November 12, 2026

To

BSE Limited
The Corporate Relationship Dept.
P.J. Towers, Dalal Street
Mumbai-400 001
Scrip Code: 500214

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block- G,
Bandra Kurla Complex, Bandra (East),
Mumbai-400 051
Symbol: IONEXCHANG

Sub.: Submission of Transcript of the Earnings Conference Call held on Thursday, November 5, 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 Earnings Conference Call held with the Investors and Analysts (Group Meet) on Thursday, November 5, 2026, to discuss the financial performance of the Company for the second quarter and half year ended September 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: 2026.11.12 17:06:49 +05'30'

Nikisha Solanki
Company Secretary & Compliance Officer
ACS- 50894

Encl.: As stated above

Ion Exchange (India) Limited
Q2 & H1 FY2027 Earnings Conference Call
November 05, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Ion Exchange (India) Limited Q2 H1 FY2027 Earnings Conference Call, hosted by Valorem Advisors.

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 earnings conference call for the 2nd Quarter and 1st Half of the Financial Year 2027.

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 uncertainties 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 decisions. 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 Ms. Nikisha Solanki – Company Secretary.

Without any further delay, I request Mr. Vasant Naik to start with his opening remarks. Thank you, and over to you, sir.

Vasant Naik: Thank you, Purvangi. Good afternoon, everybody. It is a pleasure to welcome you to the Earnings Conference Call for the 2nd Quarter and 1st Half of the Financial Year 2027.

Let me begin with an overview of the company's consolidated financial performance.

During the 2nd quarter, on a consolidated basis, the company reported operating income of INR 6,747 million, decline of approximately 8% year-on-year. The EBITDA stood at a loss of INR 848 million, while the net loss after tax for the quarter was INR 828 million. The financial performance for the quarter was significantly impacted by changes in the estimated cost to complete of certain legacy projects within the Treatment Solutions segment.

For the first half of FY 2027, the company reported operating income of INR 13,752 million, registering a year-on-year growth of just under 4%. EBITDA stood at a loss of INR 530 million, while the net loss after tax for the period was INR 797 million.

Let me now briefly update you on our order book and pipeline. As of September 30th, 2026, our engineering project order book stood at approximately INR 26,960 million excluding the outstanding orders of INR 100 million from the Sri Lanka project and INR 2,630 million under the UP Jal Jeevan order. Our total order book stood at approximately INR 29,690 million.

In addition to our existing order book, our bid pipeline now stands at INR 93,700 million as of September end. During the quarter, the order inflow stood at INR 8,130 million, driven primarily by the medium-sized opportunities and a prestigious international contract from Hyundai Engineering and Construction Company Limited valued at USD 52.83 million. This is for the supply of filtration units in the Middle East with a better margin profile. Our overall enquiry bank continues to remain steady, and we remain focused on converting these opportunities into orders and executing our existing backlog as per the planned schedules.

Now let us go through the quarterly segmental performance on a consolidated basis. Starting with the Treatment Solutions, the segment reported revenue of INR 1,498 million during the second quarter of the current year compared with INR 2,958 million in the corresponding quarter last year. The EBIT stood at a loss of INR 1,215 million compared with a loss of INR 122 million in Q2 of FY ’25-’26. For the first half of FY 2027, revenue stood at INR 3,597 million compared with INR 4,797 million in the corresponding period last year, while EBIT stood at a loss of INR 1,389 million.

As mentioned earlier, the segment performance was significantly impacted by changes in the estimated cost to complete of certain legacy projects. Additionally, the execution of some high-value contracts is scheduled for the second half, while certain dispatches to the GCC region have now been deferred to the second half due to the ongoing Middle East crisis.

Looking ahead, considering our strong order backlog and planned execution schedules, we expect an improvement in turnover during the second half, accompanied by a better margin profile.

