

## ELLENBARRIE INDUSTRIAL GASES LIMITED (EIGL)

June 19, 2025



**ELLENBARRIE  
INDUSTRIAL GASES LTD**

**SMC Ranking**

★ ★ ☆ ☆ ☆ (2/5)

### Issue Highlights

| Industry                       | Industrial Gases  |
|--------------------------------|-------------------|
| Offer for sale (Shares)        | 11,313,130        |
| Fresh Issue (Shares)           | 10,000,000        |
| <b>Net Offer to the Public</b> | <b>21,313,130</b> |
| Issue Size (Rs. Cr.)           | 809-852           |
| Price Band (Rs.)               | 380-400           |
| Offer Date                     | 24-Jun-25         |
| Close Date                     | 26-Jun-25         |
| Face Value                     | 2                 |
| Lot Size                       | 37                |

### Issue Composition

|                      | In shares  |
|----------------------|------------|
| Total Issue for Sale | 21,313,130 |
| QIB                  | 10,656,565 |
| NIB                  | 3,196,970  |
| Retail               | 7,459,596  |

### Shareholding Pattern (%)

| Particulars                 | Pre-issue      | Post-issue     |
|-----------------------------|----------------|----------------|
| Promoters & promoters group | 96.46%         | 81.59%         |
| QIB                         | 0.00%          | 7.56%          |
| NIB                         | 3.54%          | 5.55%          |
| Retail                      | 0.00%          | 5.29%          |
| <b>Total</b>                | <b>100.00%</b> | <b>100.00%</b> |

\*calculated on the upper price band

### Objects of the Issue

1. Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company.
2. Setting up of an air separation unit at the Uluberia-II plant with a capacity of 220 TPD.
3. General corporate purposes

### Book Running Lead Manager

- Motilal Oswal Investment Advisors Limited
- IIFL Capital Services Limited (formerly known as IIFL Securities Limited)
- JM Financial Limited

### Name of the registrar

- KFin Technologies Limited

### About the company

Incorporated in 1973, Ellenbarrie Industrial Gases Limited (EIGL) is a leading Indian producer and supplier of industrial, medical, and specialty gases, including oxygen, nitrogen, helium, argon, acetylene, and carbon dioxide. The company also offers dry ice, medical oxygen, LPG, and gas mixtures for diverse applications. EIGL provides turnkey project engineering services for air separation units and installs medical gas pipelines and equipment like ventilators and monitors. It serves bulk, package, and onsite customers across industries such as steel, pharmaceuticals, healthcare, infrastructure, petrochemicals, defence, and space. Key clients include AIIMS, Dr. Reddy's, Rashtriya Ispat Nigam, and Jupiter Wagons. In FY25, EIGL supplied gases to 1,829 customers and operated eight manufacturing units across West Bengal, Andhra Pradesh, Telangana, and Chhattisgarh. As of March 31, 2025, the company employed 281 permanent and 85 contractual staff, supporting its strong nationwide presence in the industrial and medical gas sector.

### Strength

**EIGL: Leading Industrial Gases Manufacturer with Regional Strength and National Growth Potential:** Established in 1973, Ellenbarrie Industrial Gases Limited (EIGL) is among India's oldest and most prominent manufacturers of industrial gases. With a dominant presence in East and South India, EIGL leads in installed capacity in West Bengal, Andhra Pradesh, and Telangana. Backed by over 50 years of experience, EIGL is well positioned to benefit from India's growing industrial gas demand, driven by the 'Make in India' push and expansion across steel, pharma, defence, and electronics sectors. Its ability to offer tailored, region-specific solutions gives it a competitive edge over MNC-backed peers.

**Comprehensive Portfolio Serving Critical Industries:** EIGL offers a wide range of industrial and specialty gases including oxygen, nitrogen, argon, helium, hydrogen, and carbon dioxide, catering to sectors like steel, pharma, oil & gas, aerospace, defence, and manufacturing. The company also supplies high-purity and niche gases such as synthetic air and ultra-high purity nitrogen, essential for electronics and R&D applications. EIGL's project engineering division provides turnkey ASU plants and medical gas pipeline solutions, showcasing its technical expertise and ability to deliver across the entire value chain.

