ION EXCHANGE
Refreshing the Planet

August 17, 2026

To

BSE Limited	**National Stock Exchange of India Limited**
The Corporate Relationship Dept.	Exchange Plaza, C-1, Block- G,
P.J. Towers, Dalal Street	Bandra Kurla Complex, Bandra (East),
Mumbai-400 001	Mumbai-400 051
Scrip Code: 500214	**Symbol: IONEXCHANG**

Sub.: Submission of Transcript of the Conference Call held on Monday, August 10, 2026

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Conference Call held with the Investors and Analysts (Group Meet) on Monday, August 10, 2026, to discuss the reclassification of Reporting Segments and the financial performance of the Company for the first quarter ended June 30, 2026.

The said transcript is also available on the Company's website at www.ionexchangeglobal.com.

Kindly take the information on record.

Thanking you,

Yours faithfully,
For Ion Exchange (India) Limited

NIKISHA YOGESH SOLANKI
Digitally signed by NIKISHA YOGESH SOLANKI
Date: 2026.08.17 22:03:24 +05'30'

Nikisha Solanki
Company Secretary & Compliance Officer
ACS- 50894

Encl.: As stated above

Ion Exchange (India) Limited
Q1 FY ’27 Earnings Conference Call
August 10, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Ion Exchange (India) Limited Q1 FY ’27 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 Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you.

Purvangi Jain: Thank you. Good afternoon, everyone, and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of 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 special conference call on reclassification of reporting segments. Please note that the management would take questions on the reclassification of reporting segments from 2 p.m. to 3 p.m. and then the Q1 FY ’27 Earnings Call will start at 3 p.m. to 4 p.m. In case the question-and-answer session on the reclassification of reporting segments concludes earlier, we will subsequently move into quarterly earnings.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainty, which could cause 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 any undue reliance on these forward-looking statements in making any investment decision.

The purpose of today's reclassification of reporting segments and earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Let me now introduce you to the Management participating with us in today's call and hand it over to them for their opening remarks:

We have with us Mr. Aankur Patni – Vice Chairman; Mr. Indraneel Dutt – Managing Director and CEO; Mr. Vasant Naik – Group Chief Financial Officer; and Mrs. Nikisha Solanki – Company Secretary.

Without any delay, I request Mr. Indraneel Dutt to start with his remarks on classification of segments. Thank you and over to you, sir.

Indraneel Dutt: Thank you, ma'am. Good afternoon, everyone, and thank you for joining us today. On behalf of our Vice-Chairman, Mr. Aankur Patni, and the entire management team on the call, I extend a warm welcome to everyone participating today.

As was mentioned, today's introduction has been structured into two parts because of the reclassification that has happened, which is an extraordinary event. The first session for the first one hour, we would like to talk about the rationale and the strategic imperative behind the reclassification. And we already have uploaded a presentation for the reclassification, which I am sure all of you would have got a chance to take a look at and we will spend the one hour from 2 to 3 o'clock to take you through some of the pages of this presentation that has been uploaded. And then we will be happy to take any questions that you may have regarding that presentation. And that hopefully will conclude the first segment of our conversation.

From 3 o'clock, we will follow it up with a regular 1Q, ’27 Earnings Conference Call where we will discuss our operational financial performance under the revised reporting framework for the quarter just concluded, which is first quarter of 2027.

So, that is the broad direction in which we will follow. So, I will request each one of you to refer to the presentation that has been uploaded. And I will kind of cover it very briefly, giving an overview. And once that is done, and that itself will explain a lot of the questions that you may have. Any further follow-up questions, we will be very happy to take an answer for you. Okay.

So, I refer to the overview Page #1 where we have given the company snapshot, where the company is into 62 years of operation in 50 plus countries. We have one of the largest service networks in Asia-Pacific region, about 200,000 plus worldwide installations, including 3,000 plus core industry projects with world-class manufacturing facilities and assembly hubs in many parts of the world, totally committed to sustainability across continents.

The company's vision is to be the leader in our business, which is so vital to people's lives and the environment. As the next page will show, our total portfolio of water and environment management solutions cuts across the entire water cycle, right from pretreatment to water treatment, which is both ion exchange resin as well as membrane technology-based.

We also are into industrial wastewater treatment, recycle, and zero-liquid discharge. We also have applications for our products like special resins, adsorbents, membranes, chemicals for various applications. We also are into sewage treatment, tertiary treatment, sludge treatment, and we also have our offerings on the drinking water side with our Zero B consumer products portfolio.

The next page captures the core offerings of the company, which is broadly categorized into 12 parts. This is, again, I think, one of the first times we are showing our company in this way. This is also very unique because we believe that we are one of the very few companies, if not the only one in the world, who has under their umbrella ion exchange resins, membranes, as well as specialty chemicals.

We also offer standard systems and plants, home water solutions and digital solutions. And we are applying those products or offerings into water treatment, ultrapure high-purity water, wastewater treatment, as well as zero-liquid discharge and services.

The next page, we have covered our capabilities. We talked about all of them. So, across the product offerings, we are pretty much present in every aspect of water and wastewater treatment and solutions.

And then, the next three pages of the presentation covers our solutions offerings. And again, I would say in our solutions, we span across one of the widest portfolio of offerings across our original core solutions, which covers our pre-treatment, water treatment technologies, condensate polishing, wastewater recycle, reuse, sewage treatment, zero-liquid discharge, and home water, which typically has been the base and the core foundations of solutions that the company has been offering for the last 60-plus years.

Over the last few years, the company has moved into the advanced solution portfolio, where we offer our solutions in seawater desalination. We have seen those projects we have done in various parts of the world, including in Morocco in the last couple of years.

We have also gotten to ultrapure water. A lot of questions have been asked in the past on our ultrapure water solutions that we've offered in solar and also in Semiconductor Mohali quite some time back. And then our solutions on the pharma side in high-purity water.

We have also got into technologies on advanced oxidation for wastewater treatment, for produced water treatment, and our new applications in applied ion exchange and wellness solutions of hydrogen water and alkaline water on the Wellness range for the Zero B product line.

In addition to that, the company is currently working on emerging solutions, which are the latest areas of focus on water, wastewater treatment, and resource recovery across the world, whether it comes in brine valorization, in lithium extraction, in destroying forever chemicals or PFAS, not only in terms of PFAS treatment, plus also absorption and destruction using various technologies, including foam fractionation.

The company's also gotten into new energy solutions, which is into high-purity DM water for electrolyzers, for green hydrogen applications, and also offering integrated electrolyzer and BOP solutions.

The company is also geared up to offer solutions in semi-conductor as well as for data centers with cooling water treatment solutions, high efficiency RO and softening systems, and also looking at technologies like direct liquid cooling.

And then the all-encompassing area that the company is working on is digital solutions and portfolio, where we are trying to offer IoT-enabled smart products and offerings, and allowing our customers and our access to both the monitor, connected, analyzed, as well as optimized for predictive future monitoring.

In terms of our global presence, we are present in some 50-plus countries. 30% of the company's revenue come from our international markets. We have 14 global manufacturing and assembly facilities with 200,000-plus installations.

The next page talks about all our project locations. So, it just shows that apart from India, the company is present in many markets across Middle East, Asia Pacific, and in various parts of Africa.

We have also given a quick glimpse of our manufacturing facilities. You could see all our facilities, both in India as well as overseas in those subsequent slides, whether it is our resin manufacturing plant in Ankleshwar. The new plant, this is our first visuals of the new plant. We talked about Roha quite a bit, but this shows a glimpse of the resin plant that has come up in Roha in Maharashtra.

It also shows our membrane manufacturing center of excellence in Goa, our specialty chemicals plant in Patancheru in Hyderabad, which is our mother facility for specialty chemicals. And then we also have our blending facilities in

Saudi Arabia in Dammam, which is operational, as well as in MAPRIL in Portugal.

