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INOXCVA

HISTORICALLY FUTURISTIC

Inox India Ltd. (Inox CVA)

Issue Opens On	Issue Closes On	Price Band (INR)	Issue Size (INR Mn)	Rating
December 14, 2023	December 18, 2023	627-660	13,864 – 14,593	SUBSCRIBE

INOX India Limited (INOX CVA), a prominent manufacturer of cryogenic equipment, was one of the leading cryogenic tank manufacturers in the world by revenues in FY23. The Company has over 30 years of experience offering solutions across the design, engineering, manufacturing, and installation of equipment and systems for cryogenic conditions. Its offering includes standard cryogenic tanks and equipment, beverage kegs, bespoke technology, equipment, and solutions, as well as large turnkey projects which are used in diverse industries such as industrial gases, Liquified Natural Gas (LNG), green hydrogen, energy, steel, medical and healthcare, chemicals and fertilizers, aviation and aerospace, pharmaceuticals, and construction. The Company is a part of the INOX Group (including companies in the industrial gas sector), with revenues of INR 31,760 Mn in FY23. As of September 2023, the company's order book was at INR 10,366 Mn.

OFFER STRUCTURE

Particulars	IPO Details
No. of shares under IPO (Mn)	22.1
Offer for sale (# shares) (Mn)	22.1
Offer for sale (INR Mn)	14,593
Price band (INR)	627-660
Post issue MCAP (INR Mn)	56,909– 59,904

Source: IPO Prospectus

Issue	# Shares	INR Mn	%
QIB	11,055,478	7,297	50%
NIB	3,316,643	2,189	15%
Retail	7,738,834	5,108	35%
Net Offer	2,21,10,955	14,593	100%

Source: IPO Prospectus

Indicative Timetable	
Offer Closing Date	Monday, December 18, 2023
Finalization of Basis of Allotment with Stock Exchange	Tuesday, December 19, 2023
Initiation of Refunds	Wednesday, December 20, 2023
Credit of Equity Shares to Demat accounts	Wednesday, December 20, 2023
Commencement of Trading of Eq.shares on NSE	Thursday, December 21, 2023

Source: IPO Prospectus

Objects of the Offer: The net proceeds will be utilized for the following purpose
To carry out the Offer for Sale of up to 22,110,955 Equity Shares by the Selling Shareholders;
To achieve the benefits of listing the Equity Shares on the Stock Exchanges; and enhance its visibility and brand image as well as provide a public market for the Equity Shares in India.

Shareholding Pattern	Pre-Issue (%)	Post-Issue (%)
Promoters & Promoters Group	99.3%	75.5%
Others	0.7%	24.5%
Total	**100.0%**	**100.0%**

Source: IPO Prospectus

Particulars (In INR Mn)	FY21	FY22	FY23	H1FY24
Revenue	5,938	7,827	9,659	5,646
Adj EBITDA	1,345	1,676	2,044	1,304
Adj EBITDA Margin	22.7%	21.4%	21.2%	23.1%
PAT	961	1,305	1,527	1,033
PAT Margin	16.2%	16.7%	15.8%	18.3%
Net Worth	3,715	5,023	5,495	5,542
RONW	25.9%	26.0%	27.8%	18.6%

Source: IPO Prospectus, Restated Statement, consolidated numbers

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Inox India Ltd. (Inox CVA)

Company Overview

INOX CVA is the largest supplier of cryogenic equipment in India by revenue in FY23. It has over 30 years of experience offering solutions across the design, engineering, manufacturing, and installation of equipment and systems for cryogenic conditions. Its offering includes standard cryogenic tanks and equipment, beverage kegs, bespoke technology, equipment, and solutions, as well as large turnkey projects which are used in diverse industries such as industrial gases, Liquified Natural Gas (LNG), green hydrogen, energy, steel, medical and healthcare, chemicals and fertilizers, aviation and aerospace, pharmaceuticals, and construction. In addition, the Company manufactures a range of cryogenic equipment used in global scientific research projects. The Company was also the largest exporter of cryogenic tanks from India in terms of revenue in FY23.

INOX CVA was the first Indian company to manufacture a trailer-mounted hydrogen transport tank, which was designed jointly with the Indian Space Research Organisation (ISRO).

INOX CVA has 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. As of FY23, the exports contributed 45.8% to the overall revenues of the Company while for H1FY24, it has increased to 62.2% from 38.1% in H1FY23.

INOX CVA 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.

As of September 30, 2023, its Order Book was INR 10,366 Mn. Its "Order Book" comprises anticipated revenues from the unexecuted portions of existing contracts (which are accepted contracts for which all pre-conditions have been met).

The Company's business comprises of three divisions:

- **Industrial Gas:**

This division manufactures, supplies and installs cryogenic tanks and systems for storage, transportation and distribution of industrial gases like such as green hydrogen, oxygen, nitrogen, argon, carbon dioxide (CO_2), hydrogen and provides after-sales services.

- **LNG:**

This division manufactures, supplies and installs standard and engineered equipment for LNG storage, distribution and transportation as well as small-scale LNG infrastructure solutions suitable for industrial, marine and automotive applications.

- **Cryo Scientific:**

This division provides equipment for technology intensive applications and turnkey solutions for scientific and industrial research involving cryogenic distribution.

Revenues	FY21		FY22		FY23		H1FY24	
Segment wise Break-up	INR in Mn	% of gross product sale	INR in Mn	% of gross product sale	INR in Mn	% of gross product sale	INR in Mn	% of gross product sale
Industrial Gas	3,757	63.3	6,206	79.3	6,846	70.9	3,614	64.0
LNG	1,473	24.8	1,259	16.1	2,404	24.9	1,724	30.5
Cryo Scientific	708	11.9	363	4.6	409	4.2	309	5.5
Grand Total	**5,938**	**100**	**7,827**	**100**	**9,659**	**100**	**5,646**	**100**

Source: IPO Prospectus.

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Inox India Ltd. (Inox CVA)

Product Suite

Industrial Gas:

The Industrial Gas Division designs, manufactures, supplies, and installs vacuum-insulated cryogenic storage tanks and systems for the storage, distribution, and transportation of industrial gases. The Company designs and manufactures customized cryogenic storage tanks and systems for its customers' requirements as well as standard storage tanks in accordance with industry standards. Its storage tank offering includes stationery storage tanks from 1,000 liters to 1.0 Mn litres capacity, portable storage tanks from 1.0 litre to 1,000 litres capacity and transport tanks and tankers/trailers up to 60,000 litres capacity.

