ION EXCHANGE
Refreshing the Planet

February 16, 2022

To,

BSE Limited
The Corporate Relationship Dept
P.J. Towers,
Dalal Street,
Mumbai – 400 001

BSE Company Code: 500214

Dear Sir/ Madam,

Sub: **Submission of Transcript for conference call under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to our letter dated January 19, 2022, 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, January 28, 2022 was to discuss the financial performance of the Company for the Third Quarter ended December 31, 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

ION EXCHANGE (INDIA) LTD. | CIN: L74999MH1964PLC014258
Regd. Office: Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011, India.
Board: +91 22 6231 2000 | 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
Q3 FY22 Earnings Conference Call
January 28, 2022

Moderator: Ladies and gentlemen, good day and welcome to Ion Exchange India Limited Q3 FY 22 Earnings Conference Call. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * 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 third 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 third quarter of financial year 2022. Firstly, let me wish all of you a Happy New Year and hope everyone is keeping safe and well. Let me take you first you through the financial performance for Q3 FY22 of our company on a consolidated basis. The operating income for the quarter was INR 3,882 million, an increase of around 11% on a year-on-year basis. Operating EBITDA was INR427 million, decrease of 4% on year on year and EBITDA margin stood at 11%. Net profit after tax reported was INR 280 million, a decrease of 2.4% year on year while the PAT margin percentage was 7.21%, decrease of 101 basis points on a year-on-year basis. For the nine month added, the operating income stood at INR 10,805 million, an increase of 7.6% on a year-on-year basis. Similarly, the operating EBITDA stood at INR 1,182 million, an increase of 1.3% and EBITDA margin was at 10.94%, a slight decrease of 68 basis points and PAT stood at INR 785 million, an increase of 7.7%. PAT margin percentage remained at a similar level at 7.27% as compared to the previous 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 2,168 million compared to INR 2,161 million during the same period last year. The EBIT for this segment was INR 113 million which decreased by around 29% on a year-on-year basis and for the nine months ended revenues from this segment were INR 6,143 million a slight decrease of 5% and EBIT stood at INR 336 million, a decrease of about 23% compared to the same period last year. There has been an improvement in the order book on the back of EPC order from the Numaligarh Refineries Limited coupled with steady flow of medium sized orders during the quarter. Execution of the Sri Lanka order remained affected during the quarter due to Covid related restrictions and we have received time extension from the customer for the contract completion.

Revenue accrual from the UP Jal Nigam project has commenced during this quarter. While it is not substantial, we expect accelerated impact in the ensuring quarters considering the planned execution timeline. Although the company has taken measures for mitigating the rising input cost, the overhang of the increased commodity prices affected the margins in this segment. Finally, coming to the order book as of 31st December 2021, it is around 1,262 crores, excluding Sri Lanka and UP Jal Nigam. Once we add these two to the order book, our total order book size will be INR 2,756 crores.

Further, we also have a big pipeline of approximately INR 5,640 crores. With this, we have a strong revenue visibility for the next two to three years from the engineering segment.

Coming to the chemical division, the revenue for the quarter was INR 1,467 million, an increase of approximately 28% on a year-on-year basis. The EBIT was INR 308 million which has also increased by 15% on year on year. For the nine months ended, the revenue from the chemical segment stood at INR 4,065 million, an increase of 31% and EBIT stood at INR 863 million an increase of 28% compared to last year. The sales and dispatches in the domestic segment continued to record steady improvement, however exports continued to be affected due to the logistic issues and resurgence of the Covid infection in overseas market. The company's efforts to mitigate the impact of increased raw material costs are meeting with gradual success. Consequently, the overall margins continue to be at suboptimal levels during the quarter. Lastly, in the consumer division segment, the revenue for the quarter was INR 352 million, an increase of about 24% on a year-on-year basis. The loss for the quarter in this segment was reduced to INR 2 million versus a loss of INR 7 million for the same period in the previous financial year. For the nine months, the segment's gross revenue of INR 941 million, increase of 33% on year-on-year basis while the losses stood at 20 million compared to 23 million in the same period last year. The new product launches and the increased market coverage has resulted in improvement in the financial performance of this segment.

With this we can open the floor for the question-and-answer session.

Moderator: Thank you very much. We will now begin the question and answer session. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Pratik Kothari from Unique PMS. Please go ahead.