Our standard plants are there in Hosur, in Verna, Goa, in Wada, Maharashtra, and we have large assembly centers. One of them is in Palaspe in Maharashtra and smaller assembly centers in Sharjah, in South Africa, in Indonesia, and Bangladesh.

Innovation is the core of the company. The R&D facility of the company was founded in 1965 with 50-plus patents till date and 100-plus products launched. This is India's one of the oldest water-focused research center and working across all technologies of water treatment and wastewater treatment, including resins, chemicals, membranes, and focused on offering sustainable solutions for industries and communities.

We have also given a glimpse of some of our marquee clients. Most of them are India-focused. We have another similar page for outside India, which is typically not put up in this deck. And then, we have given a glimpse in the presentation about our human capital. We are a team of about 3,500-plus professionals with competencies and capabilities spread across 15-plus countries, with competencies in EPC and projects, over 650-plus people. In products and manufacturing, over 600-plus people. In consumer and retail, which is our dearly product line, we have about 1,400+ people. And then services and chemicals and corporate functions make up the rest.

In the next section, we have tried to talk about some of the investments that the company has been doing over the past six to seven years. And that is one of the rationale which has led to this reclassification of our reporting numbers.

We have all been talking about the Roha facility, where we have shown a picture earlier, which is another part of the plant, where the capacity expansion for our flagship business, the ion exchange resins, has increased by 5x through the setting up of the Roha plant, which is currently commissioned and going through stabilization and ongoing production increase. It expands our conventional resin capacity to support future growth.

It will help us increase our share of the global market from current to at least by 4x to get to double-digit numbers. This also establishes India's first non-solvent resin manufacturing facility, which is again doing away with solvent-based resin manufacturing. Again, a first of its kind in India and one of the more sought-after product lines globally. And it also is working towards establishing an integrated spent acid recovery plant, which will be a global first and will help us become a more circular-driven, sustainable company.

So, clearly, Roha gives us technology leadership, circular manufacturing, a 5x capacity expansion, and future-ready operations. This, along with our existing plant in Ankleshwar, positions the company greatly, and this is, I think, one of the biggest investments that the company has made, and we are going to very soon see the full results of Roha shaping up over the next few years, as we have been talking about in past investor calls.

The second area where we are building scale is on pharma resins. This is again happening in Ankleshwar. Our pharma resin factory is FDA approved, and the capacity expansion plan is 6x. And there also, it will help us expand our product portfolio with the new weak acid cation and the acrylic anion resin grades. The enhanced FDA-approved manufacturing facility helps us deliver products globally to our customers for the pharma customers.

And also, this improves and gives us a much more repeatable, strengthened response, future-ready process and product line with pharma resins, which is currently within our resin product line overall. This helps us expand our portfolio of offerings, increases the capacity by 6x, helps in import substitution in India, where we can supply to many of the Indian pharma customers, and also allows us to be the third player only in the world who can enter into this kind of resin applications in the global market.

The other area that the company has been expanding significantly is on building scale in membrane manufacturing in Goa, where we are putting the entire comprehensive range of membranes, right from reverse osmosis, ultra-filtration, nano-filtration, and MBR membranes in production. The company also got into a tie-up to get this full range with MANN+HUMMEL, for our ultra-filtration PVDF technology.

Overall, the plan is to have a 3x business growth over the years. And with this kind of a range that we are building in membranes in our Goa facility, the second plant is coming up, we will be the only manufacturer in India to have the full range of integrated membrane facilities in the country with our own casting and coating lines, with our hollow fiber technologies on UF, and with our strategic partnerships with MANN+HUMMEL.

The company is also building scale on the standard systems portfolio, All the 3 factories across Hosur, Goa, and Wada have had investments being made where capacities have been expanded multiple times. Both our membrane business and the standard plants business is a part of the industrial product portfolio. So, that shows that on the industrial product side, apart from consumer products The company has been slowly increasing scale and building capacity and expanding the portfolio. And we believe that both the standard systems business as well as the membranes entire product portfolio will help us significantly ramp up our industrial products range, which has so far been clubbed within the engineering segment of the company.

The other area that the company has been working on is on building scale in services, where we having had already 200-plus operation maintenance contracts, we have a significant reach. As I said in the beginning, we have one of the largest service network in the Asia-Pacific region. We have 30,000-plus customers served, pan-India presence. And also we are moving towards more of BOOT, BOO, rental, and water-as-a-service solutions.

So, all of this will help us offer a comprehensive ring-to-ring service offerings in the water and the wastewater segment, both in India and overseas. Case in point was the order that the company won in Oman with Petroleum Development Oman, which was a comprehensive 20-year O&M contract concession that the company will be executing. And that is how we are trying to build these service portfolios significantly across geographies, across the offerings, and across the solutions given.

The last part of building scale, you have witnessed that, is through our Zero B home water solutions range, where we have been growing at a significant rate of 30 odd percent, 30% plus. We have been expanding with our product portfolios from filters to purifiers, to lab water purifiers, to water softeners, to on-the-go purifiers, heat pumps. So, the range keeps on growing across 700-plus cities being covered, 2,000-plus trained engineers and the pan-India presence. And we have also expanded into adjacent markets like Nepal. We also are exploring how we can expand into neighboring markets like Sri Lanka and Bangladesh.

So, with all of this, our current reporting was into engineering, chemicals and consumer products. And in the past, we have talked mostly about our engineering business. But what you will find is in the new reporting system, the engineering segment has been broken up into Treatment Solutions, Industrial Products and Lifecycle Services. All of these three are very important for us.

In the presentation, you saw that across the Treatment Solutions range, right from core solutions, we have moved on to advanced solutions and also getting into the emerging solutions of resource recovery, lithium extraction, new energy. All of these are very important and the company is already positioning itself to be able to get a significant share of those business from both India as well as global markets.

We have talked about how we are expanding and how we have invested in our product portfolio across membranes and standard plants, and that is where we will be able to show you progress for the Industrial Products segment going forward as a standalone segment.

We have also talked about how we are building our scale in services across geographies, across the portfolio, across technologies, and that is why we wanted to share our Lifecycle Services business segment and report that separately for you.

Our Chemicals segment continues with specialty chemicals. The composition remains the same of industrial resins, pharma resins, and specialty chemicals, water treatment specialty chemicals, and also process chemicals. The Consumer Product segment remains the same. Only the institutional product line has moved out of the Consumer segment towards Industrial Products.

So, that is the classification we have done. Again, emphasizing the fact that the company is much more beyond chemicals, consumer products and engineering, that beyond EPC and projects, the company is moving, pivoting more towards treatment solutions, advanced treatment solutions, emerging treatment solutions into membranes, standard plants and product, and also into lifecycle services, offering the most comprehensive range of lifecycle services.

So, this is how the current and the new reporting segments are structured. This page, for those of you who can refer to our presentation, will give you very good clarity of how we were reporting the businesses earlier and how we are starting to report the company from this financial quarter.

And the next page covers a little bit more of the reporting segments. It is again a classification of what we have talked about in the past few pages. So, it just again shows all of the readers and those on the call how the treatment solutions, industrial products, lifecycle services, specialty chemicals, and the consumer products offerings are stacked up.

The next few pages just talk about how the breakup of the businesses has been. Again, some of this we can even cover as part of the Q&A. But you will see that our treatment solutions business has grown significantly year-over-year. If you look at the CAGR over the last 4 years, the treatment solutions business has grown at a rate of 23%. This just shows our continued focus on this segment, that is kind of our mothership. That is the strategy for us to get into projects, and then we execute through services, we execute through specialty chemicals, which are all required to run those plants. We execute through membranes.

Here, the EBIT has gone the other way, and we have discussed about this at length in many of our investor calls where, as we have talked about some legacy projects, we talked about the U.P. project, where the profitability has taken a hit, which is what you typically see in this page on treatment solutions.