Its product line also includes vaporizers of various types and skid-mounted piping skids for pumping and regasification. INOX CVA also provides Engineering, Procurement and Construction (EPC) services for cryogenic solutions, including bulk storage and regasification equipment, typically associated with petrochemical or steel projects. It currently manufactures beverage kegs using the NSF-certified stainless-steel material, and the Company is implementing the project by entering technology and marketing alliances with international industry players.

Industrial Gas Division's major clients: Air Liquide Global E&C Solutions India Private Limited, All Safe Global, Baif Development Research Foundation, CRYONiQ s.r.o., Gulf Cryo LLC, Hyundai Engineering and Construction Co Ltd, INOX Air Product Pvt Ltd, Carbacid (CO_2) Limited, Navin Flourine International Ltd, National Refrigerants Inc, Pentrade Global LLC, Prodair Air Products India Pvt Ltd, SK ecoengineering Co. Ltd, StemCyte India Therapeutics Pvt Ltd, Synergy Gases (K) Ltd;

LNG:

LNG Division designs, manufactures, and installs standard and engineered solutions for LNG and liquid compressed natural gas (LCNG), including static storage tanks up to one million litres capacity, transport trailers, LNG satellite stations for industrial users, marine fuel tanks, LNG and LCNG fuel stations, and LNG vehicle fuel tanks. In the LNG tank segment, the Company has supplied over 60.0% of the tanks in both the stationary tank segment, which includes all LNG applications, including LCNG stations, and trailer-mounted mobile LNG tanks in India, which have a valid PESO license as of May 4, 2022. It also offers operation and maintenance for its LNG solutions.

LNG Division's major clients: Caribbean LNG Inc, 2G Energy Inc, AGP City Gas Pvt Ltd, H-Energy Gateway Pvt. Ltd., Hoglund Gas Solutions AS, IRM Energy Limited, Saint Gobain India Private Limited, Shell Energy India Private Limited; Think Gas Distribution Private Limited, Ultra Gas & Energy Limited

Cryo Scientific:

Cryo Scientific Division designs, manufactures, and installs equipment for technology-intensive industrial applications and turnkey solutions for scientific and industrial research involving cryogenic distribution. INOX CVA's activities are focused on customized cryogenic storage and distribution systems for space research, cryogenic fuel filling systems for launch pads, space simulation chambers, vacuum-jacketed piping, and cryostats for Magnetic Resonance Imaging (MRI) magnets. INOX CVA is also involved in the International Thermonuclear Experimental Reactor (ITER) project, an international nuclear fusion research and engineering megaproject, making it one of the few Indian companies participating in this endeavor.

Cryo Scientific Division's major client: ISRO.

Revenues	FY21		FY22		FY23		H1FY24	
Customer wise Break-up	INR in Mn	% of gross product sale	INR in Mn	% of gross product sale	INR in Mn	% of gross product sale	INR in Mn	% of gross product sale
Repeat Customers	3,034	51.1	4,010	51.2	4,697	48.6	1,800	31.9
Top 20 Customers	3,064	51.6	3,739	47.8	5,849	60.6	4,108	72.8
Top 10 Customers	2,329	39.2	2,827	36.1	4,493	46.5	3,160	56.0
Largest Customers	705	11.9	715	9.1	1,117	11.6	812	14.4

Source: IPO Prospectus.

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Inox India Ltd. (Inox CVA)

Manufacturing Units

INOX CVA has three manufacturing facilities located at (i) Kalol in Gujarat, (ii) the Kandla SEZ in Gujarat, and (iii) Silvassa in the Union Territory of Dādra and Nagar Haveli. In H1FY24, and in FY23, FY22 and FY21, the Company's installed capacity of cryogenic tanks and related items was 1,550, 3,100, 3,100 and 2,200 Equivalent Tank Units (which are cryogenic storage tanks of 10,000 litres), respectively, and 1.2 Mn, 2.4 Mn, 2.4 Mn and 1.4 Mn disposable cylinders, respectively.

The manufacturing capacity is mainly dependent on the available surface area in its facilities and the labor hours deployed. In the fabrication industry, production and capacity are commonly translated into tons of fabricated steel.

The following tables set forth information relating to the installed equivalent capacity and capacity utilization of its major products at its three manufacturing facilities for the periods indicated.

	FY21			FY22			FY23			H1FY24		
Products	Annual Installed Capacity	Annual Actual Production	Capacity Utilization	Annual Installed Capacity	Annual Actual Production	Capacity Utilization	Annual Installed Capacity	Annual Actual Production	Capacity Utilization	Annual Installed Capacity	Annual Actual Production	Capacity Utilization
Cryogenic tank and related items (Equivalent Tank Unit numbers)	2,200	1,671	75.9%	3,100	2,544	82.0%	3,100	2,172	70.1%	1,500	955	61.6%
Disposable cylinders (numbers)	1,400,000	1,393,156	99.5%	2,400,000	1,860,166	77.5%	2,400,000	1,997,550	83.2%	1,250,000	732,709	58.6%

Source: IPO Prospectus.

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Inox India Ltd. (Inox CVA)

Industry Overview

Global cryogenic equipment industry

The global cryogenic equipment market was valued at USD 11.5 Bn in CY22. Global cryogenic equipment demand recorded a CAGR of 2.6% between CY17 and CY22. Demand saw a dip during the COVID-19 period of CY20 and CY21, declining at a CAGR of 1.2% between CY19 and CY21 as economic activity slowed down. However, in CY22, demand surpassed pre-Covid-19 levels marginally. The global cryogenic equipment demand is projected to grow at a CAGR of 6.9% from CY23 to CY28E, according to the RHP. Demand for cleaner fuels, such as LNG and hydrogen, as a result of the aim to reduce carbon emissions from conventional energy sources, will drive the uptake of cryogenic equipment across geographies. Additionally, the increase in industrialization in developing nations in Asia Pacific is expected to boost demand for industrial gases in segments such as electronics, space, and satellites and, in turn, increase demand for cryogenic equipment.

Key demand drivers for the global cryogenic equipment industry

- **High demand for cryogenic gases from the metallurgy sector:** The metallurgy industry uses industrial gases in processes such as metal forming, fabrication, welding, and combustion. Oxygen and nitrogen are the most commonly used industrial gases in the metallurgy sector. The oxygen process (basic oxygen process) accounts for approximately 73.0% of global steel production, according to the World Steel Association (WSA). As demand for steel increases, demand for oxygen is likely to accelerate, creating demand for oxygen-related cryogenic equipment. Production of metals, such as steel and aluminum, is set to increase as infrastructure activity, automobile production, and consumer durables demand rise as a result of an increase in population, urbanization, and rising consumption. Further, the development of high-strength metal alloys with high rigidity and stiffness for emerging applications is expected to drive the growth of the metallurgy sector.