Moving to the Industrial Products segment, the segment delivered strong growth during the quarter. Revenue increased by approximately 35% year-on-year to INR 1,360 million compared with INR 1,009 million in Q2 of FY ’26. EBIT also improved to INR 86 million from INR 74

million in the previous year. For the first half of FY ’27, revenue grew by approximately 25% year-on-year to INR 2,411 million while the EBIT increased to INR 210 million as against INR 124 million in the corresponding period last year. The segment continues to witness steady order inflows and we expect the growth momentum to continue in the coming quarters.

Coming to the Lifecycle Services, the segment recorded sequential growth during the quarter while maintaining stable margins. Revenue stood at INR 706 million compared with INR 770 million in Q2 of FY ’26, while EBIT was INR 59 million. For the first half of FY ’27, revenue increased to INR 1,422 million as against INR 1,329 million in the previous year, and the EBIT stood at INR 130 million.

Moving to the Specialty Chemicals, the segment recorded an improvement in turnover both sequentially and year-on-year. Revenue for Q2 FY ’27 increased by approximately 17% year-on-year to INR 2,546 million compared with INR 2,181 million in the corresponding quarter last year, and the EBIT stood at INR 225 million. For the first half of FY ’27, revenue grew by approximately 19% year-on-year to INR 4,843 million compared with INR 4,070 million in first half of FY ’26. EBIT stood at INR 448 million.

The margins in this segment continue to remain under pressure due to the input cost inflation arising from the higher RM cost due to the West Asia crisis, along with the facility cost associated with our Roha plant. We have taken steps for passing on the cost increases to the customers, and it is now getting increased success, which will reflect in improved margins in the coming months. Our offtake from our resin manufacturing facility at Roha is gradually picking up, and we expect the facility to contribute to the segment growth in the coming months.

Coming to the Consumer Product segment, it continues to deliver strong volume growth during the quarter, with revenue increasing by approximately 30% year-on-year to INR 1,005 million compared with INR 771 million in Q2 of FY ’26. EBIT stood at a loss of INR 41 million

compared with a loss of INR 23 million in the corresponding quarter last year. For the first half of FY ’27, revenue grew by approximately 32% year-on-year to INR 2,129 million compared with INR 1,613 million in first half of FY ’26, with an EBIT loss at INR 45 million.

We are continuing to invest in this business with the objective of scaling up operations and building a significantly larger revenue base. Beyond our core segments, our advanced digital solution offerings are receiving an encouraging response, and we believe this business can contribute positively to our services segment in the coming months.

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

Moderator: Thank you very much. We will now begin the question-and-answer session. We will take our first question from the line of Prathamesh Sawant from Abakkus Investment Managers. Please go ahead.

Prathamesh Sawant: Festive greetings to the team, sir. My first question is on the Specialty Chemicals segment. So, sir, what percentage of our margin deterioration can be attributed to the raw materials and what percent to the new facility ramp? Last quarter you mentioned 6% was because of the new facility. So, any segregation? And you have said that you are trying to pass the cost increases. So what kind of margins can we expect in the second half?

Vasant Naik: Coming to the impact of the Roha facility on the segment, it was around 7% at the segment level for this quarter. And as far as the West Asia crisis and the associated increase in input costs which we could not pass on, it is also in the region of 7% to 8%. And balance can be attributable to the exchange gain which was at a higher level in the previous year.. So, overall, around 18% can be attributed to these 3 main factors.

Prathamesh Sawant: And how much of the price increases can help you reduce the gap?

Indraneel Dutt: We are are seeing progressively better acceptance in the domestic market. In international markets, however, we are seeing slightly slower

progress in passing on the price increases. At the same time, we are carefully planning the utilization of the new Roha facility. Our focus is on balancing the volumes we need to build and the pricing we can achieve, so that we can ramp up the facility at the pace we expect. This is still a work in progress.

