



IPO NOTE

INOX INDIA LIMITED



Rating:

SUBSCRIBE

(FOR LISTING GAIN AND LONG TERM)



ISSUE OFFER	
Issue Opens on	DEC 14, 2023
Issue Close on	DEC 18, 2023
Total IPO size (cr)	1,459.32
Fresh issue (cr)	NIL
Offer For Sale (cr)	1,459.32
Price Band (INR)	627-660
Market Lot	22
Face Value (INR)	2
Retail Allocation	35%
Listing On	NSE, BSE

ISSUE BREAK-UP (%)	
QIB Portion	50%
NIB Portion	15%
Retail Portion	35%

SHAREHOLDING (No. of Shares)	
Pre Issue	90,763,500
Post Issue	90,763,500

INDICATIVE TIMETABLE	
Finalisation of Basis of Allotment	19-12-2023
Refunds/Unblocking ASBA Fund	20-12-2023
Credit of equity shares to DP A/c	20-12-2023
Trading commences	21-12-2023

Inox India Limited manufactures and supplies cryogenic equipment. The product portfolio includes standard cryogenic tanks and equipment, beverage kegs, bespoke technology, equipment, and solutions as well as large-scale turnkey projects used in various industries such as industrial gases, liquefied natural gas ("LNG"), green hydrogen, energy, steel, medical and healthcare, chemicals and fertilizers, aviation and aerospace, pharmaceuticals and construction.

OBJECTS OF THE ISSUE

- Carry out the Offer for Sale

OUTLOOK & VALUATION

Inox CVA is a leading Indian supplier and exporter of cryogenic equipment. The company's extensive product portfolio, diversified customer base, robust order book, and stable financial performance demonstrate its strong competitive position and future growth potential.

While concerns exist regarding dependence on a limited number of customers, significant export reliance, and raw material price volatility, these are mitigated by the company's strong management team and diversified product portfolio.

The issue at a P/E valuation of 39.2x appears fully priced in the absence of directly listed peers. However, considering Inox CVA's unique position within the clean energy sector, its consistent dividend history, and its promising future growth prospects, we recommend a Subscribe rating to the IPO for both potential listing gains and long-term capital appreciation.



KEY MANAGERIAL PERSONNEL

01

Pavan Kumar Jain

Chairman and Non-Executive Director of the Company. He has approximately 30 years of experience in the cryogenic engineering and high vacuum technology industry. Under his leadership, the Company has successfully diversified into various aspects of design, engineering, manufacture and installation of cryogenic equipment.

02

Parag Kulkarni

Executive Director of the Company. He has approximately 30 years of experience in the cryogenic engineering and high vacuum technology industry. He oversees the strategic growth opportunities, engineering developments, business expansion and new energy strategies and related functions of the Company.

03

Pavan Logar

Chief Financial Officer of the Company. He has over 35 years of experience in accounts and taxation. Prior to joining the Company, he has worked with Mangalam Cement Limited as deputy manager of accounts and taxation department.

04

Deepak Acharya

Chief Executive Officer of the Company. He has over 30 years of experience in welding. He is also a registered welding inspector and completed a diploma in marketing and sales management.



COMPANY PROFILE

- Inox India Limited was the largest exporter of cryogenic tanks from India in terms of revenue in Fiscal 2023.
- The Company has a diversified customer base across industry sectors and geographies. It provided its equipment and systems to 1,255 domestic customers and 254 international customers across its three divisions.
- Its major customers are Air Liquide Global E&C Solutions India Private Limited, INOX Air Product Pvt Ltd., Caribbean LNG Inc, IRM Energy Limited, ISRO, and many others.
- The Company exported its products and delivered its services to 66 countries. Some of the key geographies for its products and services include the United States, Saudi Arabia, the Netherlands, Brazil, Korea, the United Arab Emirates, Australia, and Bangladesh.
- It has three manufacturing facilities located at (i) Kalol in Gujarat, (ii) the Kandla Special Economic Zone ("Kandla SEZ") in Gujarat, and (iii) Silvassa in the Union Territory of Dādra and Nagar Haveli.

COMPETITIVE STRENGTHS

- Leading Indian supplier and exporter of cryogenic equipment and solutions.
- Large portfolio of specialized cryogenic equipment engineered to global quality standards.
- Diversified domestic and international customer base across industry sectors.
- Strong product development and engineering focus.
- Healthy financial performance to support growth.
- Experienced Promoters, Management Team and Skilled Workforce.

KEY STRATEGIES

- Capitalize on opportunities in LNG and hydrogen as part of the global clean energy transition.
- Capture the full value chain across its product lines.
- Expanding its standard cryogenic and non-cryogenic equipment business into international markets.
- Expanding its large turnkey project business.
- Continue to improve operational efficiency and productivity.

KEY CONCERNS

- The Company is dependent on a limited number of private and public customers and projects for its major revenue.
- The company is majorly dependent on its export sales.
- An increase in its component or raw material costs, or other input costs, may adversely affect the pricing and supply of its product.
- Due to cryogenic gases being stored at very low temperatures, their leakage poses health hazards and risks.
- Its exposure to performance guarantees could negatively impact its business.



COMPARISON WITH LISTED INDUSTRY PEERS

There are no listed companies in India that engage in a business similar to that of this Company. Accordingly, it is not possible to provide an industry comparison in relation to Inox India Limited.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLIONS)	FY 2023	FY 2022	FY 2021
Equity Share Capital	181.52	181.52	90.76
Other Equity	5,313.24	4,841.32	3,624.38
Net Worth	5,494.76	5,022.84	3,715.14
Total Borrowings	15.02	27.33	23.23
Revenue from Operations	9,659.00	7,827.11	5,937.97
EBITDA	9,841.99	8,037.13	6,089.92
Profit Before Tax	2,050.49	1,742.07	1,310.65
Net Profit for the year	1,527.14	1,304.98	961.07

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