**Stable Cash Flows from Long-Term Customer Relationships:** EIGL benefits from strong customer stickiness, with many bulk and onsite customers engaged through long-term contracts, some up to 15–20 years. As of March 31, 2025, the company served 328 bulk clients and operated onsite ASU facilities at customer premises in Kharagpur, Kurnool, Nagarnar, and Bengaluru. Regulatory and operational barriers associated with switching suppliers help ensure revenue stability and deepen client relationships.

**Diversified Customer Base Mitigating Risk:** With 1,829 customers in FY25, EIGL has one of the most diverse client bases in the sector. It supplies critical gases to India's armed forces, space organizations, railways, and AIIMS hospitals, supported by rigorous audit compliance and secure operations. Its strategic partnerships and recurring government orders reinforce its position as a trusted supplier in high-stakes applications.

**Strong Operational Infrastructure and Distribution Network:** As of FY25, EIGL operated nine facilities across India with a combined oxygen capacity of 1,250 TPD, including three bulk ASU plants and several onsite units. It was the first to install a hydrogen electrolyser in Eastern India. With a robust distribution network—comprising a large fleet of

cryogenic tankers, 39,560 gas cylinders, and over 1,375 active dealers—EIGL ensures wide and flexible product availability. Its in-house 33-member project team manages facility expansions and client projects efficiently, further reducing costs and driving custom solutions.

**Ongoing Expansion and Future Outlook:** EIGL is executing multiple expansion projects, including a new plant at Uluberia and upcoming sites in North India and West Bengal. These developments, along with its established market presence, strong technical capabilities, and broad customer base, position EIGL to capitalize on rising demand for industrial gases and extend its footprint nationwide.

## Strategy

**Expanding Product Portfolio with Focus on Speciality and Green Gases:** Ellenbarrie Industrial Gases Limited (EIGL) aims to expand its portfolio by introducing speciality and ultra-high purity gases, catering to advanced sectors like semiconductors, electronics, space research, and defence. The company plans to develop capabilities in green hydrogen, green ammonia, and electronic-grade chemicals, supported by its experience in supplying to critical industries. EIGL also intends to form strategic alliances to strengthen its specialty gas offerings and explore new applications for existing customers while entering additional end-use markets.

**Entering Plant Manufacturing to Strengthen Project Capabilities:** To enhance its turnkey project solutions, EIGL plans to enter plant component manufacturing, leveraging its engineering expertise and vendor network. This backward integration will enable the company to deliver end-to-end project execution, reduce costs for clients, and attract both domestic and global companies seeking local execution support. The move also supports EIGL's own capacity expansion plans by lowering build time and improving control over plant commissioning.

**Capacity Expansion and Pan-India Growth Strategy:** To meet rising demand, EIGL is expanding its manufacturing footprint with new plants in Uluberia (220 TPD), North India (220 TPD), and an additional West Bengal facility (250 TPD), all expected by FY26. It recently added 170 TPD capacity at its Kharagpur facility. These projects support EIGL's strategy to establish a pan-India presence and strengthen its position as a leading industrial gas manufacturer amid high entry barriers and industry tailwinds.

## Risk Factor

- EIGL relies on strong customer relationships; the loss of key clients or reduced demand may impact its operations and financials.
- The company's operations depend on its facilities, and any disruption could affect its performance and cash flows.
- EIGL operates four facilities at customer sites, and strained client relations at these locations may adversely impact the business.
- EIGL supplies to government entities via tenders; failure to secure future contracts or delays in payments could affect revenue and liquidity.
- Compliance with stringent quality norms is crucial; lapses may lead to order cancellations and impact EIGL's financial performance.
- Given the hazardous nature of industrial gases, operational risks in production and distribution could harm EIGL's business and financials.
- EIGL's operations depend on regulatory approvals; delays or failures in securing or renewing these could affect business continuity.