- **Demand from oil and gas sector to rise with global economy recovery:** The global LNG trade grew at a CAGR of approximately 7.0% from CY17 and reached approximately 397 Mn tonne (MT) in CY22. Increased demand in European nations primarily drove the demand. Also, Asian nations had increasingly shifted to gas from alternative energy sources. In the long run, it is expected that global LNG demand will grow at a CAGR of 5.0–6.0% to reach 480–500 Mn Tonne Per Annum (MTPA) in CY25E. Demand would be driven by Asian economies along with emerging demand centres. Countries are expected to create significant opportunities for cryogenic equipment in decarbonization as they strive to meet their decarbonization goals.

- **Chemicals industry's decarbonization and transition to more sustainable process to fuel growth:** In the chemicals industry, industrial gases such as nitrogen, argon, hydrogen, and helium are used for various applications such as polymerization, synthesis of intermediates, freeze drying, storing biological samples and drugs, and preparation of laboratory and pilot production-scale cold baths. One of the major areas of focus for chemical companies in the near future will likely be sustainability and decarbonization. Many chemical companies are expected to increase investment in research and development capabilities and leverage advances in decarbonization and recycling technologies to lower their and their customers' carbon footprints, as well as reduce plastic waste. Further, the recovery in global economic growth coming out of the COVID-19 pandemic with the easing of restrictions will increase demand for industrial gases in the chemicals industry, consequently driving demand for cryogenic equipment.

Opportunities in the global cryogenic equipment industry

- Hydrogen demand from multiple industries to surge;
- Development of alternative technologies to reduce transport emissions;
- Rise in space and satellite applications;
- Evolving electronics applications requiring cryogenic gases;
- Cryogenic and its uses in cryo-scientific research.

Challenges in the global cryogenic equipment industry

- Cryogen leakage from equipment leading to health hazards;
- Well-to-wheel emissions of LNG may lower its environmental benefit
- Increased adoptions of electric vehicles may hurt CNG, LNG and hydrogen demand;
- Introduction of stringent emission norms and zero emission vehicle (ZEV) targets could impact the CNG uptake over long term;
- Volatility in steel prices that have an impact on costs of cryogenic equipment manufacturers.

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Inox India Ltd. (Inox CVA)

Indian cryogenic equipment industry

The Indian cryogenic equipment market size was estimated to be USD 353 Bn in CY22. The demand for cryogenic equipment in India grew at a steady CAGR of 6.8% between CY17 and CY19. The lockdown and travel restrictions resulting from the COVID-19 pandemic saw demand growth for cryogenic equipment stall for two years between CY19 and CY21. Between CY23 and CY28E, the demand for cryogenic equipment in India is projected to grow at a CAGR of 7.2%. The growth is expected to be driven by an increase in industrial output, an increase in investments in the electronics and space sectors, and a shift towards cleaner fuel sources such as LNG and hydrogen in the industrial and transport sectors. Regulations and government policies impacting demand for cryogenic gases in India:

- **Corporate average fuel efficiency norms for passenger vehicles:** Fuel efficiency norms target carbon emissions by limiting carbon dioxide emissions from vehicles. In India, fuel standards for petrol, diesel, liquefied petroleum gas, and compressed natural gas (CNG) passenger vehicles came into force in April 2017. These standards are based on the corporate average fuel efficiency (CAFÉ) system rather than specific vehicle-level emission limits and target improving the fuel consumption of passenger vehicles gradually over a period of time. The investment required to make the vehicles more fuel-efficient will add to the cost of the vehicles, which will eventually be passed on to end users. This is expected to incentivize the shift towards greener technologies such as natural gas and electric vehicles, as manufacturers will find it increasingly difficult to meet the norms with petrol and diesel vehicles alone, which in turn will increase demand for natural gas.

- **Transition to BS-VI BS emission standards:** Bharat Stage (BS) emission standards are issued by the Government of India to regulate the output of air pollutants from motor vehicles. In April 2020, the Government adopted the BS-VI norms, which incorporated substantial tightening of emission of nitrogen oxide and particulate matter. These emission standards pushed vehicle prices higher-diesel trucks and buses segment witnessed a higher rise in costs due to the significant upgradation of engines and exhaust systems. BS-VI phase 2 was implemented in April 2023. It entailed an addition of On-Board Self-Diagnostic Device (OBD2) to monitor real time emissions. The addition of OBD2 requires upgrades to hardware and software of the vehicles to comply with the new norms, which is expected to result in a price hike of 2.0-4.0%. Such increase in prices of diesel vehicles has resulted in consumers' shift towards more economical natural gas vehicles, in turn resulted in increase in demand for natural gas.

- **Fuel efficiency norms of heavy commercial vehicles:** To make heavy-duty trucks and buses more fuel efficient, the Ministry of Petroleum and Natural Gas, MoRTH and the Ministry of Heavy Industries are in the process of establishing fuel efficiency norms. The increasing pressure to reduce carbon emissions by increasing fuel efficiency is likely to increase the cost of such vehicles reducing their competitiveness vis-à-vis natural gas and electric vehicles.

- **LNG adoption for the automobile sector:** Since 2017, the Government of India has amended the Central Motor Vehicle Rules norms, which paved the way for manufacturers to develop vehicles using LNG. Further in 2018, the Gas Cylinder Rules were amended to include Auto LNG under its regulatory framework. Trials for the first LNG bus were held in November 2016 to test the feasibility of LNG-powered vehicles. However, there has not been any significant market development in the use of LNG vehicles due to a lack of auto-LNG dispensing stations. This deadlock was broken in November 2020, with the Government of India kicking off construction of 50 LNG fuel stations. A total of 1,000 LNG stations along the national highway network, industrial corridors, and mining areas of the country are planned, with a total expenditure of INR 100 Bn. While mainstream manufacturers are yet to launch LNG commercial vehicles, the infrastructure being put in place will give confidence to other stakeholders in the industry, such as transporters and financiers, to transition to LNG. Overall, the share of natural gas vehicles is expected to continue to increase, primarily due to favorable cost economics because of lower gas prices when compared to diesel and the expansion of the LNG/CNG station network across the country.

- **Emission norms for other segments:** Other than emission norms targeted at the automobile industry, the Government of India also implemented emission norms for other segments. The goals of various norms applicable to various segments are to reduce emissions of pollutants and greenhouse gases, resulting in manufacturers or operators looking for alternatives and increasing demand for natural gas and natural gas-based equipment.