Prathamesh Sawant: And then my second question is with respect to your treatment solutions business. So, we are expecting this higher value orders in the second half. So, what percent of these orders again will be going towards Middle East, which have a risk of further delay because of the geopolitical tensions?

Indraneel Dutt: There are two parts on the treatment solution, the expected revenue. One is our current existing backlog that we have been working through. And we believe we have a significantly higher level of confidence on those numbers coming through for us. On the new order that we have received that my colleague Vasant Naik spoke about, we are also looking at seeing if we can get some of that revenue also in this financial year. So that also is work in progress. Currently, we believe that the orders expected to go to this region, we have reason to believe that that will go ahead as per our plan.

Prathamesh Sawant: And sir, any light on the INR 9,100 crore bid pipeline that you have? Can you show any color on, from what segments are we seeing this?

Indraneel Dutt: So, largely, it is on the industrial side, both in domestic as well as in the international markets. Some of the major industrial sectors contributing to the pipeline are refining segment, power and steel.

Prathamesh Sawant: Festive greetings.

Moderator: Next question is from the line of Pratik Kothari from Unique PMS. Please go ahead.

Pratik Kothari: Just to confirm again, this performance in treatment solutions, this is just delaying dispatch to GCC? Nothing else? If you can quantify that?

Indraneel Dutt: No, as we have been saying in the earlier calls,there are some legacy contracts where we expected some cost overruns. We believe that we have got a very good estimate of what that number, and we have considered that entire impact of the overrun in this quarter's financial numbers.

So with that, we believe that the risk on the legacy contracts, from a cost overrun and profitability impact standpoint, that we have been talking for close to about 8 quarters in our calls, we have reached the bottom of the barrel as far as that is concerned.

So that is one of the major reasons why this quarter's performance on treatment solutions have been impacted. And this has actually contributed to around 90 % of this quarter's negative PBT.

Pratik Kothari: But the order is yet to be executed. What you are saying is for the incremental execution. So one, if you can confirm, our earlier plan was to complete this execution this financial year. So one, if we are on track, and two, there are no more incremental losses that we will see. Everything has been recorded, 100-odd crores of that this quarter itself.

Indraneel Dutt: Yes, so, first of all, the project is about more than 90% complete. However, as we have said in the past, that we expect this legacy contract to spill over into the next financial year. We now have good visibility into the impact of the cost overruns, which we have already accounted for in the quarter. Based on our current assessment, we believe the remaining execution period should not see any further material adverse impact on this contract. That said, we will continue to monitor the situation closely.

Pratik Kothari: So what does margin then normalize to from H2 or say next year on the engineering or the treatment part of it?

Indraneel Dutt: So, we should be able to get back to our average margin on the treatment solutions. You are aware, right, that from this particular financial year, we have recast our segments to cover treatment solutions separately. So, this is purely the project business of the company. So we expect that the

Q1 margins that we have got, we will maintain that. And maybe there are some upsides that we will be able to offer in the second half of the year.

Pratik Kothari: We used to do 6%-7% margins 2-3 years back. This is treatment solution specifically?

Indraneel Dutt: We should be able to get to higher single digits in the balance part of the year. That is our expectation.

Pratik Kothari: And lastly, on revenue, right? So, this kind of explains the profitability of treatment solutions, but even the revenue is half. So, what happened here?

Indraneel Dutt: So on the revenue side, this is the financial impact of it. I will request my colleague Vasant to explain the revenue impact on this contract.

Vasant Naik: Yes, there are a few reasons why the revenue is down. One is, , for the order backlog what we have, some high-volume execution is planned as per the contractual terms in the second half. Second is, we also mentioned the Middle East crisis, certain dispatches got deferred. That is another reason why the revenue is down. And third is because some of the revenue which we have done on contracts, the same have been reversed under the applicable accounting standard to match the cost..

A combination of all these 3 factors have contributed to the overall reduction in the treatment solution revenue in the first half. But having said that, based on the order backlog, the planned execution, and the new Hyundai contract which we are planning to execute, we should be at the end of the year close to the full year levels what we showed in the previous year.