Pratik Kothari: Good afternoon and thank you for the opportunity. My first question is from the chemical side. After quite some time, we have shown some very decent growth on that side. So, these 150 crores or 20% to 25% year on year growth, how much would it be volume led?

Management: The volume growth per se is not very easy to estimate because it is a very wide basket of products, composition and mix of products that we sell which keeps on changing. Hence that is not a tracker which we give out.

Pratik Kothari: Okay. But would it be substantial on this 20% to 25% or is it price-led only because you have been mentioning for the past two quarters that we have been passing the hike in raw material prices?

Management: Volume growth and price impact have both contributed to the increase in revenue..

Pratik Kothari: And this 21% EBIT margin, you did mention in the presentation that it is suboptimal. So where would that range be where we would be happy with the margins that we make?

Management: We are benchmarking our current year's performance against the previous years' numbers and we are coming short of the overall percentage margins achieved last year. We should have been much better than this if the situation was closer to normal.

Pratik Kothari: Okay, fair enough. Sir, my last question is on the engineering side. I believe in the past couple of calls, we have been mentioning that we are seeing from hike in demand from private sector domestically for the treatments that we are doing, just some flavor of what is happening on that side, just your sense on it, please?

Management: There is a lot of interest across the board but the overall order finalizations are getting affected due to the volatile situation caused by the pandemic. Each time that we see a surge we also see management of some private sector companies trying to defer the Capex decisions. That said, the underlying demand growth is very much visible. We should see conversion of those into firm enquiries in the coming quarters.

Pratik Kothari: Okay. Fair enough. I believe as we keep completing our older orders and we keep getting new, the margin from the engineering side should come back to the numbers which we saw last year, may be a quarter or two down the line?

Management: That is right. That is our expectation.

Pratik Kothari: Fair enough and thank you and all the best, Sir.

Management: Thank you.

Moderator: The next question is from the line of Vivek Gupta, an individual investor. Please go ahead.

Vivek Gupta: Yeah, thanks for the opportunity. From the past couple of quarters, we have been giving a healthy bid pipeline but actual conversion is very low. So apart from the recent order which we have won for Numaligarh Refinery, I think there was nothing which was given from the last quarter. So, I want to understand why the conversion rate is so low and who are our competitors and if they are winning the orders or there is a delay at deal win part? The other is like our consumer segment is a loss-making segment, so we have been trying hard to really revive on that part. Management has been very optimistic, I have been seeing on other con calls but the ground reality is different and the numbers are not coming across. So, what we are doing to really turn around that? Thank you.

Management: I think the numbers which we have presented and the trends that we are seeing would suggest that our order conversions in the last two quarters have been significantly better than the previous quarters. Also, the performance of the consumer division has substantially improved during the last quarter, and I expect this momentum to further improve in the last quarter of the financial year. We remain very confident about the consumer segment shaping up and starting to contribute towards the bottom line. Vasant, can you share the order wins in the last quarter?

Vasant Naik: The order inflow for the December quarter was 424 crores and if you see for the nine-month period, our order inflow is around 1,092 crores and the same period of last year it was around 501 crores. So definitely the order inflow has significantly improved in the current year.

Vivek Gupta: How much part of this like the total order book which we have? What part we are expecting it to complete in this quarter? What projections we have there?

Management: The order book which we have currently, we should normally expect execution period of roughly two years. It is a mix or large and small orders. The small orders typically get executed in a timeframe of three to six months. The mid-sized ones take roughly around one and half years or so and the large ones go up to three years.

Vivek Gupta: Okay. Sir, the other question is like where are we on the Capex side for the chemical division which we have projected for somewhere around 200 crores? So how is the Capex going there?

Management: The new resin project which we have announced is awaiting environmental clearance. We have yet to receive the environment clearance but we are expecting it any time now and the Capex on that will start once the clearance is received.

Vivek Gupta: Okay, thank you.

Moderator: Thank you. The next question is from the line of Ishrat Khatri from Omkara Capital. Please go ahead.

Ishrat Kahtri: Good afternoon. I just wanted to know, you said first half was severely impacted and this is the reason why we could not achieve about 380 crores of execution for the engineering business and this quarter also the performance was pretty average. Sir, just wanted to know we have done only about 1000 odd crores overall and during the nine month ending engineering about 600 crores. So how do we see the execution going because I do agree that the order inflows have been pretty healthy now but the execution on the other hand has slowed down and Sri Lanka also we would not be completing this year is what I believe. So what has been the main reason? Is it only Covid or have there been any other issues with the execution?