- **Indian space policy and defence acquisition procedure:** The government of India has adopted various policies to support the development of the space sector. Around 75 start-ups have registered under the space technology category in the Startup India portal since private participation was allowed. The development of cryogenic space engines by startups will increase demand for liquid oxygen, along with either liquid hydrogen or LNG.

- **Licenses required for manufacturing of cryogenic equipment:** In India, PESO is the nodal agency covering manufacturing of cryogenic equipment, such as tanks for cryogenic gas, and operations of cryogenic equipment manufacturers. As per the Legal Metrology Act, 2009, weighing and measuring instruments have to be approved as specified in The Legal Metrology (Approval of Models) Rules, 2011 to ensure the security and accuracy of the weighments and measurements.

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Inox India Ltd. (Inox CVA)

INVESTMENT RATIONALE

Leading Indian supplier and exporter of cryogenic equipment and solutions

In FY23, INOX CVA is the largest supplier of cryogenic equipment in India by revenues. It was also the largest exporter of cryogenic tanks from India in terms of revenue in FY23. The global cryogenic equipment market was valued at USD 11.5 Bn in CY22, and global cryogenic equipment demand is projected to grow at a 6.9% CAGR from CY23 to reach USD 16.6 Bn by CY28E. The demand for cleaner fuels such as LNG and hydrogen due to the focus on reducing carbon emissions from conventional energy sources will drive the uptake of cryogenic equipment across geographies. Other key demand drivers are expected to include (i) the high demand for gases from the metallurgy sector, (ii) demand from the oil and gas sector, and (iii) the chemical industry's decarbonization and transition to more sustainable processes.

INOX CVA attribute its leading market position to its competitive advantages that include:

- the nature of the industry which requires specialized handling and technologically intensive solutions;
- its range of cryogenic equipment which spans the entire cryogenic value chain in its focus sectors;
- its investment in product development and engineering that allows the Company to customize its equipment and systems to meet its customers' requirements; and
- its presence in the industry for over thirty years with an established brand and a reputation for consistent quality of its products.

The Company will leverage these competitive advantages and its global customer base to continue to capitalize on growth in demand for cryogenic storage tanks and equipment and, in particular, on global opportunities in the transition to cleaner fuels like LNG and hydrogen.

Large portfolio of specialized cryogenic equipment engineered to global quality standards

INOX CVA offers comprehensive solutions across the design, engineering, manufacturing, and installation of standard as well as customized cryogenic equipment and systems. Its equipment and systems are used in industries such as energy, industrial gases, LNG and LCNG, steel, medical and healthcare, chemicals and fertilizers, aviation and aerospace, pharmaceuticals, and construction. The Company has developed and commercialized products and services spanning across the entire cryogenic value chain in industrial gases, LNG liquefaction plants, and liquid hydrogen:

a. Industrial gases: INOX CVA has a comprehensive product range, that caters to storage, distribution and regasification of cryogenic liquids and gasses. Its products span the entire equipment value chain from use in the cryogenic liquid production stage to the end-use stage in gaseous form. In addition to its specialized equipment and systems, the Company also produce cryogenic and non-cryogenic pressure vessels, such as cryoseal, liquid cylinders, disposable cylinders and beverage kegs.

b. LNG liquefaction plants: Its comprehensive product range includes the entire value chain from taking the cryogenic LNG at the receiving terminal for small scale and mobile users to storage and transportation and then distribution to the end-use such as the equipment for retail fueling of LNG and LCNG. The Company has a full product range of equipment, including storage and regasification for mobile application that include road, rail and marine fuel applications.

c. Liquid Hydrogen: INOX CVA is currently manufacturing cryogenic storage tanks for customers in the east Asian region. It has also supplied liquid hydrogen storage equipment to a European research institute in connection with a safety study of liquid hydrogen. The Company produced and shipped a 238kl liquid hydrogen storage tank for a liquid hydrogen plant in South Korea. In FY23, it has also produced and shipped four 311kl liquid hydrogen storage tanks for another customer in South Korea for the construction of three liquid hydrogen plants.

INOX CVA has implemented quality systems across its manufacturing facilities that cover the full product lifecycle, from design engineering and product development through the stages of manufacturing, sales, and supply chain, to the customer evaluation of its products. The stringency related to design and manufacture and the number of regulations in the cryogenic equipment segment are barriers to entry for new players in the segment.

Diversified domestic and international customer base across industry sectors

INOX CVA has a diversified customer base across industry sectors and geographies. The Company provided its equipment and systems to over 1,201 domestic customers and over 228 international customers across its three divisions in FY21, FY22, and FY23. INOX CVA provides its cryogenic storage, distribution, and transportation equipment and systems to corporate and government customers. It has a diversified end-industry mix with customers in industries such as energy, industrial gases, LNG and LCNG, steel, medical and healthcare, chemicals and fertilizers, pharmaceuticals, aviation and aerospace, pharmaceuticals, and construction, amongst others.

The Company's long-term relationships and ongoing active engagements with customers also allow it to plan its capital expenditure and enhance its ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base. 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.

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Inox India Ltd. (Inox CVA)

INVESTMENT RATIONALE

Strong product development and engineering focus

INOX CVA has an in-house engineering team to develop new products and solutions. In the past three FYs, its in-house team has developed cryogenic containers that comply with ISO containers standards, LNG fuel stations, LNG/LCNG fuel stations, LNG fuel tanks, cryogenic biological storage and beverage kegs. During the last five years, the Company has added new products: liquid hydrogen storage tanks, LNG dispensers, LNG fuel tanks and aluminium trailers. Product development and engineering activities are critical in maintaining its competitive position, addressing customer needs and industry developments. Its activities are focused on developing newer technologies, engineering new products, reducing its cost of production, simplifying manufacturing processes, improving safety and reducing the environmental impact of its manufacturing and products. INOX CVA's cryogenic pressure vessels comply with international standards and requirements.

Under its Cryo Scientific Division, the Company also offers applications and turnkey solutions for scientific and industrial research. Its Cryo-Scientific Division has experience and expertise to design, manufacture, install, and commission cryolines, vessels, and other related systems following various codes and standards: EN 13480, ASME Sec. VIII Div. 1 with ASME certification mark "U" designator, ASME Sec. VIII Div. 2, and EN 13445 with compliance with Directive PED 2014/68/EU.

The Company's activities are focused on satellite and launch facilities, cryogenic propulsion systems and research, cryogenic process technologies, and fusion and superconductivity. It has been involved in a number of space projects and has developed a number of cryogenic storage and handling systems. The Company also provides critical equipment for the research and development of cryogenic propulsion systems.