Pratik Kothari: And lastly, I mean, obviously the raw material, etc., has a lot of material in chemicals, but has that stabilized? I mean, we intended to kind of break even at Roha, say, by Q4. Does that look feasible?

Indraneel Dutt: See, what we had said in the past also, that the Roha capacity utilization will grow 25% every year. This is the first year, so we were looking at

getting to 25% of the Roha capacity utilization. I think as of now, and on top of that, we had some of the headwinds of the West Asia crisis and the input cost going up. So, we are working through that, and we believe we are seeing some recovery starting, but it is early days. And as the West Asia crisis stabilizes, which we are hoping on the geopolitical situation, we believe that the input costs will stabilize, soften a bit, and we will be able to pick up more volume in both the domestic and more specifically in the export markets.

Moderator: Next question is from the line of Deepak from Sundaram Mutual Fund. Please go ahead.

Deepak: Sir 2, 3 points. One on the engineering. So you did call out that Hyundai order. So if I recall correctly, that was a INR 500 crore order which was supposed to get executed in the span of 18 months, right? So just wanted to know what kind of revenue contribution one can expect in, let's say, this fiscal year. And since it is a higher execution of only 18 months, I think most will trickle down to next year. So, just want some color on what sort of revenue one can expect from this Hyundai order in FY '27.

Indraneel Dutt: So we don't give any specific call-out for specific contracts, but we are working closely with the customer. The project is moving, progressing satisfactorily, and we expect to get a portion of that revenue in this financial year also. Again, ultimately everything depends upon how the overall project moves. But based on the progress that we have made over the last couple of months, including ordering critical items, we believe we will see, as per our estimate, a decent amount of the revenue from that order. At this point in time, it will not be possible for us to share anything more specific on a single contract.

Deepak: But on a net basis, as Vasant pointed out, you are confident that, let's say, in FY '26 you did somewhere around INR 1,750 crore excluding the intersegment revenue in the engineering division. That is something which we can hope to do this year also since the execution in H2 will be higher.

Indraneel Dutt: Yes, so we expect this to go back to that level. As of now, first half has been softer, as my colleague Vasant said. So we are expecting some ramp-up, and we should come close to that number based on what we see now. I think at the end of the next quarter, we will be able to give you a more clearer outlook of where we possibly will end by the end of the year.

Deepak: And sir, one question on chemicals. So this quarter, we have seen good growth of 17% on a Y-o-Y basis on the top line. So just wanted to know, of this 17%, how much would be volume-driven and how much, let's say, increase in the ASPs on a blended level?

Indraneel Dutt: We haven't got as much increase in price as we have liked to get. I think that process is on, and we expect this, we are still not happy with where we are on the overall revenue growth on the chemical segment. There is still more that we should get. There is also a new Roha plant that is now progressively being more available to us. So we expect more focus and efforts on driving both volume and price in the chemical segment going forward.

Deepak: So then would it be fair to assume that let's say 10% to 12% would have been volume and remaining price-led?

Indraneel Dutt: At this point in time, yes, you can kind of say that most of it is volume led . What we would want to say is we expect a higher trajectory going forward, subject to obviously the geopolitical crisis not getting any worse and input costs not getting adversely affected. But there is more on price that we want to get in the market. And clearly, also some volume, especially on the export side, that we can expect to pick up going forward.

Deepak: And sir, how is the situation at the logistic front? Because a lot of companies are pointing out that there is a lot of congestion at the port, right, because of whatever is happening at the geopolitical level. Is that situation worsening as of now, or let's say, as of in the last 2-3 months, is it a bit improving for us? Because a large part of our chemicals is also diverted towards exports, hence I am asking that.