Management: The execution has been impacted by Covid. Especially if the contract involves substantial on-site execution including civil work, Covid has taken a significant toll on this. The Sri Lankan order has been substantially impacted because of Covid-related restrictions and lockdowns. In the last leg of this order execution, there is a substantial amount of civil work and that is getting impacted. We have got an extension for the contract from the Sri Lankan Water Board. I would not expect the execution to get completed within this financial year now. Our current estimates are the execution will flow over to at least the first quarter of the next financial year. We expect that the impact of the Covid and related issues on our overall engineering revenues would be roughly to the tune of around 200 crores or so. So to that extent, revenue would get deferred to the next year.

Ishrat Khatri: Okay Sir, got it. Also, another follow up would be on the margins for the engineering business. Obviously last year, we have made really good margins in this division but this year I see that we have been averaging it about 6 to 7%-odd EBIT margins. So, do we expect in the current orders that we have for about 2000 to 2500 odd crores, we can expect similar margins going ahead about 6% to 7%?

Management: We hope that by the end of this year the full year margins would be comparable to the last year.

Ishrat Khatri: Okay, Sir. Got it. Thank you so much.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Digant Haria from GreenEdge Wealth. Please go ahead.

Digant Haria: Yeah, hi Sir. Because I am looking at the company only recently my questions are a little more basic in nature. Sir, I wanted to know that in this engineering division for waste water treatment and zero liquid discharge, do we generally get orders when new plants are getting constructed or even the existing plants give us orders? Sir, that is my first question.

Management: A good portion of the order flow can be associated with the initial period of the Capex cycle, but significant order flows are also associated with later stages. Especially when we look at the waste water and recycle side of order flow, that can happen at various points in the company's lifetime and typically after the initial Capex has happened. In recent times, greenfield projects would almost always have waste treatment included in the initial Capex but that's not necessarily true for the older plants. Capital expenditures or enhancements in such cases can happen much later.

Digant Haria: Okay, thank you Sir. And second question would be, would it mostly be that the multinational companies and the large listed companies who are conscious about the ESG scores, would they generally end up spending on this and would the small, like there are millions of small factories in India, the SMEs or the small enterprises that we call who may not be doing it for regulatory purposes, so is that part an top MNCs and top companies also you started getting orders, has this trend changed in the last few years?

Management: The overall awareness level and the intent of the industries to follow practices which are more environment friendly has increased quite a bit in the last few years. They are certainly influenced by the statutes and the laws framed by various governments and further, there are enough number of industry players who now sincerely believe in their obligation towards the environment. The quality of the investment,s even by the medium and small sized industries has gone up in recent times.

Digant Haria: Okay Sir, which means that just that the fresh Capex would not be our only demand driver. There are a lot of existing units which are there in India which are not compliant. So, would you have a rough cut that 100 crores of order that we get, how much comes from fresh Capex and how much from the existing ones who want to improve their water treatment or liquid discharge part?

Management: It keeps changing from time to time there is no definitive single number to offer for this kind of metric. The Brownfield expansions, sometimes they can lead to quite large order flows and otherwise the Greenfield investments generally tend to be the bigger piece of our order book.

Digant Haria: Okay, thank you sir. That is very, very clear. Sir, and lastly in terms of the expertise that we have in waste water treatment and zero liquid discharge what is the pricing differential we will have versus say the next two or three players in India?

Management: Can I request you to have a word with Valorem Advisors. They can probably patch you in the detail. We will be happy to answer any leftover questions and clarifications.

Digant Haria: Perfect. Thank you, Sir. I will do that. Thank you.

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

Chetan Vohra: Yeah, good afternoon, Sir. I wanted to understand that now we are done with three quarters and at the start of the year or the preceding quarter also we were maintaining growth guidance of 20% and FY22 margins to be similar to the likes of FY1 margin wherein the quarter 4 was quite a robust quarter. So where do we stand in that part of the guidance now?

Management: I think quarter 4 would certainly be much better than the earlier ones, however, it does seem that some of our large engineering revenues would slip into the first quarter of the next financial year because of third wave. Sri Lanka and UP both of these contracts are affected by this. My expectation is that the impact of these issues will be somewhere in the region of around 200 crores on our earlier revenue assumptions. That portion of the revenue would slip to the first quarter of the next financial year.