INOX CVA has developed cryogenic distribution systems that include superconducting magnets and cryopumps. Its systems include cryolines for cryogenic fluid handling, systems for cooling super-conducting magnets for large research accelerators, and super-conducting magnets for MRI systems. The Company manufactured a thermal vacuum chamber with a Spanish partner. This vacuum chamber, with a size of 6.5m ID, was constructed at its Kalol facility and transported to the site in finished condition. It has been involved in the ITER project, which is an international nuclear fusion research and engineering megaproject with nine participating nations. The Cryo-Scientific has the capability to design, manufacture, and supply nuclear-certified vessels and related systems according to French safety standards and nuclear guidelines.

As of October 31, 2023, INOX CVA had 1,016 employees, including 419 engineers and 144 welders, at its three manufacturing facilities and its registered and corporate offices. With a view to further strengthening its R&D capabilities, INOX CVA continuously looks to recruit and appoint scientists of varied experience and expertise at its R&D facility.

Healthy financial performance to support growth

The consolidated total income has increased at a CAGR of 27.1% from INR 6,090 Mn in FY21 to INR 9,842 Mn in FY23. Its consolidated total income was INR 5,800 Mn in H1FY24. EBIDTA, on a consolidated basis, has increased at a CAGR of 22.0% from INR 1,497 Mn in FY21 to INR 2,227 Mn in FY23. EBIDTA margins on a consolidated basis in H1FY24, FY23, FY22, and FY21 were 25.1%, 22.6%, 23.5%, and 24.6%, respectively. In H1FY24, FY23, FY22, and FY21, the Company's ROCE was 23.8%, 36.5%, 33.7%, and 35.2%, respectively, while its ROE was 18.6%, 27.8%, 26.0%, and 25.9%, respectively, and its net debt/equity ratio was (40.0x), (54.9x), (52.9x), and (43.4x), respectively.

Experienced Promoters, Management Team and Skilled Workforce

The Company started production in FY1993 and has undergone organic and inorganic growth to become a comprehensive cryogenic equipment solution provider. In FY09, INOX CVA acquired CVA Inc. After this acquisition, its strategy has been to expand its product offerings across the cryogenic value chain. The Company is part of the INOX group (including companies in the industrial gas sector), which provides strategic support and leadership.

The qualified and experienced management team of INOX CVA possesses the expertise and vision to effectively manage and grow its business. The Company's promoter and non-executive Director, Mr. Pavan Kumar Jain, has been with the Company since April 16, 1979, and has approximately 30 years of experience in the cryogenic engineering and high vacuum technology industries. The Company's promoter and non-executive Director (Non-Independent), Mr. Siddharth Jain, has approximately 18 years of experience in the cryogenic engineering and high vacuum technology industries, oversees the groups' strategic planning and business development, and is responsible for the industrial gases, entertainment, and cryogenics equipment manufacturing businesses. The Chief Executive Officer of the Company, Mr. Deepak Acharya, has over 30 years of experience in welding.

The Company runs its business professionally with dedicated senior and mid-level management teams who have been with the Company on average for more than a decade. The knowledge and experience of its promoters, along with its management and team of dedicated personnel, provide INOX CVA with a significant competitive advantage as it seeks to grow its existing markets and enter new geographic markets.

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Inox India Ltd. (Inox CVA)

Future Growth Strategies

Capitalize on opportunities in LNG and hydrogen as part of the global clean energy transition

The increased demand for cleaner fuels such as LNG and hydrogen, driven by the focus on reducing carbon emissions from conventional energy sources, is expected to drive the demand for cryogenic equipment across geographies. In India, the national objectives in line with the Paris Agreement are expected to increase demand for power generation and vehicles fueled by cleaner fuels like LNG, LCNG, and hydrogen. The global LNG demand is expected to grow at a 5.0–6.0% CAGR from CY23 to CY25E to 480–500 MTPA, and the demand for cryogenic equipment for LNG storage, distribution, and handling is projected to increase at a CAGR of 8.4% from CY23 to CY28E. Demand for LNG will mainly be driven by Asian nations such as China, India, and South Korea, along with Europe, Pakistan, and Bangladesh, which are increasingly shifting to gas from energy sources such as coal, crude oil, and nuclear power. Significant new LNG export capacity additions are expected over the next five years, leading to a surge in global LNG supply, particularly from the United States. INOX CVA is well positioned to capture this global market growth, and it intends to focus its efforts on the small-scale LNG segment. In the LNG tank segment, it has supplied over 60.0% of the tanks in both the stationary tank segment, which includes all LNG applications, including LCNG stations, and trailer-mounted mobile LNG tanks in India, which have a valid PESO license as of May 4, 2022.

The hydrogen segment in India is expected to see strong growth with the GoI's emphasis on developing a hydrogen economy in the country. It aims to develop India as a global hub for manufacturing hydrogen and fuel cell technology across the value chain. The mission will support the replacement of fossil fuels and fossil fuel-based feedstocks with renewable fuels and feedstocks based on green hydrogen. The key industries driving the demand for hydrogen would be refining, ammonia, and methanol in the near term, while steel production and heavy-duty trucking are expected to drive demand toward the latter end of the period, accounting for over 50.0% of the demand for green hydrogen.

INOX CVA is a product development and engineering-centric company, and it aims to focus its efforts on innovation in complex industry environments where its value-add is greatest in areas like hydrogen storage, transportation, and distribution to address the need for large-scale movements of liquid hydrogen. Its engineering team has been developing cryogenic equipment for hydrogen. As the demand for hydrogen increases, the Company intends to leverage its experience in the small-scale LNG segment to develop a comprehensive product range that includes the entire value chain from the hydrogen terminal to storage and transportation, and then distribution to end-users. The Company's in-house engineering expertise and its reputation and presence in the cryogenic industry for over 30 years will give it a competitive advantage in building its hydrogen solution offering.

Capture the full value-chain across its product lines

INOX CVA is looking to gain market leadership positions across the entire value chain of its product lines, and it intends to continue to expand its offerings in each segment to provide its customers with end-to-end solutions. By expanding its product portfolio to include a fully integrated product presence in each major segment, the Company expects to capture market share. In this regard, INOX CVA aims to offer customers equipment for storage, transportation, distribution, and, finally, equipment for end-use by customers. INOX CVA's areas of focus in the near term will be LNG end users in remote islands, industrial consumers without access to natural gas pipelines, marine barges, LNG for the transport sector, including fuel stations, and vehicle-mounted tanks, including all auxiliary equipment.

In the industrial gas sector, most of its customers already have their own setup to provide vaporized gases to their end customers. However, for new industrial gas applications, the Company intends to offer complete systems. The Company is also developing a helium IMO tank and is currently in the final testing stage. It expects to offer this tank in India and internationally.