Indraneel Dutt: Yes, so I think, what you said is correct. We also are seeing that kind of a challenge, especially towards Europe and Africa. We are seeing those shipping lines not being as predictable and consistent as it was in the past. So we are also working through that, and if some of those would have actually been better, we possibly would have been able to share better numbers as well. So that continues to be a challenge and a headwind for us, as with others who are shipping to those geographies.

Deepak: And sir, lastly, you know, we were talking about this backward integration for our Roha plant. Just wanted to confirm that the complete backward integration is done and running or still there is some delay in that?

Indraneel Dutt: So we are in the final phase, the commissioning of some of the subparts of that plant is going on. Otherwise, the manufacturing plant is working, performing, delivering, and generating, producing as per our expected expectations.

Deepak: So the actual production of the chemicals is commissioned, but the backward integration is still left. I feel that is what I could get from what you are saying.

Indraneel Dutt: It should be over within this financial year.

Deepak: So it is almost like a couple of quarter delay then.

Indraneel Dutt: Yes, the plant is presently in the phase of stabilization and optimization of the various process systems. This is a normal phase of any new Chemical Plant scale up.

Moderator: We will take our next question from the line of Homiar Irani, an independent investor. Please go ahead.

Homiar Irani: Yes, I would like to know about your chemical business. Now, I think it is more than 1.5 years since the Roha plant started. I mean, your utilization seems to be very low. Have all the audit checks, international clients pay done or still to be done? And how long will that take? Second question is will your margin improve after we finish the backward

integration in Roha plant and how much of your margin will improve? And these two questions. I will come back later if I have one more question.

Indraneel Dutt: The plant was commissioned on 30th September 2025, the plant is now in operation for about a year.

The challenge, however, is on the input cost because some of the input costs for this plant has been impacted severely by the West Asia crisis, and that has impacted profitability that my colleague Vasant spoke about in his opening statement. And also, as you pass on some of that input cost to the customers, that also has an adverse impact on the volume.

So that is the reason why we are not able to give our shareholders the full benefit of the volume growth that we seek from Roha. At the same time, on the backward integration question, your assessment is right. We believe that once the backward integration is fully complete, we should be able to get some more favorable impact on the bottom line, which we should be able to show in the future profitability of this segment as we get along.

Homiar Irani: So the input cost that you were talking about past part of that input cost will be absorbed through the backward integration. Instead of purchasing it from abroad, your backward integration will make up for some of the input. Is that right?

Indraneel Dutt: Yes, that is partly the correct , the backward integration will certainly give us additional cost advantages.

Homiar Irani: What about trying to source some of the inputs domestically? There are no domestic players. I mean, if it is oil-based chemicals, we have quite a few oil companies in India including Reliance.

Indraneel Dutt: So I can assure you, sir, that our supply chain team is looking at all possibilities and wherever chemicals can be procured domestically we

are getting done, and wherever we need to go outside India and import, we are doing that.

Homiar Irani: And what about the audit checks that needed to be done on your Roha plant? You said that the utilization is not 100% because you have to do quite a few audit checks from international bodies, and that is when the real exports will begin. So what about those? And will the export margins be higher?

Indraneel Dutt: So, as we had informed earlier, that the required certification for the Roha plant has been obtained, and we shared that in the last quarter results. Apart from that some customers have their specific certification requirements, which is on a case-to-case basis. We keep doing that. And we are seeing a decent traction and response from our customers on the Roha plant. So, we believe the volume and the response will pick up even more favorably in the times and months to come.

Homiar Irani: And the export margin will be far superior to the domestic margin?

Indraneel Dutt: It is difficult to say, sir. It is not that way. It also depends on what is that product that you are offering. So sometimes what you said is right, and sometimes contrary to the common belief, there are certain products where we actually get a better margin profile in the domestic market.

Homiar Irani: And what about the margin for your filters and other product business? The filters business, industrial products includes filters, right?

Indraneel Dutt: Yes, it includes filters.

Homiar Irani: And the membrane business.