Chetan Vora: Sorry, 200 crores slippage you are saying?

Management: Roughly, yes.

Chetan Vora: For the engineering division?

Management: Yes, most of these as I mentioned the Sri Lanka and UP contracts would be part of the engineering segment.

Chetan Vora: And what about on the margin front Sir? Because last quarter was quite a strong quarter in terms of margin, engineering division reported a 16% margin and if you maintain it, we will be closing with FY21 margin which was nearly about 10% for FY21?

Management: Overall, year-end margins should be in the similar range as last year.

Chetan Vora: Okay, fair enough. And even on the chemical front you are saying the same thing?

Management: Chemical front, the margin impact has been higher because of the increase in the prices. The expectation was that the prices will cool off and while there is a slight relaxation in the upward trend but they have not really cooled up enough. By the end of the year, as compared to the last year the margins will be down.

Chetan Vora: What is the outlook on the margin front for the chemicals?

Management: Our year end margins compared to the last year would be little bit less than what we had last year as the price of various input materials have not really cooled off enough for us to recover the lost margins.

Chetan Vora: Okay. But for the FY23 so it will be seeing the deferment of FY22 revenue, the slippage and FY23, how you are seeing the FY23 as a year from the business perspective because the UP order will be getting executed under full swing and the raw material prices is also behind us. So how do we see FY23 to pan off?

Management: I think if you look at the engineering piece of the business, we are going into the next year with a very robust order book and good portion of UP order would be getting executed in the next financial year. My expectation is that along with the spillover of the Sri Lanka order and this portion of UP contract the revenue contribution will be significant. So next financial year, engineering segment is expected to deliver a healthy number. On the bottom line also the effect of this higher scale should be visible. Chemical segment, as I mentioned, that we are expecting a slight dip in the year end in the margin percentage as a whole, however the absolute numbers would still be better than last year. We expect the last quarter to be reasonably good for the chemical segment in terms of both margins and revenue. If the positive trends continue, chemical segment also should see a relatively good next year.

Chetan Vora: Chemical margin has been quite volatile and for nine months the margins were in the range of 21%. For the full year last year, it was like 24% and March quarter was particularly strong with 29% margin. So where do we stand in terms of margin thing for the chemicals? The revenue growth has been good for the chemicals but what about the profitability? You said the margins are at suboptimal levels so how do we see the margins in the chemical division to unfold going ahead?

Management: I think for the full year we should see approximately 2 to 3% percentage dip in margins compared to the 24% odd we saw last year. While it would seem that we will be able to recover some of the lost ground but not enough to match the last yearend margin percentage. Favourable input price movements may even help recover some more lost ground, but I do not want to be aggressive in my projection. The volatile times have proven that some of these conservative assumptions can also go wrong.

Chetan Vora: Right, and what about FY23 year as a whole, Sir?

Management: My expectation, as the year progresses, the commodity prices and our ability to pass on more of the increased costs would be substantially improved and we would come much closer to the margin percentage numbers which we reported the previous year if not surpass it.

Chetan Vora: Okay Sir. Thanks a lot sir.

Management: Okay.

Moderator: Thank you. The next question is from the line of Niket Shah from Motilal Oswal. Please go ahead.

Niket Shah: Yeah, thanks for the opportunity. Sir I just had one question and it might be a naive one. Sir, the government has basically approved a very large opportunity for the semiconductor manufacturing in India and as we know that for semiconductor manufacturing you require extreme pure water, so I am just trying to understand that would we play a role in that opportunity and would we have capabilities to play a role in that opportunity? Thank you.

Management: Absolutely. We will definitely play a role there and we are already in discussions for a few large expected opportunities. I am sure that it will lead to at least a few decent orders for the company.

Niket Shah: Would it be possible for you to give some sense on the size of the opportunity or should we always compare this with something like a chemical business that you are in?

Management: Each individual fabrication plant which would come up would require decent sized capacity as you rightly pointed out. This requires providing hi purity water and therefore in value terms we are looking at mid-to-large contracts. It is not immediately possible to give you a forecast. We will try and give it to you in the coming concalls. But I do expect it to be substantial.

Niket Shah: Sure Sir. This is very helpful and I will come back in the queue for more questions. Thank you.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Karan from Maximal Capital.

Karan: Yeah, good afternoon and thanks for the opportunity, Sir. I just wanted to understand on the engineering segment there is a 200 crores impact that you mentioned. So, taking that into account would it be fair to say that on a full year YoY basis we might not see growth in the engineering segment for FY22?