Expanding its standard cryogenic and non-cryogenic equipment business into international markets

INOX CVA's standard equipment business includes storage tanks, transport tanks, disposable cylinders, microbulk tanks, beverage kegs, and other equipment engineered to industry standards. The Company is looking to expand its geographic reach for the standard equipment that it can produce at prices which are competitive in the international market. In addition, INOX CVA is considering expanding its non-cryogenic equipment business to include the manufacture of stainless-steel metal containers. It is also looking to distribute internationally its mass-produced cryo-biological containers fabricated from aluminum and is developing regional distributors to support the retail sale of such products.

The Company's strategy is to continue its geographic expansion and market the standard cryogenic equipment to new international markets. It is cost-competitive because of its manufacturing capacity, lower labor costs in India, competitive pricing from its suppliers, and its operational controls and efficiencies. The Company looks to focus its expansion on North America, South America, Europe, Africa, Korea, and Japan. It is also ramping up its current business in the Middle East, Southeast Asia, India, and the SAARC region. The Company intends to achieve this expansion by having dedicated sales and marketing teams whose primary focus will be on business development in international markets, particularly in its focus geographies. INOX CVA will also look for new partners in its focus markets to establish a local presence.

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Inox India Ltd. (Inox CVA)

Future Growth Strategies

In the non-cryogenic equipment area, the Company is expanding its existing beverage keg business to include stainless steel metal containers for a variety of applications, including beer. The Company is currently manufacturing beverage kegs using the recommended and NSF-certified stainless-steel material. The food and beverage industry has used its beverage kegs to store aerated beverages. The Company plans to expand its offerings by entering into technology and marketing alliances with international industry players. In this regard, on August 3, 2022, the Company signed a technology license agreement with Supermonte SRL of Italy for the manufacture of stainless-steel beverage kegs using the Supermonte brand and technology. The Company is planning to set up a serial production facility to produce these stainless-steel beverage kegs at Savali, near Vadodara.

The Company also aims to expand its market penetration across geographies of its standard equipment offering by:

- becoming an approved equipment provider to additional large multi-national corporations for industrial gases and LNG requirements;
- engaging third-party distributors who may be engaged with target industries where it is less experienced;
- setting up regional service centres on its own or through partnerships;
- acquiring companies in related businesses with common customer bases; and
- providing seminars, technical lectures, and participation in major events such as Hydrogen Summit 2022 (where INOX CVA was the sponsor), the Gas World Conference and the All-India Industrial Gases Manufacturers Association conference.

Expanding its large turnkey project business

INOX CVA aims to change its revenue mix over time towards large turnkey margin-accretive projects. The Company believes that large turnkey projects offer the Company better margins because of the limited competition for these projects, the economies offered by their scale, and the large engineering and customization elements of these types of projects.

The Company aims to expand its business as a storage system provider. These storage system projects would require a larger scope of work that could include related subsystems. By strengthening its system engineering and developing its site construction skills, INOX CVA can leverage its brand reputation to seek to participate in turnkey storage system projects.

The Company also has large project opportunities in cryogenic storage and end-use application systems that have a significant role in the transition to cleaner fuels such as hydrogen and natural gas. The Company's focus will be to work on new projects to help with this clean energy transition.

Continue to improve operational efficiency and productivity

In H1FY24, and the past three FYs, INOX CVA has been improving its operational efficiency at its Kalol and Kandla SEZ facilities, with a focus on improving productivity and reducing operational expenses, including labor costs, power expenses, and other expenses, including testing, repair, insurance, security, and other operational expenses. The Company intends to continue enhancing its operational efficiencies and productivity and increasing its economies of scale to better absorb its fixed costs and reduce other operating expenses.

Growth through strategic acquisitions and alliances

INOX CVA will continue to expand its manufacturing capacity at its facilities as per demand. It is evaluating establishing a new facility to manufacture standard equipment, including storage tanks, transport tanks, microbulk tanks, and stainless-steel metal containers, for a variety of applications in accordance with its strategy to expand the standard equipment mentioned above. The Company will look for strategic acquisition targets in India and internationally to expand its regional reach, product development, and manufacturing assets. It will also look for opportunities to acquire businesses to add business segments where they are not currently present. INOX CVA is looking at acquisition opportunities among regional special cryogenic product manufacturers and engineering units to support new applications.

The Company is looking to establish strategic alliances to explore and develop opportunities, particularly in the LNG, hydrogen, and cryo-scientific markets. The Company aims to continue to enter into alliances to expand its market reach and attract new project opportunities. It will also look for technology and marketing partners to expand its standard equipment business.

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Inox India Ltd. (Inox CVA)

Key Strengths

The core strengths of INOX CVA include its capabilities to offer customized solutions across the cryogenic value chain, its expertise in designing, engineering, manufacturing, supplying, and commissioning turnkey packaged systems for the storage, distribution, and transfer of various cryogens across the entire cryogenic temperature range, and its position as the largest supplier of cryogenic equipment in India by revenue. Additionally, it is the first Indian company to achieve this status, positioning it as a global market leader in the sector of vacuum insulated cryogenic equipment.

- In FY23, INOX CVA was the largest supplier of cryogenic equipment in India by revenues. With exports to 66 countries, the Company is well placed to capitalize on global opportunities in cryogenic equipment and systems as we design and manufacture its equipment to international norms.
- INOX CVA offers comprehensive solutions across the design, engineering, manufacturing, and installation of standard as well as customized cryogenic equipment and systems.
- The Company has a large portfolio of specialized cryogenic equipment engineered to global quality standards. INOX CVA has an installed capacity of 3,100 equivalent tank units (which are cryogenic storage tanks of 10,000 liters), 2.4 Mn disposable cylinders, and 14 certifications from the United States, Europe, Australia, and other international markets.
- The Company has an in-house engineering team to develop new products and solutions. It has 419 engineers and appointed scientists of varied experience and expertise at its R&D facility.
- The Company has a diversified domestic and international customer base across industry sectors, with 1,201 domestic customers and over 228 international customers.
- INOX CVA's long-term relationships and ongoing active engagements with customers also allow it to plan its capital expenditure and enhance its ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base.
- INOX CVA has built its business organically and has demonstrated consistent growth in terms of revenues and profitability.