Indraneel Dutt: Yes, so all of that is captured in our industrial products portfolio. As you will see that, that business has shown a very strong tailwind of growth, including double-digit profitability. And as we have said in our previous calls, that the product segments, the chemical segment, and the services segment make up 60% of the company's future growth. And that is a segment that we are further focusing to grow, to bring more repeatable predictable revenue and profitability for the company. And also

advanced solutions on the digital side, those initiatives are also progressing very positively. And we believe that that will also give us some differentiated capability on the aftermarket side which will provide some strong tailwind of growth to our services business, which is something that we are looking forward to.

Homiar Irani: So when you say digital side, you have your own software team?

Indraneel Dutt: Yes. We have our own digital business team for customer applications as well as for our own. And this is a business that we have been investing in for the last 18 months, and we have now commercialized products, and they are being offered both in India and overseas, and we are seeing very good initial response. And this will be one of the big focus areas of the company going forward.

Homiar Irani: And what about the ultra-pure treatment projects? I mean, what is the status on that? I mean, Do you have the technology ready for ultra-pure water that use in semiconductor, etc.?

Indraneel Dutt: Yes, I would encourage you, sir, to take a look at our investor corner. It is in the website, and our website also is getting in a newly launched version.. New look website will be available post Diwali. And please take a look at the website and the investor corner. You will find that we have uploaded the latest presentation of the company's overview and offerings as of 10th of August. That will give you a very good view of our solutions offerings in core segment, in the advanced segment, and in the emerging segment.

The ultra-pure water portfolio falls in the advanced segment, which is catered towards the solar and semiconductor segments. We have already done quite a few projects of big capability, capacity, and top customers, both Indian and international, for the solar segment. We continue to pursue opportunities in the Sunrise Semiconductor segment. We have the technology and the required partnerships in place, and we are pursuing opportunities which are commercially attractive for us in that space. We have the technology available with us.

Homiar Irani: And what is the status of your technology tie-up with that membrane manufacturer, that international membrane manufacturer that you recently had announced?

Indraneel Dutt: You are referring to the collaboration that we have with the German global manufacturer called Mann and Hummel. That is progressing as per plan. And that will be manufactured in the brownfield expansion that is coming up next to our current facility in Goa. The plant should be up by the end of this financial year. The technology transfer is progressing as per expected lines, and we believe that we should be able to pick up volumes on this product line both in India and global from the next financial year.

Homiar Irani: And what will be the margins for that particular membrane and your revenue from that plant?

Indraneel Dutt: Globally, the membrane market is extremely big, and in the membrane side, we have the full portfolio of offerings right from brackish water reverse osmosis membranes, seawater reverse osmosis membranes, plus ultrafiltration membranes, both Polyethersulfone and polyvinyl dichloride, plus nanofiltration. And we also have this new technology, membrane bioreactor, membrane bioreactors, both flat sheet and hollow fiber, as well as we are offering hot sanitizable RO membranes. We have the entire range of membranes right from sheet manufacturing to rolling.

And we believe that with this technology tie-up that has strengthened us both domestically as well as international market, we are beginning to see some good traction. We are picking up orders in the Middle East, in Asia-Pacific, as well as in Africa. And the U.S. also, there is work happening to see how we can tap into those markets. So, we expect significant growth to come in the future on the membrane side of the business, both from India, which itself is a large market, and the world market is humongous.

Homiar Irani: And the margins? Operating margins?

Indraneel Dutt: The margins are very attractive. The margins will be, you know, when the business stabilizes, the margins could be better than the current margin profile of industrial product segment. However, we have to keep in mind that we are a new entrant breaking into that segment, and we have to be aggressive, commercial to be able to win over customers. But over the longer term of the business, the margin profile will be better in the industrial product side than the current margin profile.

Homiar Irani: And when will your Consumer Product division become breakeven?