On the industrial products, again, you will see it is a 9% CAGR. A little bit of softening in the last year, otherwise the numbers would have looked far better. There were some impacts because of West Asia crisis. We could not keep up on the same rate of growth. And again, a little bit of softening due to some investments in the last year, but there also, the CAGR had grown for the last 4 years, slight dip in the current year, which we expect to overcome in the current financial year.

On Lifecycle Services, I think a good story. 10% growth in revenue over the last few years. Now that we are reporting these number segments separately, but a very, very positive, healthy 21% growth in CAGR over the year of the last 4 years.

Specialty chemicals and the consumer products, those two segments are the same as we reported in the past. So, nothing new to talk about, except the fact that both specialty chemicals has recorded double-digit growth in both of their top-line revenue as well as on the profitability EBIT. While consumer products has been a very strong growth story. However, the profitability has been down, and we have talked about how our plan is to come back and break even in this financial year.

So, with that, I come to the end of the overall presentation. I wanted to give a voiceover on the pages that you would have seen, and we will be happy to take any questions that you may have around the reclassification beyond what I talked about just now on the call.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question comes from the line of Subi Gupta with Trinetra Asset Management. Please go ahead.

Subi Gupta: Sir, my first question is regarding the Portugal market. After our acquisition there, how is that market sort of progressing and what is the market scope that we see? Also, if you could just comment on the margins that we would be getting from that specific market.

Indraneel Dutt: Sorry, if you could repeat, ma'am. Which particular market segment you are talking about?

Subi Gupta: Sir, Portugal, Spain and Portugal, we had this acquisition. So, we were going to expand in Europe. So, just wanted to understand margins and scope of expansion there.

Indraneel Dutt: So, that business was acquired about three years back. And I think we have completed the integration of that product line, and I think we have got teams well-trained on Ion Exchange products and solutions offering. We see good potential of growth for all our resins, chemicals, membranes portfolio. We also have participated in pursuits on the solution side of the business, and we have got also a project that we are executing right now.

Clearly, there is more potential than what we have in mind so far. And the team continues to work to see that the full potential of growth and opportunities that exist in the South Europe, Iberian market, as well as in the North African market, which can be catered to also from that entity are fully leveraged.

The company continues to see significant upside opportunities from that acquisition for Ion Exchange. And we continue to work towards that, and we believe that the success from those countries, those geographies in the next two to three years will be significantly more.

Subi Gupta: Sir, if you could just quantify the margins in terms of what is the incremental margin that we could get from there. Is it similar to our profile here, or will there be a difference?

Indraneel Dutt: So, we typically, ma'am, don't talk about specific margins for particular geography. But I would say that, again, varies segment to segment. We talked about the five segments. The four of the five segments are present there, so not the consumer products business. That varies segment to segment. But overall, the margins will be similar, if not better than what we see in India.

Moderator: The next question comes from the line of Pratik Kothari with Unique PMS. Please go ahead.

Pratik Kothari: Sir, my first question regarding this reclassification. If you can just go through what led to this, I mean, why this reclassification, any corporate action per se that you expect on this? Just thoughts behind doing this.

Indraneel Dutt: So, it is just that the engineering segment was not reporting, giving the full color of what was inside engineering. And it was, to a certain extent, construed as projects business. But we had a very robust products business within it. We had a very growing services business within it. And then our pivot towards more solutions and advanced emerging solutions offerings. So, that is what we wanted to show separately, because at a consol level, what we were able to share with you was a combination of these three segments that were reported as engineering.

Now, I think those interested in the company will be able to see all these three aspects of the company in terms of the growth of life cycle services as repeatable revenues, lifecycle revenues, the growth of our industrial products portfolio beyond the consumer products that we have been reporting, and then the growth and performance of our treatment solutions business.

Pratik Kothari: Any thoughts on kind of listing this separately? I mean, three different divisions that we have for any activity in there. Any such thought?

Indraneel Dutt: Right now, there is none. Right now, I think the objective is only to offer more transparency to share with you the investments, because we have only talked about investments largely made in Roha, but there have been investments made in other parts of the company, and we want to share with you very openly and transparently the growth that we anticipate and expect to see in these segments that we have not talked about.

We believe that with this reclassification, about 60% of the company will comprise of products, chemicals, and services, and the treatment solutions will be about approximately about 40% of the company.

So, a lot of work, a lot of investment, a lot of management bandwidth has been spent over the last five to six years in growing the products, the specialty chemicals, and the services portfolio of the company that we feel are now substantive enough to stand on their own feet and be reported separately as individual segments to our investors while continuing to maintain our focus on treatment solutions. As new technologies emerge, we want to be on the forefront of treatment solutions as well.

But right now, to answer your question, there is no separate corporate action plan. It is more at offering more transparency and more perspective and color of how the company is performing across these segments.

Pratik Kothari: No, thank you for that. That's highly appreciated. Sir, one clarification on this Roha slide, which is, I think, Slide 23. We have said 5x capacity expansion. Is this for one specific product? Because our understanding was we are doubling the resins capacity. So, if you can clarify this 5x number.

Indraneel Dutt: This is a global number. So, we are talking about actually becoming a bigger global player in the market. This, again, are broader numbers you could look at based on how you define the global resin market. But what we are trying to say is we expect through the Roha plant and the ongoing Ankleshwar plant, that we are aspiring to take 10% of the global resin volume, which I think is a fairly big aspiration from that perspective.

Pratik Kothari: No, the point taken. Sorry, but coming back on this. So, last year we had called out about INR 500 crores of resin revenue in our chemical business, roughly, give or take. So, when we say 5x capacity expansion, what does that mean?

Indraneel Dutt: We are increasing resin capacity by expanding Roha and de-bottlenecking both Roha and Ankleshwar. After these works, total resin capacity across the two sites is expected to reach approximately 5x the capacity that existed before construction of the Roha plant. Phase I (Roha expansion) will double capacity (2x versus the original baseline). Phase II (further Roha expansion), together with the de-bottlenecking gains, will raise total output to roughly 5x the original capacity of Ankleshwar.

Pratik Kothari: Just to reconfirm, so INR 500 crores of resin revenue that we did last year, what we are saying is post this debottleneck in Roha, we can do INR 2,500 crores?

Indraneel Dutt: No, no. So, that was for the entire chemical segment. Our chemical segment includes the specialty chemicals business also.

Pratik Kothari: No, correct. So, last year, specialty chemicals, we reported about INR 900 crores of revenue, give or take. INR 500 crores of that was resins, INR 400 crores was water chemicals. What is it that…

Indraneel Dutt: We have not given a segment breakup like that, but what we are saying is that this together, this gives us a significant capacity expansion post debottlenecking to be able to go after that market.

Pratik Kothari: I will take this offline if required.

Indraneel Dutt: Sure, no problem.

Pratik Kothari: And second on this quarterly results, do we come back on that too or should I ask that now for the numbers?

Indraneel Dutt: We will come back. That will be once this particular segment is over, then we will start that segment.

Pratik Kothari: Correct. No, fair enough.

Moderator: The next question comes from the line of Rahul with Stratton Oakmont. Please go ahead.

Rahul: My question is more regarding the rebranding of the Chemicals division to Specialty Chemicals. So, with this Roha plant targeting utilization ramp-up, are the resins produced here moving up the value chain? And are they pharmaceutical-grade resins or the ultra-pure water resins for the semiconductor and EMS sectors? What would be the ballpark margin profile for them? And what is the timeline for securing these high-margin certifications required for these new lines? That would be all.