Key Risks

- INOX CVA's principal raw materials include aluminum products (including sheets, bars, plates, and piping), stainless steel products (including sheets, plates, heads, valves, instruments, and piping), palladium oxide, carbon steel products (including sheets, plates, sections, and heads), valves and gauges, and fabricated metal components. An increase in its component or raw material costs, or other input costs, may adversely affect the pricing and supply of its products and have an adverse effect on its business, results of operations, and financial condition. For INOX CVA, ~50.0% of the raw material is steel by value and ~60.0% is purchased from Jindal Stainless.
- The Company's business is dependent upon its ability to manage its manufacturing facilities, which are subject to various operating risks, including those beyond its control, such as the breakdown or failure of equipment, industrial accidents, severe weather conditions, and natural disasters. Any significant malfunction or breakdown of its machinery, its equipment, its automation systems, its IT systems, or any other part of its manufacturing processes or systems (together, the Company's "manufacturing assets") may entail significant repair and maintenance costs and cause delays in its operations.
- 11.6% and 46.5% of revenue from operation was derived from its largest customer and top 10 customers, respectively, for FY23. Cancellation by customers or delay or reduction in their orders could have a material adverse effect on its business.
- As of September 30, 2023, the Company's order book was INR 10,366 Mn. The order book comprises anticipated revenues from the unexecuted portions of existing contracts. There is no guarantee that the book will generate revenues or, if it does, will lead to profits. Any delay, cancellation, dispute, or payment default could adversely affect its business, results of operations, and financial condition.
- Cryogen leakage from equipment poses health hazards, and its products face inherent risks due to the high pressures and low temperatures at which many of its cryogenic products are used and the inherent risks associated with concentrated industrial and hydrocarbon gases.
- Exports constituted 62.2% and 45.8% of its revenues from operations in H1FY24 and FY23, respectively. A slowdown in its exports due to tariffs, trade barriers, and international sanctions could adversely affect its business.
- Demand for its products depends in large part upon the level of capital and maintenance expenditures by many of its customers and end-users, in particular those customers in the global hydrocarbon and industrial gas markets. Disposable cylinders and cryoseal as products have cyclical demand. The Company is also affected by industrial gas industry capex cycles. These customers' expenditures historically have been cyclical in nature and vulnerable to economic downturns.
- Decreased capital and maintenance spending by these customers could have a material adverse effect on the demand for its products.
- Any restriction on the import of components or raw materials could have an adverse effect on its ability to deliver products to its customers. Further, any increase in the export tariff will increase expenses, which in turn may impact its business.
- The development and commercialization of cryogenic equipment and systems are complex, time-consuming, costly, and involve a high degree of business risk. INOX CVA may encounter unexpected delays in the launch of new products and systems, and these new products and systems may not perform as the Company expects.

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Inox India Ltd. (Inox CVA)

Board of Directors

- Mr. Pavan Kumar Jain is the Chairman and Non-Executive Director of the Company. He has been associated with the Company since April 16, 1979. 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. He oversees various segments of the Company such as industrial gases, cryogenic engineering and entertainment.
- Mr. Siddharth Jain is the Non-Executive Director (Non-Independent) of the Company. He has been associated with the Company since March 17, 2004. He has approximately 18 years of experience in the cryogenic engineering and high vacuum technology industry. He oversees the groups' strategic planning, business development and together with responsible for the industrial gases, entertainment and cryogenics equipment manufacturing businesses.
- Mr. Parag Kulkarni is the Executive Director of the Company. He has been associated with the Company since July 16, 1992. He is an executive member of Indian Cryogenics Council. 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 and together with its senior management is responsible for implementation of strategy in respect of such functions.
- Mrs. Ishita Jain is the Non-Executive Director of the Company. She has been associated with the Company since August 12, 2021. She oversees the CSR activities and implementing CSR projects for the social and local community welfare for and on behalf of the Company.
- Amit Advani is the Non-Executive and Independent Director of the Company. He has been associated with the Company since July 16, 2022. He has approximately 23 years of experience in managing international business relationships. He is a member of the Young Presidents Organization and past president of the Entrepreneurs Organisation, Mumbai, Maharashtra. He is a managing director of Bombay Fluid System Components Private Limited.
- Mrs. Girija Balakrishnan is the Non-Executive and Independent Director of the Company. She has been associated with the Company since July 16, 2022. She is a partner in Malvi Ranchoddas & Co and a member of the Bar Council of Karnataka. She holds specialization in corporate laws, mergers and acquisitions, commercial laws, foreign direct investment and joint ventures and foreign collaboration.
- Mr. Richard Boocock is the Non-Executive and Independent Director of the Company. He has been associated with the Company since July 16, 2022. He has more than 25 years of experience as a chartered chemical engineer. He is also a fellow of the institution of chemical engineers. Prior to joining the Company, he was associated with Air Products Group Limited as a director.
- Mr. Shrikant Somani is the Non-Executive and Independent Director of the Company. He has been associated with the Company since July 16, 2022. He has approximately 20 years of experience in renewable energy and small hydropower. He oversees hydropower projects through various corporate entities in the States of Maharashtra and Himachal Pradesh.

Key Personnels

- Mr. Deepak Acharya is the Chief Executive Officer of the Company. He joined the Company on November 29, 1992. He has over 30 years of experience in welding. In FY23, he received remuneration (including perquisites) of INR 14.8 Mn from the Company.
- Mr. Pavan Logar, is the Chief Financial Officer of the Company. He joined the Company on September 10, 1993. 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. In FY23, he received remuneration (including perquisites) of INR 10.1 Mn from the Company.
- Mr. Kamlesh Shinde is the Company Secretary and Compliance Officer of the Company. He joined the Company on June 19, 2023. He has over 8 years of experience in secretarial and compliance matters. Prior to joining the Company, he has worked with Finolex Cables Limited as an Assistant Company Secretary & Compliance Officer and Rapicut Carbides Limited as Company Secretary and Compliance Officer. Since he was appointed on June 19, 2023, he was not paid any remuneration in FY23.
- Mr. Savir Julka is the Global Head - Sales and Marketing (Industrial Gases) of the Company. Prior to joining the Company, he has worked with Mekaster Group as an area manager. In FY23, he received remuneration (including perquisites) of INR 10.9 Mn from the Company.
- Vijay Kalaria is the Global Head - Sales and Marketing (LNG) of the Company. He joined the Company on January 15, 1999. He has over 28 years of experience in marketing and sales. Prior to joining the Company, he has worked with Jord Engineers India Limited as an assistant manager (marketing). In FY23, he received remuneration (including perquisites) of INR 9.4 Mn from the Company.
- Sudhir Sethi is the Chief People Officer and Head - Legal of the Company. He joined the Company on September 19, 2007. He has over 19 years of experience in human resource management. Prior to joining the Company, he has worked with Gujarat Reclaim and Rubber Products Limited as senior works manager. In FY23, he received remuneration (including perquisites) of INR 7.2 Mn from the Company.

