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Subject: Transcript of Conference Call with the Investors / Analysts.

Dear Sir/Madam,

The Company had organized a conference call with the Investors/Analysts on Tuesday, 5th August, 2025. A copy of Transcript of conference call held with the Investors/Analysts is enclosed herewith and the same is also uploaded on the Website of the Company.

You are requested to take the same on your record.

Thanking you.

Yours faithfully,

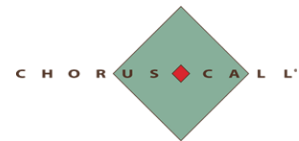
For INOX India Limited

Jaymeen Patel
Company Secretary & Compliance Officer





**“INOX India Limited
Q1 FY '26 Earnings Conference Call”
August 05, 2025**



**MANAGEMENT: MR. DEEPAK ACHARYA – CHIEF EXECUTIVE OFFICER
– INOX INDIA LIMITED
MR. PAVAN LOGAR – CHIEF FINANCIAL OFFICER –
INOX INDIA LIMITED
MR. SUNIL LAVATI – INVESTOR RELATIONS – INOX
INDIA LIMITED**

MODERATOR: MR. MOHIT KUMAR – ICICI SECURITIES

Moderator: Ladies and gentlemen, good day, and welcome to INOX India Limited Q1 FY '26 Earnings Conference Call, hosted by ICICI Securities. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar from ICICI Securities. Thank you, and over to you, sir.

Mohit Kumar: Thank you, Pari. Good morning. On behalf of ICICI Securities, I welcome you all to the Q1 FY '26 Earnings Call of INOX India. Today, we have with us from the management, Mr. Deepak Acharya, CEO; Mr. Pavan Logar, CFO; Mr. Sunil Lavati, Investor Relations. We'll begin with the opening remarks from the management, which will be followed by Q&A. Thank you, and over to you, sir.

Deepak Acharya: Thank you, Mohit. Dear shareholders, investors and our analyst friends, a very warm welcome to our earnings call for the first quarter of FY '26 ended June 30, 2025. Our results, investor presentation and press release are available on the stock exchanges as well as on our website.

With the belief you had a chance to go through it, I will go through operational performance of the quarter in detail for all the segments, which we are present in. My colleague and our CFO, Pavan Logar, is with me on this call, and he will take you through financial performance post which we will open the forum for question and answers.

As we have stepped into a new financial year, it is important to take a moment and reflect on the remarkable transformation taking place in India's economic landscape. In 2025, India proudly became the fourth largest economy in the world, a milestone driven by sustained domestic reforms and a strong global positioning under the vision of Make in India, Make for the World.

We are now the world's fastest growing major economy with a real GDP growing steadily at 6.5%. Our nominal GDP has seen a remarkable rise for the last decade, underscoring the strength and resilience of our economic fundamentals and the momentum continues.

India is projected to remain the fastest-growing major economy in 2025-'26 with expected growth ranging from 6.3% to 6.8%. Our foreign trade has played a significant role in this journey depicting and acknowledgment for Indian business and their manufacturing excellence.

Total exports have surged to 76% over the last 10 years, reaching US\$825 billion in FY '25, led by robust performance in engineering goods, electronics and pharmaceuticals. In parallel, technological self-reliance is becoming a cornerstone of India's long-term strategy, a vision that INOX India is deeply aligned with its actively advancing through its engineering excellence and manufacturing strength while building a future-ready industrial ecosystem, proudly Made in India, Made for the World.

Now coming upon our quarterly updates. For the first quarter, we reported a revenue of INR352 crores, EBITDA was INR89 crores, while profit after tax was INR61 crores underlying a handsome growth of 16.7%, 19.4% and 18.9%, respectively.

Coming to the segment-wise performance, I'll begin with our largest business segment, Industrial Gas solutions. We achieved a significant milestone with the dispatch of India's first ultra-high purity ammonia ISO containers, specifically designed for the semiconductor and solar panel sector. These tanks, two of which have been delivered to IAPL build to operate at a pressure rating of 19.69 bar, meeting the stringent cleanliness and purity requirements.

This is the first of its kind project in India, and we are proud to be the only domestic manufacturer of such high spec containers. The tanks have been certified by DNV as IMO, ISO containers and an additional 10 units are currently under construction. With a strong initial interest, we anticipate a healthy demand for the specialized tanks, both within India and globally.