Indraneel Dutt: Yes. So, in a way, I think your assessment is correct at a broad level. As you all know that the reason for the Roha plant was that we were capacity constrained in the first existing mother plant of Ankleshwar. And as a result of which, now with Roha coming in, that gives us a lot of additional volume by which we can not only take care of our core bread-and-butter business that we have a significant high global demand, but this will also allow us to delve into more specialty resins for special purpose applications.

You mentioned a few of them. There are other applications as well that the company would like to go after, which are typically more higher margin and coming out with higher quality and higher specification-grade product lines. Also, at the same time, the expansion in the pharma product line also will give us more specialty-grade resin product lines from pharma application standpoint.

So, across the board, we are moving more towards high-end specialty application grade while continuing to keep the bread-and-butter core volume intact. And that is why we felt that it was possibly time that we classify our chemicals away from commodities to more specialized application offerings.

Rahul: What is the ballpark margin number that we can expect in the medium term from this business? And how much revenue as a percentage of the consolidated revenue can we expect in the next two to three years from this segment?

Indraneel Dutt: Right now, we are not in a position to give you a breakup. I think those will become evident as the quarters unfold, and you will see the performance and the percentages as the Roha plant comes up, as we move more standard volume to Roha, as we move more specialty volume to Ankleshwar. Those will become evident, and at that time, we can cover it with more specifics. Right now, it is a bit premature to talk about those percentages at this point in time.

Rahul: Right. And we have also separated our industrial products from our treatment solutions. So, does that mean that the industrial products segment will scale independently? Do we expect to become an OEM supplier to other EPC contractors who might be competing with our treatment solutions division?

Indraneel Dutt: We already are, but we believe that it can be more. As I said, we have significant investments made on the standard plants and systems. We today have 4 manufacturing locations of scale, and there are small assembly locations. As I said, our second membrane expansion plant is coming up in an adjacent plot in Goa. That will manufacture the UF range of products, the MBR range of products.

So, clearly, we see that this segment, there's enough traction , enough activity, enough revenues, which is kind of now helping us set this up as a separate standalone segment vertical. And we definitely believe that this has a very high promising future. We believe that the products portfolio will grow in revenues both in India and outside. Our overseas teams are significantly getting strengthened to take these product lines outside India as well.

And that is where the company continues to focus on building a strong industrial products portfolio, a strong specialty chemicals portfolio, and a strong services portfolio, while continuing to look for higher-end advanced and emerging solutions in wastewater and water treatment.

Rahul: That will be all from my end.

Moderator: The next question comes from the line of Kaustav Bubna with Kamana Holdings. Please go ahead.

Kaustubh Bhupna: So, it kind of ties up with your non-solvent capacity increase in your specialty chemicals business, but I will just frame it in another way. A lot of companies are coming up who are trying to create resins for water treatment, which are not polymer-based. They are more carbon-based and other material-based because they say that the polymer-based resins worsen the water in other aspects. And they say that the countries like Europe are thinking of banning these type of resins on a whole. So, given that Ion Exchange has a large exposure to polymer-based resins, what is your response to that, and is this company also diversifying out into other based resins?

Indraneel Dutt: So, Ion Exchange resins, as I said, is one of our first businesses. We continue to see a significant amount of demand and requirement for those resins in the market. What you are referring to is the overall concern globally, especially more in developed markets like the U.S. and Europe, around how to deal with residual chemicals, especially very tough to treat chemicals, which refuse to go away and don't get destroyed. And that is why they get into this forever chemicals or PFAS category.

There are companies already working. I had talked about this in our emerging solutions in a portfolio where in terms of both absorption through resins and also destruction of those chemicals, we are coming out with technologies which will help us do that. And there are very few companies in the world who can offer that in the market, and we would like to be one of them.

Apart from that, we don't right now see a significant threat to our polymer-based resin business. Having said that, we continue to look at various basic chemistry of seeing how those applications can be made. But we believe that with the focus that we are putting in on absorbing and destroying PFAS assurance, we will be able to cater to a lot of the concerns that today developed markets in the U.S. and Europe have around these forever chemicals.

Kaustubh Bhupna: So, what you are saying is that the company is actively also working towards creating a portfolio of non-polymer base or on a portfolio that tackles this issue of creating residual impact?

Indraneel Dutt: Yes, I would say the second. I would say that we are working to solve that problem of forever chemicals, which is extremely big if you look at markets and just Google PFAS and look at markets in Europe and U.S.A. It is an extremely big problem. And we believe we have some part of the solution. We are now putting the rest of the solution in place so that we can offer this to our customers. So that, I think the second way you frame my response is aligned to our thinking.

Kaustubh Bhupna: Just last question. So, on your treatment solution business, even in this presentation you put out, your profitability CAGR over five years has been pretty discouraging. Your EBIT has fallen from INR 60 crore to INR 27 crore. Well, I agree you have grown top line at a healthy double-digit revenue.

But I am just trying to understand what is the landscape now? As in what is happening, why has this performance been so bad on the profitability front for five years now? And how do we plan to move this back towards higher profitability? Is that the plan even, or are we focusing on other areas and this segment will continue to show weak profitability?

Indraneel Dutt: It is a mix of both. And we have always called out in past meets and calls that this segment is currently facing headwinds due to some large value legacy projects that we are continuing to execute and finish. I think we have borne a brunt of that pain of those projects as is evident in these numbers. But they are kind of in the final stages. I would not say final. But yes, I think a significant part of the work already done. And so some of the numbers that you see are reflective of those.

Having said that, we continue to look at ways of how we can improve the solutions business profitability. A, in terms of being selective and picking up projects which are definitely much better risk profile, much better execution predictability in terms of improving and strengthening our solutions business further from a competency standpoint in walking away from difficult projects, being a lot more selective.

And that is what the experience has taught us. You have seen us pick up projects of different nature, whether it is the Oman concession of 20 years we picked up or the recently announced win that we had from a multinational customer for a project in the Middle East. So, those are the profile of projects that we would like to get. So, that is what we are trying to work on to improve the overall while continuing to maintain the growth trajectory. The focus on the treatment solutions business will not go away. We are working towards finding the right suites for our projects.

What you also see us doing in this presentation is to see how we try to move away from commoditized solutions towards more advanced and emerging solutions where there is value for technology, there is a need in the market, unmet need in the market, is how as a technology company, we want to offer solutions that are not available across the board and hence will come with a little bit of that much of premium.

At the same time, we continue to build on our other portfolio of products, chemicals, and services. So, that is the broad company response in terms of the headwinds that we currently see on the solutions business, but a lot of work is happening. Unfortunately, some of these projects are large projects. You can't step away from it like you typically do on maybe a products deal. That is where we have to grind it out, which we are currently doing.

But as you see our growth happening on our industrial products portfolio, our consumer products portfolio, our services portfolio, our specialty chemicals portfolio, those are a lot less risky part of the company. And that is what we want to double down, at the same time, work towards more higher end emerging advanced solutions that the world needs on water and wastewater solutions.

Kaustubh Bhupna: I will join back in the queue later.

Moderator: The next question comes from the line of Norris Crasto with IMS. Please go ahead.

Norris Crasto: My question today is, I just wanted to ask about the North America business, the Americas and North America business, especially, with the recent appointment of the CEO, Mr. Sanjay Sapra, and also on the Water Quality Association certification. My question specifically is, has this certification already started contributing to the revenue in the current quarter? And if so, if the management could kindly quantify this revenue contribution. And also, looking ahead, how do we see the certification driving incremental revenue over the next two and three quarters?

Indraneel Dutt: So, good observation and good question. While this discussion is primarily on the segment classification, but it is kind of related to one of the segments, so we will try to give a perspective.

So, the appointment that you talked about, referred to, is a part of our ongoing strategy to become more local in global markets. While we kind of highlighted the appointment of our North Americas leader, our Americas leader rather, we have also appointed a leader for our Asia Pacific business. We have appointed a leader for our Middle East Africa business, and we are in the process of appointing a leader for our Europe business. It is not an Americas effort alone. It is part of a very considered effort to take the company global. And below these leaders have country leaders so that we can go after the potential market opportunities in those respective countries.