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Inox India Ltd. (Inox CVA)

Outlook and Valuation

Inox India Ltd. is a niche player in the manufacturing of cryogenic equipment and was the first Company to design and manufacture a trailer-mounted hydrogen transport tank for ISRO. The major drivers for this company are: a) its strong brand equity; b) a favorable push from the government on reducing emissions; c) consistently delivering a healthy financial performance; d) strong R&D capabilities; and e) a broad customer base.

Inox India Limited is among the top 10 leading cryogenic equipment manufacturers in the world by revenue in CY22, while in India, the Company is the largest company developing containers for gases and cryogenics with ~60.0% market share. Global cryogenic demand is expected to be robust in the coming years on account of increased demand for cleaner fuels. Thus, the Company is well-positioned to capture this opportunity owing to its resilient in-house technology and diversified range of innovative products. The Company will continue to leverage its parent Company's existing customer base and strategic support. INOX CVA is open to inorganic growth opportunities as well, which will lead to further expansion of the product range and geographical reach. The Company has also been funding its Capex requirements through cash generated from operations supplemented by borrowings from banks and financial institutions. Thus, the Company has net cash as of FY23 (INR 3,015 Mn) and H1FY24 (INR 2,216 Mn). The dividend payout as percent of face value has been reasonable at 550% in FY23 and H1FY24, respectively.

INOX CVA's IPO size is INR 13,864–14,593 Mn with a price band of INR 627–660 per share. The Company will not receive any proceeds from the Offer for Sale of 22,110,955 equity shares from the selling shareholders. The primary intention of the Company is to achieve the benefits of listing its equity shares on the stock exchanges. On the upper price band of INR 660 and EPS of INR 16.8 for FY23, the Price/Earnings ratio stands at 39.2x. We are positive about the Company's outlook considering its consistent track record, strong parentage, entry barriers due to the highly regulated nature of the sector, and healthy cash generation. Therefore, we recommend rating the Inox India Ltd. IPO as 'SUBSCRIBE'.

Peer Comparison

Comparison with listed peers:

There are no listed companies in India that engage in a business similar to that of INOX CVA. Accordingly, it is not possible to provide an industry comparison in relation to the Company. Further, there are no Indian listed peers or global listed peers which are of comparable size, from the same industry and with a similar business model as its Company.

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Inox India Ltd. (Inox CVA)

Financials:

Consolidated Profit & Loss Statement

INR Millions	FY21	FY22	FY23	H1FY24
Revenues	5,938	7,827	9,659	5,646
COGS	2,478	3,377	4,327	2,666
Gross profit	**3,460**	**4,450**	**5,332**	**2,980**
Employee cost	605	735	790	457
Other expenses	1,511	2,039	2,498	1,219
Adj EBITDA	**1,345**	**1,676**	**2,044**	**1,304**
Adj EBITDA Margin	22.7%	21.4%	21.2%	23.1%
Depreciation & amortization	118	121	139	77
EBIT	**1,227**	**1,555**	**1,904**	**1,226**
Interest expense	69	23	37	18
Other income	152	210	183	154
PBT	**1,311**	**1,742**	**2,050**	**1,362**
Tax	350	437	523	328
Share of Profit/(Loss) of Associates/Minority	0	0	0	0
Minority interest	0	0	0	0
PAT	**961**	**1,305**	**1,527**	**1,033**
EPS (INR)	**10.6**	**14.4**	**16.8**	**11.4**

Source: IPO Prospectus, KRChoksey Research.

Consolidated Cash Flow Statement

INR Millions	FY21	FY22	FY23	H1FY24
Net Cash Generated From Operations	2,307	970	1,784	895
Net Cash Flow from/(used in) Investing Activities	-1,482	-746	-113	-139
Net Cash Flow from Financing Activities	-957	-261	-1,536	-719
Adjustment on account of Foreign Currency Translation Reserve	-37	26	-9	6
Net Inc/Dec in cash equivalents	-169	-11	125	43
Opening Balance	191	22	12	112
Closing Balance Cash and Cash Equivalents	**22**	**12**	**137**	**155**

Source: IPO Prospectus, KRChoksey Research

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Inox India Ltd. (Inox CVA)

Financials:

Consolidated Balance Sheet

INR Millions	FY21	FY22	FY23	H1FY24
Property, Plant and Equipment	1,013	1,332	1,636	2,140
Capital Work-in-Progress	24	19	2	56
Intangible Assets	6	6	9	57
Investment	1	2	2	2
Other Financial Assets	36	23	20	60
Loans	490	0	0	0
Other Non-Current Assets	8	55	80	201
Total Non-Current Assets	**1,580**	**1,436**	**1,749**	**2,516**
Inventories	1,458	3,225	4,128	4,069
Trade Receivables	1,127	781	1,429	1,550
Cash and Cash Equivalents	22	12	137	155
Bank Balances other than cash and cash equivalents as above	1,996	76	480	78
Investments	249	3,115	2,487	2,375
Other Current Assets	357	219	969	708
Total Current Assets	**5,210**	**7,428**	**9,630**	**8,935**
Non-Current assets held for sale	82	103	105	107
TOTAL ASSETS	**6,872**	**8,968**	**11,484**	**11,558**
Equity Share Capital	91	182	182	182
Other Equity	3,624	4,841	5,313	5,361
Equity attributable to owners of the Company	**3,715**	**5,023**	**5,495**	**5,542**
Non-controlling interest	0	0	0	0
Total Equity	**3,715**	**5,023**	**5,495**	**5,542**
Deferred Tax liabilities	58	77	83	100
Lease Liabilities	48	84	75	92
Provisions	90	41	45	55
Other Non-current Financial Liabilities	13	13	16	22
Total Non-Current Liabilities	**209**	**215**	**219**	**269**
Borrowings	604	434	0	310
Lease Liabilities	23	27	15	24
Trade Payables	174	401	648	662
Other Financial Liabilities	402	405	620	1,085
Other Current Liabilities	1,509	2,175	4,139	3,223
Provisions	220	267	333	386
Current Tax Liabilities (Net)	15	20	15	57
Total Current Liabilities	**2,948**	**3,729**	**5,770**	**5,747**
Total Liabilities	**3,157**	**3,945**	**5,989**	**6,016**
TOTAL EQUITY & AND LIABILITIES	**6,872**	**8,968**	**11,484**	**11,558**

Source: IPO Prospectus, KRChoksey Research.

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Inox India Ltd. (Inox CVA)

ANALYST CERTIFICATION:

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