in spite of growth, you have done a superb working capital management both in receivables and inventory.

My question will be, this current financial year, the company will become debt free?

N.M. Ranadive: No.

Sudhir Bheda: Because there would be a good cash flow in this year I suppose.

N.M. Ranadive: We have explained to you earlier the cash flow is required for executing the jobs. These represent the advances received from the customers. At the same time, we also carry out the capital expenditures.

Sudhir Bheda: So, when we are likely to be debt free?

Aankur Patni: We think that we will take a very conscious strategy of making sure that we have enough growth capital with us, and in at least the coming year, I don't expect that we will be debt free. We will be deploying capital towards growth as much as possible, whether it is for executing the large orders or for capital expenditures or for general deployment towards increased scale of operations. However, I am sure, in the space of the next 2 to 3 years, we will have an opportunity where the cash flow may allow us a little bit more bandwidth to reduce the debt of the company.

Moderator: 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 closing comments. Sir, over to you.

N.M. Ranadive: Thank you all for participating in this earnings con-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 confidence in the company's growth plan and progress. And with this, I wish everyone great evening. Thank you.

Moderator: Ladies and gentlemen, on behalf of Ion Exchange (India) Limited, that concludes the con-call. Thank you for joining us and you may now disconnect your lines.