This plays well with the investments that the company has planned and has made, specifically with respect to the investments in our resins business, with the Roha plant, with our membranes business that is being made, and also with our standard plants business because all of these product lines and offerings will be sold in most of these markets across the world, including the Americas market.

These markets also require our products to have local certifications to be able to meet the requirements of customers in those local markets as per local stat regulations, and the WQA certification is a step in that regard for our resins business. For us to be able to sell in the Americas market, the WQA certification is a must, and that is what the company has gone and done.

So, yes, with the WQA certification, with our Roha plant commission, with our leadership team in place in some of these global markets, we will see an uptick on the businesses, based on which premise the investment was approved. So, this is as per the norms agreed and the progressive growth plan we have already given in past calls. So, we expect the growth to happen on those lines in those markets for the businesses that we are investing in.

Norris Crasto: I highly appreciate the detailed answer, but if you could just give a quantification in terms of has the WQA certification contributed to the current quarter revenue, and if so, what is the contribution and also the growth you see with the WQA certification and how aggressively are we targeting the Americas, and what is the growth in the quarters to come?

Indraneel Dutt: So, the question on this current quarter will take in the call for the quarter. As I said, we would not be in a position to give a quantification, but we expect a significant part of our Roha plant capacity utilization to come from overseas markets and specifically the North American market. So, there is a significant assumption that, not a majority, but a significant part of the Roha volume will be used to cater to the North American market growth.

Moderator: The next question comes from the line of Deepak with Sundaram Mutual Fund. Please go ahead.

Deepak: Sir, I just want to double-click on that pharma resin which we spoke about at that Ankleshwar location. So, when we talk about 6x capacity expansion, is this the expansion which has already taken place? Or you mean to say that from here on we will be expanding 6X in the next couple of years?

Indraneel Dutt: So, it is in the process. It is not as big as the Roha plant that we had to set up. It is in the process. The pharma resins are not measured by volume, but value. And we believe that we have the necessary actions being put in place to get this up and done in the next 12 months.

Deepak: Sir, would it be possible to quantify, like what we quantify in terms of Roha plant, maybe in cubic meter, what is it currently for this pharma resin and what it will be? And how much CapEx we will be incurring in the next 12 months to expand this capacity by 6x?

Indraneel Dutt: So, we typically have not given a breakup if you look at our past commentaries around the breakup of the industrial and the pharma resins. It is an FDA-approved plant, but it is the capacity we are trying to grow. The CapEx is manageable. It is not so much the CapEx-CapEx as to the knowledge and the technical knowhow that helps us unlock that potential and the value. We believe that we are on course to get that done in the next 12 months.

Deepak: And sir, the asset turn would be similar to what we see in the Roha plant at around, I think, 2-2.5x?

Indraneel Dutt: It will be quite more than that because it is a little bit of an asset-light investment, more on technology knowhow and IP.

Deepak: And sir, would it be possible to call out as of FY '26, what was our revenue contribution from this pharma resins?

Indraneel Dutt: No, we don't do that. As and when the segment grows, as you see and our entire effort of the reclassification is to become more transparent and share more insights of the company to you. As and when we find that this segment becomes big enough to be able to stand on its own and report, we will do that.

But right now, this will continue to be classified under the specialty chemicals segment.

Deepak: And sir, one last point. So, I noticed in your presentation you had given a breakup of all the three segment, but somehow I am not able to reconcile that with the actual reported number, which was earlier. So, it would be helpful if you can provide the actual number plus the inter-segment, which could be related to all three segments, so that at least I am able to match with the past number as provided.

Indraneel Dutt: We will provide that to Valorem. Through Valorem you will be able to get.

Moderator: The next question comes from the line of Sagar Parekh with Renaissance Investment Managers. Please go ahead.

Sagar Parekh: My question was on this water treatment solution, basically. So, I was just looking at your presentation, and I am new to this company, so maybe my questions will be basic. I wanted to understand on, you have written ultra-pure water and high purity water as your solution that you offer. So, do you all also have the capability to service the semiconductor industry, which is upcoming in India, for the ultra-pure and high-purity water?

Indraneel Dutt: Yes, so ultra-pure is more for solar and semiconductor and batteries. And high-purity water is a term that we associate more with pharma, biopharma life sciences, biotech companies. And yes, we have the capability to offer ultra-pure water solutions to semiconductor companies. We have participated in some of the bids that have happened in the projects in the past, I would say, year plus. And we continue to pursue. We have got good strength.

In fact, we have picked up a small project of a semiconductor application. It is still not out in the public domain, but we picked up a small project with a partner. So, we are very much in that space. This is not a new space for the company. The company had done an ultra-pure water project for Semiconductor Complex Limited, Mohali, SCL Mohali, quite about 30 years back.

So, a lot of that knowledge resided in the company. But however, with the advancements in chip manufacturing, we have had to upgrade the technology of ours, work with a partner, and I believe we have the best technology to offer for our customers in India and abroad.

Sagar Parekh: So, in terms of size, for example, let's say the Tata's plant is somewhere, which is an INR 90,000 crore kind of CapEx. So, within that, what would be the opportunity size for us that we can cater to?

Indraneel Dutt: Yes, it is a very specific one. I wouldn't want to, and again that varies plant to plant. All I can tell you is that the semiconductor fabs are extremely dirty industries. So, A, they require very, very high quality source water. That again depends on the kind of water you get. If you get municipality water, that will be one investment requirement.

If you get sewage water, as again, some of these industries have been talked about to get, then to treat that into making ultrapure water will be another investment level. And then the wastewater that comes from these fabs also will need to get treated, and even those require very large treatment facilities.

In fact, the investments required to treat process water from these plants is bigger than what you need for setting up ultrapure water plants. So, significantly water guzzlers, significant water degraders, and all these fabs will require a significant amount of their plant CapEx to go into water and wastewater treatment.

Sagar Parekh: And this business would be order book driven, this entire treatment solutions business?

Indraneel Dutt: Yes. These are all customized plants, so unless and until it is our large projects, depending on the size of the plant. So, yes, it's like any other project pursuit that we do.

Sagar Parekh: So, just my last question on this entire treatment solutions business piece. So, you have about INR 1,100 crore revenue last year with INR 27 crores of EBIT, right? And your margins have been coming up, and you have alluded to the fact that there were some large legacy projects that are getting over now. But if I look at FY '21-'22, you did about 11%-12% kind of EBIT margins on a INR 500 crore kind of top line, right? Now our top line has more than doubled, but our margins have come off.

Now with this entire new space which is coming up, which is semiconductors and solar where we have our capabilities, do you think we can go back to 10%-11% margins with significant scale-up in terms of top line or you think the top line will remain more or less in this range with some margin improvement? How should we look at this business overall?

Indraneel Dutt: I think the business will, see, first of all, I will qualify your comment around the legacy projects as we have been saying that while a substantive part of the project has been done, yet we don't quantify percentages, but yet a fair bit of the project is still left out. Okay.

So, we don't want to give a feeling that we are out of the woods. We are not. But we grind through, and we should be out of the woods soon. But the immediate short term, I think we still have to execute our commitments on this project.

Having said that, the effort of the company, as I said, has been on three, four areas. One, be very selective in what we pick up, and we have been very selective over the last couple of years. The jobs that we have won also reflect a much better profitability profile that we have picked up, which we have announced as well.

Number three is to look towards areas which are more high-tech, more where there are challenges, where there are few technology providers, and which is where the entire segments of advanced techno-solutions and emerging solutions come into play. These are not easy. Not too many companies in the world can offer on the emerging solutions side.