## Peer Comparison

| Co_Name                              | Total Income | PAT    | EPS   | P/E    | P/BV  | BV     | FV | Price     | Mcap    |
|--------------------------------------|--------------|--------|-------|--------|-------|--------|----|-----------|---------|
| Linde India                          | 2485.38      | 454.85 | 53.34 | 131.48 | 15.66 | 447.93 | 10 | 6/18/2025 | 7013.15 |
| Ellenbarrie Industrial Gases Limited | 312.48       | 83.29  | 5.91  | 67.69  | 6.31  | 63.39  | 2  | 400.00    | 5637.42 |

\*Peer companies financials are TTM based

\*\*\*Ellenbarrie Industrial Gases Limited is based on Fy25

## Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.400, the stock is priced at pre issue P/E of 62.88 x on FY25 EPS of Rs.6.36. Post issue, the stock is priced at a P/E of 67.69x on its EPS of Rs. 5.91. Looking at the P/B ratio at Rs. 400 pre issue, book value of Rs. 37.68 of P/Bvx 10.62x. Post issue, book value of Rs.63.39 of P/Bvx 6.31x.

Considering the P/E valuation, on the lower end of the price band of Rs.380, the stock is priced at pre issue P/E of 59.74 x on FY25 EPS of Rs. 6.36. Post issue, the stock is priced at a P/E of 64.30x on its EPS of Rs. 5.91. Looking at the P/B ratio at Rs. 380 pre issue, book value of Rs. 37.68 of P/Bvx 10.09x. Post issue, book value of Rs.63.39 of P/Bvx 5.99x.

## Industry Outlook

The industrial gases industry in India encompasses the production and supply of gases such as oxygen, nitrogen, hydrogen, carbon dioxide, and argon, among others. These gases are critical to many industries, including electronics, steel, chemicals and fertilizer, manufacturing, healthcare, and food and beverage. The industrial gases industry is directly and significantly impacted by economic growth.

## Outlook

Ellenbarrie Industrial Gases Limited (EIGL) is well positioned for long-term growth, backed by strong regional leadership, a diversified product portfolio, and robust customer relationships. Its strategic focus on speciality gases, green energy, and nationwide expansion aligns with rising industry demand. While operational, regulatory, and client concentration risks exist, EIGL's technical expertise, infrastructure strength, and entry into plant manufacturing enhance its competitive edge. Continued investments in capacity and innovation are expected to drive growth and strengthen its presence across critical industries and new markets.

## An Indicative timetable in respect of the Issue is set out below:

| EVENT  | INDICATIVE DATE<br>(On or about) |
|--|----------------------------------|
| BID/ISSUE OPENS ON   | 24-June-25                       |
| BID/ISSUE CLOSES ON  | 26-June-25                       |
| Finalisation of Basis of Allotment with the Designated Stock Exchange                      | 27-June-25                       |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account | 30-June-25                       |
| Credit of Equity Shares to Demat Accounts of Allottees                                     | 30-June-25                       |
| Commencement of trading of the Equity Shares on the Stock Exchanges                        | 01-July-25                       |

## Annexure

### Consolidated Financials

#### Profit & Loss

Rs. in Cr.

| Particulars              | Period ended<br>31-Mar-25 (12 Months) | Period ended<br>31-Mar-24 (12 Months) | Period ended<br>31-Mar-23 (12 Months) |
|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Revenue from operations  | 312.48                                | 269.48                                | 205.11                                |
| Total expenditure        | 202.75                                | 207.95                                | 171.52                                |
| <b>Operating Profit</b>  | <b>109.74</b>                         | <b>61.53</b>                          | <b>33.59</b>                          |
| OPM%                     | 35.12                                 | 22.83                                 | 16.38                                 |
| Other Income             | 35.95                                 | 20.73                                 | 18.60                                 |
| <b>Total Net Income</b>  | <b>145.69</b>                         | <b>82.26</b>                          | <b>52.19</b>                          |
| Interest                 | 17.14                                 | 8.03                                  | 3.55                                  |
| <b>PBDT</b>              | <b>128.55</b>                         | <b>74.23</b>                          | <b>48.64</b>                          |
| Depreciation             | 20.72                                 | 10.01                                 | 11.38                                 |
| <b>PBT</b>               | <b>107.83</b>                         | <b>64.22</b>                          | <b>37.26</b>                          |
| Tax                      | 24.54                                 | 18.93                                 | 9.12                                  |
| <b>Profit &amp; Loss</b> | <b>83.29</b>                          | <b>45.29</b>                          | <b>28.14</b>                          |

Balance sheet is on next page

## Balance Sheet

Rs. in Cr.