Management: Vasant can you give draw the indication about the year-end numbers as compared to the last year's numbers in terms of percentage impact?

Vasant Naik: If you see the nine monthly numbers, turnover is around 600 crores as against 618 crores for the nine months of previous year, a dip of 3%. But what Mr. Patni was mentioning the growth which we had projected of 20% by the year end that may not come through but we are reasonably confident that we will be able to at least meet the full year numbers of last year of Rs 902 crores and if things go right, we may be able to surpass it.

Karan: Sure, that is helpful and one question regarding the Sri Lanka order for the current turmoil that is happening in Sri Lanka. Do we expect any trouble in collecting our outstanding once we execute the remaining order?

Management: No, we do not expect any collection related issues with Sri Lanka.

Karan: Got it and a question regarding UP can you help me out with split of O&M and EPC in 1200 crores UP order?

Management: This is largely an EPC contract.

Karan: Okay, it is largely EPC because I understand there is a 10-year O&M sort of attach. To us what portion of the order is that?

Management: The size of the contract which we have indicated in the concalls represents EPC numbers.

Karan: Okay. Understood and a couple of questions on the chemical segment, Sir. Could you help me with the capacity utilization in Q3?

Management: It is roughly in the range of 75%.

Karan: Okay got it. Sir, coming to the question on the chemical Capex, we expect that to come online by end of next year, so what sort of volume growth are we anticipating in chemicals this year do you foresee we might be able to touch 85% to 90% capacity utilization in the next year?

Management: Yes, we are looking at a substantial utilization level. The new capacity would come on stream only in the first quarter of 23-24 and by that time I am sure we will be very close to full capacity utilization of our resin facility. As regards our other chemical facility, given the number of products that we manufacture, it depends upon the product line but there again we are expecting substantial jump in capacity utilization.

Karan: Got it and will our resin capacity moves up to 6000 cubic meters per month?

Management: Once we have executed the first phase of this expansion our resin capacities would double.

Karan: Sure. And I think you are fairly optimistic on our ability to win market share globally in resin, so any particular thing that you could point out makes you confident of achieving greater market share globally?

Management: Product quality, technical prowess, right pricing – all contribute to us getting extremely good response .Acceptance of the products in the most advanced markets is picking up. There is increased demand flowing in from some of the other economies as well. As I have mentioned in the earlier calls a very large percentage of our exports are to North America and Europe and South East Asia, Middle East, Africa, all of these regions are showing a very good trend in demand pick up and product acceptance. So, we are confident that we would be able to garner enough market share to fill up the expanded capacity.

Karan: Understood, Sir. That is all from side. Good luck going ahead. Thank you.

Management: Thank you.

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

Saket Kapoor: Hello Sir and thank you for the opportunity. Just to summarize for what I have heard and if I have missed something please correct me. In the chemical segment, we are expecting our margins to improve with the utilization levels also improving going ahead and for the engineering segment also we are expecting the execution cycle to speed up for the fourth quarter as has been the case earlier also. So, is this assumption correct, Sir?

Management: Yes, compared to the previous quarter we will see improvements on both of these fronts, engineering and chemical and that will lead to margin improvement In the chemical segment we are also expecting small benefit accrue because of slightly cooling down of prices but the bigger impact should come through in the first and second quarter of the next financial year.

Saket Kapoor: Could you explain what those factors are, I mean what constitutes the major raw material in the chemical segment and how I believe the changes in the prices that will impact the margins going forward?

Management: Chemicals - commodity as well as specialty chemicals have seen increase in prices across the board for variety of reasons. One of them certainly is supply constraint being faced in China and substantial issues caused by logistic-related problems. Again, this is across the board so it is not just about one specific line of raw materials. It is a very broad-based price increase which has happened in recent times and the scale of this increase has been unprecedented. We expect the overall level of these prices to come down, if not rapidly then at least gradually, and that should lead to margin expansion.

Saket Kapoor: For the chemical basket, which are the key constituents that contribute to the major revenue out of last year’s 440 crores? Which are the key chemicals, if you could classify them and in end user industries where they are used sir?

Management: We have a very wide basket of products. Broadly, there are two categories. One is resins and other chemicals. Resins, the primary raw material would be petroleum based whereas for the other chemicals they are from a variety of base raw materials, some of which would be petroleum-based. As such, I am not really able to pin point raw material line for you. It is quite broad.