We will be one of the very few companies in the world who can offer resource recovery, brine valorization, water electrolysis, lithium extraction. These are high-tech spaces, and that is where we believe if we move towards that, fully changes the profile mix while not reducing the focus on the treatment solutions portfolio, we should be able to improve the overall mix of the particular segment.

Sagar Parekh: That's it from my side.

Moderator: Thank you. Ladies and gentlemen, that was the last question. Now, I would hand the conference over to the management for their Q1 earnings results.

Sir, now I hand the conference over to the management for their Q1 earnings results.

Vasant Naik: Good afternoon, everybody. This is Vasant Naik. It is a pleasure to welcome you all to the earnings conference call for the 1st Quarter of Financial Year 2027.

For the first quarter under review on a consolidated basis, the company reported an operating income of INR 701 crores, increase of 20% year-on-year. The EBITDA stood at INR 32 crores, which declined by 49% year-on-year. The EBITDA margin stood at 4.54%, and net profit was INR 3 crores, while the PAT margin was 0.44%.

Now let me take you through the quarterly segmental performance on a consolidated basis. Within our engineering division, we have now introduced a more granular reporting structure to provide investors with better visibility into the underlying business mix and growth drivers. Going forward, the engineering segment will now be reported under three distinct sub-segments: treatment solutions, industrial products, and lifecycle services.

The treatment solutions segment reported a revenue of INR 210 crores, an increase of 14% year-on-year. The Segment reported an EBIT level loss of INR 17 crores, with profitability continues to be impacted by certain legacy projects. On the operational front, dispatches to the GCC regions have resumed and are expected to progressively gain momentum. Our focus remains on executing the existing backlog while continuing to pursue opportunities across emerging segments and international markets.

The industrial products delivered a strong performance during the quarter, with revenue growing 14% year-on-year to INR 105 crores. The segment EBIT margin increased by 145% to INR 13 crores , while EBIT margin improved significantly to 11.89% from less than 6% in the corresponding quarter of last year. This was supported by a strong performance across the water treatment solutions and the Membranes. Going forward, the growth will be supported by the expansion of our UF membrane manufacturing capabilities, enhanced capacity for the standard plants and Systems, and an increasing overseas presence.

The Lifecycle Services maintained its healthy growth trajectory, with revenue increasing 28% year-on-year to INR 72 crores. The segment EBIT stood at INR 7 crores, an increase of 22% year-on-year. EBIT margin was 9.92% as compared with 10.55% in the previous year, Primarily reflecting higher input cost. We continue to focus on scaling our O&M and consumable businesses while expanding our offerings across retrofit projects, BOO/BOOT models and digital solutions.

Across these three businesses, our order book stood at INR 2,473 crores as of June 2026, providing healthy execution visibility. However, this order backlog does not include the recent contract win of Hyundai of around $52 million, which was announced post the closing of the quarter. In addition, the bid pipeline stood at INR 9,777 crores, providing a strong opportunity funnel for future order inflows.

Moving to the specialty chemicals, revenue for the quarter stood at INR 230 crores, an increase of 21% year-on-year. The segment EBIT stood at INR 22 crores, reflecting a decline of 52% year-on-year. Profitability during the quarter was impacted by the geopolitical factors as well as higher costs associated with the Roha facility . As utilization of the expanded facility improves, we expect increased offtake from the Roha plant to support the business. Pharma resins and a higher contribution from process chemicals remain important growth area for us.

Lastly consumer products delivered strong top-line growth, with revenue increasing 33% year-on-year to INR 112 crores. The segment reported a loss of approximately INR 34 lakhs, compared with a loss of INR 45 lakhs in the corresponding quarter last year, reflecting a modest improvement in Profitability. Growth during the quarter was broad-based across key product lines, and going forward, we continue to see opportunities in the water softener market, wellness products and newer product categories such as the OTGs.

Overall, we saw double-digit growth across all the five business segments during the quarter. While profitability was impacted by near-term pressures in certain businesses, our focus remains on improving execution, scaling our expanded capacities and growing our recurring services portfolio, and capitalizing on the healthy opportunity pipeline across the domestic and the international markets.

With this, we conclude the opening remarks, and we can now open the floor to the Q&A.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question comes from the line of Sunil Kothari with Unique PMS. Please go ahead.

Sunil Kothari: Really great to hear a lot about the capability Ion Exchange is having and the reclassification of the businesses. I would like to listen something more from Mr. Patni also, if possible, his comments of this reorganization, reclassification and the growth we are planning to do maybe over the next two to three years after completing these challenging legacy projects and challenging time. So, some comments from him will be really helpful.

Aankur Patni: Good afternoon, Sunil ji. You could have heard from Indraneel in detail about how we are trying to make sure that the company aligns to a lot of the upcoming business opportunities, sunrise industries, both in terms of how we are pursuing these opportunities, but also in terms of how we are adding capacities and capabilities within the organization.

I look forward to the future with a lot of optimism. Of course, we have had not just one, but quite a few challenging quarters. As Indraneel mentioned, that legacy project overhang is still not over. But we are trying to make sure that has less of a bearing as we build an order book of more profitable contracts, larger contracts, not just in India, but substantially outside.

The portfolio of products, services, specialty chemicals, all of these are definitely going to be driving a little bit more on the margin side. We will continue to work extensively to increase our order book on the treatment solutions segment also. I think that continues to be, will be, a significant contributor to the top line. And I dare say our effort will be to increasingly make it more profitable and be a substantial contributor to the bottom line also. So, all in all, looking at the future with a lot of hopes, Sunil ji.

Sunil Kothari: Thanks a lot for the detailed reply.

Moderator: The next question comes from the line of Kaustav Bubna with Kamana Holdings. Please go ahead.

Kaustubh Bhupna: So, if you could explain after all the capacity expansions in the specialty chemicals business, if you were to theoretically assume that the plants would get fully utilized, what would the maximum revenue potential for the specialty chemicals business be versus INR 868 crores in FY '26?

Vasant Naik: We had said in the past that we expect once the Roha plant achieves full capacity over the next four years, we should have an asset turnover of just under 2x on the manufacturing CapEx, which we are incurring. So, currently, our specialty chemical, as you just mentioned, is just under INR 900 crore for the year for '25-'26. So, we expect a substantial increase of at least 50% in this capacity over the next couple of years.

Kaustubh Bhupna: Sir, how do we see this year going ahead in terms of the company bouncing back on profitability front? Should we expect quarter-on-quarter improvement and still not getting back to those double-digit margins? Or would the situation still be tough for this year ahead given the struggles you are facing in some verticals, expansion in some, et cetera?

Indraneel Dutt: Yes. So, I think you are right. I agree that the performance in the first quarter has been disappointing, and it is a combination, as you said, some of the legacy projects which continue to grind through. It is a combination of Roha coming up to speed as we go through debottlenecking and stabilizing the plant. It is also a combination of the current geopolitical situation due to which some of our invoicing got impacted. So, a lot of this have contributed.

So, I think across the board, as the geopolitical situation improves, as Roha is stabilizing, I think there is a lot of work that is happening every day towards that. And as the volume starts picking up in some of these overseas geographies that we talked about, we definitely see the outlook improving.

As we said, as Vasant called out the order that we got from Hyundai for INR 500-plus crores, it was something that the team has been working on for quite some time, and I think we are very happy with the close and the overall profile and the profitable profile of those projects. As we get more of such projects coming in, we definitely see the treatment solution business profile also improving . As Roha gains stronger momentum, we maintain our view that the specialty chemicals segment is on a clear path to improved performance, consistent with our earlier projections. As our standard plants and membranes are able to expand post the investments made, we see this segment also coming up.

The objective across all five segments is to improve not only the company's top-line performance but also the quality and sustainability of its bottom line. Accordingly, we have voluntarily divided the business into these five segments to provide greater transparency into the performance of each segment.