| Particulars   | As on 31-Mar-25 | As on 31-Mar-24 | As on 31-Mar-23 |
|---|-----------------|-----------------|-----------------|
| <b>Non-current assets</b>   |                 |                 |                 |
| Property, plant and equipment   | 337.59          | 329.30          | 181.50          |
| Capital work-in-progress  | 45.30           | 0.42            | 71.41           |
| Right-of-use assets   | 1.23            | 1.33            | 2.20            |
| Other intangible assets   | 0.12            | 0.20            | 0.30            |
| <b>Financial Assets</b>   |                 |                 |                 |
| Investments   | 107.74          | 57.87           | 27.19           |
| Trade receivables   | 1.00            | 0.00            | 0.00            |
| Loans   | 5.75            | 8.00            | 0.00            |
| Other financial assets  | 100.43          | 43.95           | 45.83           |
| Non-current tax asset (net)   | 3.02            | 8.52            | 14.44           |
| Other non-current assets  | 34.80           | 19.04           | 18.50           |
| <b>Total non-current assets</b>   | <b>636.97</b>   | <b>468.62</b>   | <b>361.35</b>   |
| <b>Current asset</b>  |                 |                 |                 |
| Inventories   | 14.19           | 11.01           | 8.42            |
| <b>Financial Assets</b>   |                 |                 |                 |
| Investments   | 86.56           | 111.84          | 83.67           |
| Trade receivables   | 82.62           | 45.32           | 39.40           |
| Cash and cash equivalents   | 0.18            | 0.92            | 11.40           |
| Other bank balances   | 2.84            | 2.83            | 3.21            |
| Loans   | 4.00            | 10.00           | 19.40           |
| Other financial assets  | 4.27            | 5.34            | 5.08            |
| Other current assets  | 14.34           | 16.67           | 19.36           |
| <b>Total current assets</b>   | <b>209.00</b>   | <b>203.92</b>   | <b>189.92</b>   |
| <b>Total Assets</b>   | <b>845.97</b>   | <b>672.54</b>   | <b>551.27</b>   |
| <b>Non-current liabilities</b>  |                 |                 |                 |
| <b>Financial liabilities</b>  |                 |                 |                 |
| Borrowings  | 146.73          | 94.98           | 56.14           |
| Lease liabilities   | 1.13            | 0.67            | 1.53            |
| Other financial liabilities   | 2.00            | 0.00            | 0.00            |
| Provisions  | 8.47            | 5.58            | 5.00            |
| Deferred tax liabilities (net)  | 31.00           | 26.08           | 18.81           |
| Other non-current liabilities   | 15.29           | 0.00            | 0.00            |
| <b>Total Non- Financial liabilities</b>   | <b>204.63</b>   | <b>127.30</b>   | <b>81.48</b>    |
| <b>Current liabilities</b>  |                 |                 |                 |
| <b>Financial Liabilities</b>  |                 |                 |                 |
| Borrowings  | 98.57           | 81.92           | 44.97           |
| Lease liabilities   | 0.19            | 0.86            | 0.87            |
| Trade payables- Total outstanding dues of micro and small enterprises                     | 0.50            | 0.93            | 0.44            |
| Trade payables-Total outstanding dues of creditors other than micro and small enterprises | 13.55           | 16.81           | 17.19           |
| Other financial liabilities   | 19.85           | 16.29           | 15.65           |
| Other current liabilities   | 8.27            | 18.52           | 27.36           |
| Provisions  | 0.60            | 0.02            | 0.27            |
| Current tax liabilities (net)   | 6.45            | 0.00            | 0.00            |
| <b>Total - Current Liabilities</b>  | <b>147.98</b>   | <b>135.34</b>   | <b>106.73</b>   |
| <b>Total Liabilities</b>  | <b>352.61</b>   | <b>262.64</b>   | <b>188.21</b>   |
| Net worth represented by:   |                 |                 |                 |
| Equity share capital  | 26.19           | 6.55            | 6.55            |
| Other equity  | 467.17          | 403.35          | 356.51          |
| <b>Net Worth</b>  | <b>493.36</b>   | <b>409.89</b>   | <b>363.06</b>   |

## RANKING METHODOLOGY

|           |       |
|-----------|-------|
| WEAK      | ★     |
| NEUTRAL   | ★★    |
| FAIR      | ★★★   |
| GOOD      | ★★★★  |
| EXCELLENT | ★★★★★ |

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