Indraneel Dutt: As we have indicated in our earlier quarterly updates, our current plan is for the Consumer Products division to reach break-even during this financial year. While performance in the first half has been marginally below expectations, our current assessment is that the division should move towards break-even by the end of the year. This remains a projection based on our present outlook and assumptions, and we will continue to monitor progress closely.

Homiar Irani: What is your goal, top-line goal, for your Consumer Products division? And do you also export those consumer products?

Indraneel Dutt: It is a massively big market. We are one of the leaders in the softener segment and we see significant headroom for growth in the RO and the UF product lines. So for us, I think, we are only limited by how much we can invest back into the business in terms of marketing expenditure to increase our reach, especially in Tier 2, Tier 3 cities and other segments. We have also reached out to our adjacent neighboring markets. We already are offering our products in Nepal. We are also looking at other SAARC countries as well to start with. And then over time, we would also expect to go beyond India or SAARC region, both towards the neighboring regions of APAC and Middle East. But that is sometime in the future.

Homiar Irani: So how does your consumer product compare to products from Kent, etc.?

Indraneel Dutt: We would like to say that we are the only vertically integrated company in the water, home water, consumer water segment range. All the technologies that are required, whether you talk about RO, you talk about resins for demineralization, all of that are manufactured in-house. In fact, we also supply to some companies which are our competitors in the consumer products range. So we are the only vertically integrated company, and that is our unique differentiator.

We are the market leaders in the softener segment. We have a growing service franchise in the consumer products range, which is actually helping us improve our profitability profile and also improve customer satisfaction. This is a totally consumer-focused product line, and we expect significant possibilities and growth in this product line in the future.

Homiar Irani: I agree with you.

Moderator: Thank you, Homiar. I request you to rejoin the queue, please, as we have participant waiting for their turnat. Next question is from the line of Gaurav Patel, an individual investor. Please go ahead.

Gaurav Patel: Sir, my question is regarding our treatment solution revenue. So it's fall to INR 1,500 crore from approximately INR 3,000 crore a year ago. How much of this book is from Jal Jeevan Mission and government water supply works, and how much of this drop in Jal Jeevan Mission slowdown?

Indraneel Dutt: So the Jal Jeevan Mission is a very small part, less than 10% of the overall number. We are seeing some traction beginning to come in on the Jal Jeevan Mission contracts. We believe that the second half would be stronger because our contracts are in the state of Uttar Pradesh, and we are seeing some traction coming from the Jal Jeevan Mission contracts in that state, and some fund flow is also happening, which has been widely published in the newspapers as well. We are seeing those funds trickling into our projects also. We expect that fund flow to pick up as the weeks and the months go by.

The rest of it, the more than 90% of the backlog of the revenue is coming from the industrial range. We have, as my colleague Vasant said, we have a strong backlog of about INR 3,000 crores on the industrial order book. The revenue was slightly muted in the first half because of the geopolitical crisis that we faced, both in first quarter more and a little bit in the second quarter. We expect significant volume uptick in the second half of the year. And we should come close towards the last year's Treatment Solutions' revenue numbers by the end of this year, which would mean some very heavy lifting are expected to happen, heavy invoicing expected to happen in both the 3rd and the 4th quarters.

But the long-term fundamental of the business remains strong. We have become very selective in picking up the right contracts. We don't want to end up in a situation of where the legacy contracts, the significant impact will be there. And we have been successful. The Hyundai contract that we picked up is in the right sweet spot for us. And those are the kind of opportunities that we want to pursue going forward as well.

Gaurav Patel: And sir, my second question is regarding like how much of our receivables is due from a state agency and Jal Jeevan Mission project? And if it is, and what are the agencies and what has been collected since September also?

Vasant Naik: As far as the dues from the government agencies, what you are referring, we have only this major contract of the UP Jal Jeevan, which is presently in our order book, and the receivables will be around 10% of the total receivables.