Yes, the company achieved double-digit profitability at that point in time, which was a significant accomplishment. While returning to those levels will take time, we remain cautiously confident that we have a clear path to achieving this objective.

Our increased focus on products and chemical services, while continuing to strengthen our treatment solutions business, is an important part of this process. Similarly, our focus on international growth and on developing advanced and emerging technology solutions will support this objective. We are working across these areas to restore double-digit profitability over time.

Moderator: The next question comes from the line of Rahul with Stratton Oakmont. Please go ahead.

Rahul: With respect to the restructuring of the lifecycle services as a standalone pillar, do we expect an improvement in working capital velocity compared to our traditional EPC segment? And as this lifecycle services segment grows as a percentage of total revenue, can we expect some free cash flow conversion to structurally detach from this heavy working capital cycles we have historically seen our government project verticals?

Indraneel Dutt: So, clearly, this is a step partly in the direction that you talked about towards having a less capital-intensive growth plan. And also in the course of time, we will see we can give some more specific flavor and color of those segments. We can speak about those segments in particular. But yes, that is the plan.

As I said, we already closed a large deal for 20-year O&M concession with one of our large existing customers , Petroleum Development Oman. And we believe these will give us better revenue profile at a group level, because some of the profitability of these O&M contracts also will reside in our industrial products business, will reside in our specialty chemicals business. So, overall, a much better profile for the group. It gives us predictability of revenue, repeatability of revenue.

Clearly one of the areas that we will explore is to also look at BOOT and BOO contracts. But again, that will also come with their share of some developmental investments. But overall, whether it is concession-based repeatable O&M revenue, whether it is consumables and spares revenue, whether it is rental revenue, these are all service models that we are evaluating.

We have a highly experienced senior leader overseeing our global services business. Our objective is to build this vertical substantially, drive higher revenues, establish it as a major strategic focus area for the company, and enhance its overall profitability.

Rahul: And my second question is more related to the specialty business. So, as India incentivizes semiconductor fabrication and green hydrogen electrolyzer manufacturing, do we expect the demand for ultra-pure water and special membranes to scale exponentially? Are our current R&D expenses and efforts equipped to produce semiconductor-grade resins and these electrolyzer membranes natively? What is the total addressable size of this in the next few years?

Indraneel Dutt: The segments you identified are indeed spot on, and offer significant growth potential. I am not so sure how fast only India alone can be a big enough market for us because as we are also looking at some of these plays in international markets , whether it is green hydrogen, whether it is ultra-pure water, high purity water. This is precisely why we are focused on partnering to access the right competencies and capabilities to serve these markets effectively.

Building on the "India and beyond" positioning and the need for partnerships to access the right competencies, our view is that these segments will grow both in India and internationally. We already have certain capabilities in place, while others are being built or acquired to address the expected surge in investment in semiconductors and data centers globally. Although not all solutions are fully in place today, our technology and leadership teams are executing a clear roadmap to close these gaps and position us as a preferred player in these high-growth spaces.

Rahul: What would be the total addressable market for this right now, India and outside?

Indraneel Dutt: I will not be able to comment, but I am sure these are readily available figures that you can get. As I said, India has been a little bit slow post that last project in India. But I think there are, again, other projects in the anvil. And it could only pick up over time. I think it is only how fast it happens is possibly something we need to see.

Rahul: That will be all from my side. All the best for the coming quarter.

Moderator: The next question comes from the line of Norris Crasto with IMS. Please go ahead.

Norris Crasto: My question is, with the softening crude prices from the March and April 26 levels of over $100 a barrel to the current $80 levels that we are having at the moment, and our major input raw materials for the petrochemical monomers and especially amines, because in the last con call it was mentioned that there was a significant increase in the price of these raw materials. With the crude softening, I just wanted to know how would this impact our input costs for the upcoming quarters?

Indraneel Dutt: So, directionally, what you are saying is correct. Any hardening impacts us and right now, while there has been some drop, at the same time, we have seen fluctuations as well. The geopolitical situation as we all know has been extremely uncertain. It is still extremely fluid and fluctuating.

But over time, as things stabilize, as the benchmark crude prices come down and settle down at a much lower level or at a level before the geopolitical crisis level, definitely our input costs will also start improving. We definitely see a little bit of softening, but it is still yet to pan out fully, and we continue to observe the situation very closely as we speak.

Norris Crasto: And just on the UP legacy contract, in the previous con call, management had indicated that this should be fully resolved by the end of this calendar year. Could you just give us an update on where we stand currently? And are we, as you said, out of the woods in the coming quarter or the quarter after that or within this financial year? Are we still on track with the earlier guidance? Just a clarification on how many legacy contracts there are. Is it just the UP legacy contract or is there another legacy contract as well?

Indraneel Dutt: First of all, I would like to correct the understanding. We have never said that the UP contract will be fully over in this financial year. We have always maintained that our effort, our teams are mobilized across all the locations, and our effort remains to close the project as quickly as possible.

Having said that, it is entirely dependent on the fund flow that is coming into these projects, which we are all aware that has been severely constrained and restricted in the whole of the last financial year. We are happy to note that inflow of funds have started. There is some progress we are making. However, I think it will be far too premature to say that the project will be closed in this financial year.

As of now, the way the funds flow are happening, it will spill over to the next financial year because there is a huge amount of work that is still left to be done. We continue to remain extremely keen to get this work done. We are fully mobilized. Having said that, we do not want to increase our exposure as a company to more receivables unless and until the funds flow happen.

Having said that, directionally, the last three months has been positive for us, and we hope this continues.,

On your question regarding legacy projects, we do not typically disclose the exact number of such projects. That said, apart from the UP project, there is at least one other large project that we are still working through, along with a few smaller ones. A significant portion of the work on these projects is complete and we will continue to progress to close these projects .

Norris Crasto: Just wanted to just elaborate a little bit more on this if you may. In terms of the quantification of this financial year and the next financial year, what percentage of the legacy contracts overall now that you are saying there is more than one legacy contract, what quantification would you say would be finished in this year, percentage wise, and in the next year?

Indraneel Dutt: I am leaving the UP project out because the UP project is clearly government fund-driven project. There is no other issue apart from the flow of government funds. Okay?

But leaving UP project out, the other legacy projects, we believe a significant part of the work will be completed in this financial year, especially for the large project. So, we ideally want to close everything out, but at this point in time, we are saying a significant part of that big legacy project should make progress by the end of this financial year.

Norris Crasto: Just a final question. Firstly, congratulations on the Hyundai contract. But with the current geopolitical situation going on and with the supply being in Iraq and this directly comes under the Strait of Hormuz exposure, do you see any deferral in the commitments or do you see this being on track?

Indraneel Dutt: At this point in time, I think we just picked up the contract. As we speak, the kickoff meetings are happening. We are not directly supplying to the end customer but to an EPC, as we have already spelled out the name. We don't anticipate any delay as of now. However, if the crisis geopolitically continues, then there will be cause for worry. At this point in time, we feel good with the timelines that has been there in the contract.

Vasant Naik: I would just like to add the contractual term for Ion Exchange are FOB Mumbai, so we have to hand over the goods at the Mumbai port. So, our contractual liability ends once we hand over goods in Mumbai. We are not responsible for the transportation.

Norris Crasto: Thank you for that. That is all from me.

Moderator: The next question comes from the line of Richa Chowdhary with Electrum PMS. Please go ahead.

Richa Chowdhary: Sir, my question is specific to the Roha plant. You had previously guided 25% utilization for the first year of operation. Given the current geopolitical situation, do we still have the visibility for the same or how are we seeing that?

Indraneel Dutt: So, we continue to hold on, ma'am. This is about four months of the year gone. It has been softer than what we expected. But at this point in time, we are not throwing in the towel. We are still holding on and working with our teams in the overseas geographies and with our plants to see that we are able to meet the guidance. If and when, I think by the end of the second quarter, we will be in a better position to come back and share with you depending on how we progress in this quarter, ma'am.