Saket Kapoor: Right, Sir. And lastly Sir, on the employee cost also this will get evened out when the scale improves in the engineering segment going forward?

Management: That's right. As we increase the scale of execution in the engineering segment, the fixed cost may tend to spread over a larger base.

Saket Kapoor: Right. And Sir, on the consumer product part in this category, how is the sentiment and the business proposition shaping up, Sir, and how do you see the things shaping up for this segment now with the Covid wave also subsiding, although the numbers are not seen in that direction but how is this segment going to perform for the year end and also for the next year keeping the Covid factor at the side?

Management: The consumer segment is one of the most affected by Covid-related restrictions because a lot of sales and marketing happens face to face and requires substantially higher degree of consumer interaction. We are very sure that the level of performance would have been much higher than what we are able to demonstrate, if the Covid factor was not there. That said, the segment continues to perform very well. The last quarter should do better than what we have seen earlier. My expectation is that the pace of growth would continue if not accelerate. Our new product launches have found very good acceptance in the market.

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

Indrajeet: Good afternoon, Mr. Patni. I joined a little late so I am sorry if I am repeating my query. In the last conference call, it was mentioned that we were aggressively pursuing a large international order. Our things on track with regard to that order and can we expect to win it soon? Thank you very much.

Management: We are pursuing a few very large opportunities internationally and we are expecting things to move in the right direction in all of them and hopefully conclude at least one sooner than later. Discussions do tend to stretch out especially in the last leg because they need to go through various approval formalities within the state level and country level setups and Covid issue has only contributed to elongating these finalization timelines. We still do not have an order to confirm with our investors and we remain hopeful that it would happen sometime soon. However my confidence about being able to close one within this last quarter has come down a bit and hopefully we would be able to announce one in the first quarter of the next financial year.

Indrajeet: Okay, thank you very much Sir. Best of luck.

Management: Thanks.

Moderator: Thank you. The next question is from the line of Amit Jain, an Individual investor. Please go ahead.

Amit Jain: Yeah, thank you. When do you see our company stock being traded on the national stock exchange?

Management: The application is already filed to National Stock Exchange. Company has decided to list the shares with NSE and in very short time we believe our shares will be traded up in NSE, Let us wait for some time.

Amit Jain: Okay. This was the case in the last concall also. If you could be a little specific, some dates?

Management: There were some queries and because of the Covid and other matters, the process was delayed. Now whatever clarifications NSE had sought we have already clarified and we hope that it will be processed shortly but it is not in our hands and that is why we are unable to commit any timeline for it.

Amit Jain: Okay, got it. Thank you.

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

Hemal: Thank you for the opportunity, Sir. Just two questions, what will be our net cash position as of December 31st?

Management: We are at the same level of September 21.

Hemal: Sir, would that be like 400 crores?

Management: Yes, but that includes as we had mentioned earlier project specific allocations which will be required for project execution.

Hemal: I see, so what will be the less of that, what will be the amount which is non-project specific?

Management: That generally we do not go into such specifics, so I will not be able to answer specifically on such questions.

Hemal: Okay, and just one final one, generally we keep trade receivables. Are there any trade receivables beyond three months, 90 days? Just wanted to know that much only.

Management: Yes, considering the nature of our business and the business segments that we deal in, there will definitely be trade receivables beyond 90 days.

Hemal: So, when do we account for doubtful trade receivables, usually after a year or beyond a year?

Management: It depends on the case-to-case basis depending on the category of the receivable, the customer, and also based on the Accounting Standard requirements for the provisioning. So it is a combination of all the factors which we take into account while arriving at any provisioning on a quarterly and year end basis.

Hemal: Sir, do we have any old receivables beyond one year in this?

Management: Yes, there will be certain receivables which are beyond one year which have not come for certain reasons but as I mentioned if any provisioning is required that we do on a case-to-case basis depending on the category in which the receivables fall and what are the underlying circumstances.

Hemal: But would not be a very large percentage, right, would be like 5%, 10%, less than that or like?

Management: It will not be a significant number.

Hemal: Okay. Thank you. I appreciate your answer. Thank you.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. N. M. Ranadive from Ion Exchange India Limited for closing comments. Over to you Sir.

N. M. Ranadive: Good evening. 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 also had confidence in the company's growth plan and focus and with this I wish everyone great evening. Thank you.

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