And in terms our exposures, as we have called out in the earlier con calls, we are calibrating our dispatches in proportion to the funds what we are receiving. There has been some improvement in the 2nd Quarter in terms of the fund flow, but the overall exposure, there is not much of change than what it was in the month of March. So, it remains at the same level.

Gaurav Patel: That's it from my side.

Moderator: Next question is from the line of Ankit Maheshwari from Oxmox Capital. Please go ahead.

Ankit Maheshwari: I have two bookkeeping questions. Number one, on the cash flow statement, we have reported an operating cash flow of about INR 40 crores this half year, but that is completely impacted by the increase in other current liabilities of INR 120 crores. So, my question is, what contributes to the rise, sharp rise in other current liabilities?

Vasant Naik: The other current liabilities, there are two broad elements in that. One is the unearned revenue which has increased. As I mentioned, our sales also were impacted because of the increase in the unearned revenue during the quarter, that is around INR 250 crores. And second is customer advance which has increased by almost around INR 50 crores, and that is around just under INR 300 crores as of the September levels. So these two main elements have contributed to the other current liabilities.

Ankit Maheshwari: And my second question is on the CWIP. So, this INR 240 crores that is sitting on our balance sheet, could you sort of tell us where this money has been spent, on what projects, and what are the commissioning dates of said projects?

Vasant Naik: A large part of the CWIP will be pertaining to the Roha facility. As we mentioned, the backward integration plant is presently under commissioning, and we expect that to be completed by the year end. So, a large part of that is towards that facility. Apart from that, we are doing some modular expansion in our Ankleshwar plant at smaller level, as well as we are doing expansion of our membrane UF facility in Goa. So, these three main categories of CWIP are comprising in the total balance as of September.

Ankit Maheshwari: So just as a follow-up to this CWIP, we also have to do some investments for the Oman project.

Vasant Naik: Oman project is a part of a JV in Oman, so that will not form part of our standalone books. So as part of the consol, it will definitely come, and

that element of CWIP will start building up as we approach the year end, as the retrofit and the other modification activity starts in that overseas entity.

Ankit Maheshwari: That's it from my end.

Moderator: Next question is from the line of Ayaan Khan, an individual investor. Please go ahead.

Ayaan Khan: So my first question is, how much of your raw material is imported, and what was the impact of rupee movement and freight on your Q2 cost? And do you hold inventory at higher cost prices that will flow through in H2?

Vasant Naik: , The input cost increases what we have seen because of the West Asia crisis has significantly impacted the chemical segment.

And as far as the holding of inventory is concerned, that inventory will be at the current cost only what we have imported because we do not try to have a very large inventory because of the wide fluctuations what we are seeing in the input raw materials. So, it will be largely at the level of what we have imported in the second quarter only.

Ayaan Khan: Last question is, what is the size of the order book? How much is Jal Jeevan and what is the expected margin on new order book, new order intakes which you are taking as compared to the old orders which is already there or which is pending?

Indraneel Dutt: So the Jal Jeevan Mission order book is less than 10% of the current book of INR 3,000 crores. The last large order that we picked up, Hyundai that we talked about, is at a fairly favorable profitability. We don't disclose individual order book profitability profiles. It is at a favorable level, and that is an effort that we expect to make.

We also have made significant investments in our international operations. We have now CEOs in place for America's region. For Europe, CEO is joining early January. We have CEOs in place for our

Asia-Pacific and Middle East markets who are running those countries in those regions.

And all of those markets are seeing good traction of opportunity buildup. We are already seeing some wins coming in, in some markets in Middle East as well as in Africa, and we expect that trend to continue, which should help us build a strong, healthy backlog not only in India but also in overseas markets of our focus areas.

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

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 further questions, or would like to know more about the company, please reach out to our Investor Relations Manager at Valorem Advisors. Thank you.

Moderator: Thank you. On behalf of Valorem Advisors, that concludes this conference. Thank you all for joining us today. You may now disconnect your lines.