Richa Chowdhary: Secondly, on the consumer segment. Now that the consumer segment is INR 350 crores-INR 400 crores of the scale, at what scale do we expect it to start making profits and what is the optimum profit margins that we expect from this business probably in the next three to four years?

Indraneel Dutt: So our plan is to see if we can break even in this financial year. That is the first target for us. As and when we reach that milestone, we would be in a position to talk about what kind of single-digit margins we are talking about. But right now, our first objective for the team and the company is to see if we can break even with this level of growth in this financial year.

Moderator: The next question comes from the line of Pratik Kothari with Unique PMS. Please go ahead.

Pratik Kothari: Thank you again. So, my first question on the chemicals. Last quarter, we had called out the effect of Roha on the profitability, if we can do the same this quarter. So, ex of CapEx, depreciation, OpEx, what would margins look like on the chemical side?

Vasant Naik: The impact of Roha on the chemical segment margin was approximately 6% at the segment level.

Pratik Kothari: So, the 15 percentage points that we see decrease from last year Q1, you said 6 comes from Roha. So, there is a material compression in gross margins when it comes to chemicals in general.

Vasant Naik: Yes, because in the first quarter of the last year, we also had a foreign exchange gain. So, in the current quarter, there is no foreign exchange gain. So that impact is almost around 3% to 4%. As we mentioned that because of the input cost increase, we have gone for the price increases across all the customers and the segments, but there is a time lag in passing of the cost increases. So that also has contributed to the overall margin erosion.

But as we mentioned, we are experiencing certain moderation in the input costs. So, going forward, if the crude remains at a softer level, we do expect some of the input cost increases which we have seen in the past two quarters, we should see a moderation in that, and hopefully some amount of margin we will be able to claw back in the current year.

Pratik Kothari: Sir, second on this BO and BOOT projects that we kind of now, the Oman one that we won. Have we earmarked what kind of maximum capital of our balance sheet we would want to kind of occupy? Because the capital kind of gets blocked for a longer period of time. I am sure you get better IRRs, et cetera, but any earmarking of how much capital will we spend chasing such kind of orders?

Indraneel Dutt: Yes, we will not be able to share any specifics with you, but we are aware. I think it is a very valid point that you have mentioned, which is what I called out myself, when we talked, when I was answering another question on lifecycle services. So, yes, those are better margin profiles, but they kind of put us under pressure in a different way.

So, we will continue to be very selective as we look at those projects. And all of those considerations, as you said, will be kept in mind as we grow this BOOT segment. There are multiple ways of doing it. So, we are exploring all possible options. But we would want to remain as asset-light as possible.

Pratik Kothari: Currently, our lifecycle would be largely O&M spares, et cetera. I mean, we do not have material BO or BOT project there. So this 10%-12% margin for O&M and spares seems very low compared to maybe what others report. Can you highlight, I mean, what goes on behind this?

Indraneel Dutt: . Yes — the reporting isn't strictly one-to-one. A significant share of profitability sits within our products and chemicals segments, so the lifecycle services numbers alone don't reflect true segment profitability The one-to-one profitability numbers of the company is significantly higher and will be comparable. This is just as a result of what the lifecycle services P&L reports, not one-to-one.

Pratik Kothari: And then lastly, on this legacy. Has the cost overrun or the losses that we were reporting gone up materially from, say, what it was a year or two back?

Indraneel Dutt: In a project of this scale, extended timelines naturally bring some cost impact. We're working closely with our project execution teams to actively manage and monitor this. To be clear, part of the headwind on treatment solutions does stem from cost overruns on this specific project — it's a large project within the portfolio, so it does have a meaningful impact. It's also worth noting that treatment solutions is inherently a lower-margin segment compared to our specialty chemicals, products, or services businesses.

Pratik Kothari: And we don't intend to call that out right now, ex of legacy, what does treatment look?

Indraneel Dutt: No, I mean, it doesn't help the purpose. The numbers remain the same.

Pratik Kothari: And just to reconfirm this Hyundai order, this is nothing EPC in that. This is just pure supplier product.

Indraneel Dutt: So, it is a solution that we are offering. But it is a lot less risky version of a solution, we would want to put it that way, which is why we feel good about what we picked up.

Pratik Kothari: No, great.

Moderator: The next question comes from the line of Saket Kapoor with Kapoor & Co. Please go ahead.

Saket Kapoor: Sir, thank you, firstly, for the elaborate discussion, but I missed a part of your opening remark also. So, pardon me for any repetition. But sir, as earlier participant has also outlined about the path to profitability, if you could just explain to us, especially for the category of treatment solution, wherein I think so the legacy contract part losses have been booked. How do you see as we progress through the year, how are things going to shape up firstly?

And secondly, for the UP just given project part, in percentage terms or in value terms, can you quantify what is the unexecutable portion and how much is the receivable from them as on March and as on 30th June?

Indraneel Dutt: So, I will request Vasant to answer the UP portion, I will answer the first part of your question, which is, see, clearly on the treatment solutions business, these are project businesses. So, there is no easy fix here.

I mean, as an example, a little bit of the past in case any of you have been tracking the company, we benefited from the great project in Sri Lanka that the company had done, both in terms of top line and bottom line over a very long time.

So, some of these large projects do take a time to kind of get to the full impact. So, we are working through that on that legacy project. We continue to strengthen and improve our effectiveness across all parts of the EP&C value chain for our treatment solutions business.

We continue to be very selective in what kind of projects we are picking up, and that is evident in a couple of deals we talked about earlier part of the call, including this Hyundai contract that we got. We continue to focus on looking for advanced and emerging solutions, high-tech solutions away from commoditized offerings.

So, all of these are steps that we are taking to fundamentally improve the mix profile of the treatment solutions business, move away from commoditized EPC towards more where we can add value, work on areas around resource recovery, around new technologies in hydrogen, ultra-pure water, high-purity water. All of that is being done to fundamentally improve the profile and the mix of the treatment solutions business, which will play out for us to advantage in the medium to longer term.

Short term, unfortunately, we have to bear the pain and go through some of these legacy contracts. So, that is, unfortunately, I don't have a better answer, a more positive answer for you, but it is a reality. I will let Vasant answer the question of the 2B part.

Saket Kapoor: Sir, if I may just squeeze in here. So, we as investors can conclude that even today also, worst is not behind in terms of this translating into the P&L. The P&L flow for this quarter at a revenue of INR 200 crore, the bottom line is depleted by INR 18 crore. Is still the worst of the pain behind us, or at least you can give what path are we going to glide going ahead for this category?

Indraneel Dutt: To reiterate, a significant part of the project is behind us, though a sizable portion still remains — that's the extent of the quantification I can offer at this stage. As mentioned, our approach to moderating the impact of this project is to add more profitable projects to the mix, which is reflected in what you're seeing with Hyundai. As these newer projects scale up, they'll help offset the impact of this larger project.

And on the UP one, Vasant will answer.

Vasant Naik: The UP unexecuted portion is around 11% of the order backlog as of June. Our order backlog was around INR 2473 crores.

In terms of the exposures on the accounts receivable, we don't call out separately on the contract specific details. But as we have mentioned in the previous calls, we are moderating and calibrating our execution in proportion to what funding is received from the government on this project. So materially, our exposure has not changed over the past few quarters.

Moderator: Thank you, sir. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for their closing comments.

Nikisha Solanki: Thank you all for participating in the earnings conference call. I hope we have been able to answer your questions satisfactorily. If you have any other further questions or would like to know more about the company, please reach out to our Investor Relations Managers at Valorem Advisors. Thank you.

Moderator: Thank you, ma'am. On behalf of Ion Exchange (India) Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.