A key highlight during this quarter was the successful and unique development and launch of India's first CO₂ battery storage application breakthrough in long-duration energy storage. This technology is scalable and sustainable alternative to lithium-ion batteries, offering superior value, reliability and environmental performance.

The adoption of CO₂ battery is well aligned with the government of India's initiative of Make in India and Atmanirbhar policies, providing significant opportunities for the existing industrial supply chain in India, not only for the domestic CO₂ battery projects, but potentially also for the global export markets. This order was received from an Italian company for a project in India.

We also received notable orders from disposable cylinders from the U.S. customer. What makes these wins particularly significant is that they were secured despite the recent increase in import tariffs, highlighting the strength of our value proposition and continued trust our clients place on us and our products.

Overall, Q1 reflected steady momentum across our IG business, with a growing traction in high-purity applications, continued success in global exports and proactive tariff management efforts underway to safeguard our market competitiveness.

Moving on to LNG segment, we have successfully streamlined our LNG fuel tank production processes, enabling us to supply approximately 145 tanks to major OEM manufacturers during the quarter. This reflects both operational efficiency and growing adoption of LNG as a clean fuel alternatives. We have positive outlook for the year and based on market demand and customer feedback, we are confident of continued strong performance in this segment.

To support this growth, we are building capabilities to scale it to as high as 10 times over the course of next few years. To enable this, we have begun expanding our production shop, which will enhance our volume capacity and help us cater with the increasing requirement of OEMs and fleet operators. Importantly, regulatory support is also aligning with the industry trends.

The government of India has revised certain regulations. This revision now allows LNG to be used as a fuel for mobile pressure vessels in cryogenic applications, including LNG in accordance with the SMPV regulations. This change is expected to further accelerate LNG adoption, opening up of broader applications and driving additional demand across the multiple sectors.

We are also pleased to share that our efforts in this space have received external recognition at the Financial Express Mobility Award, we received 2 prestigious awards, one specifically for LNG fuel tank applications for the automotive sector and another mobility award for environmental sustainability, acknowledging our work in hydrogen and clean energy initiatives.

These rewards enforce our leadership in sustainable mobility, highlight the growing relevance of our clean energy solutions in India's transport landscape. Overall, our LNG segment is well positioned for robust growth supported by both capacity expansion and favorable policy environment.

Now moving to the Cryo Scientific Division. I'm happy to share a significant development following the successful completion of our Vacuum Vessel Thermal Shield final work for the prestigious ITER project, building on the success, we have now secured a major order for the Cryostat Thermal Shield valued approximately INR145 crores. Approximately 90% of the fabrication and assembly work will be carried out in our own facility, ensuring greater control over the quality and timeliness.

The remaining 10%, mainly large panels will be executed at site managed by our dedicated team of around 25 workmen and technical staff. The project is expected to span nearly 2 years. So while there is no immediate urgency, it reflects a strong long-term relationship and visibility in our international scientific project pipeline.

Importantly, our proven track record and credibility at the ITER site, continue to work in our favor and additional work opportunities are being directly assigned to us, which we see as a very positive and a strategic development for this segment.

The beverage keg division saw steadily development across the geographies, supported by customer engagement, distributor expansion and progress on key approvals. We are seeing a renewed interest and new approaches from global brewing giants like Heineken, AB InBev brewery as well as 2 companies based in Brazil, a positive signal for broader adoption of our keg solutions.

Importantly, we also secured global approval from Heineken, the world's largest brewery. This is a major milestone for us. And post-approval, we have started engaging with local players across the region including South America, Australia and South Africa to further expand our footprint. On the distribution front, we have appointed new distributors in the UK, Germany and U.S. These appointments strengthen our European and U.S. presence alongside our existing distributors.

We are also seeing growing interest in non-standard keg formats, which suggest increasing customized -- customization requirement in mature markets. The received order of INR6.4 crores in the quarter against INR2 crores in the last quarter, in the previous quarter, which is still suggests a growth in this segment.

We are continuing to work on product approvals with several major breweries while we already completed the approval with AB InBev and Heineken, new breweries such as Asahi, Carlsberg now schedule their audit in the month of September, October, which we believe will further strengthen the case of ramping up of keg volumes.

We already received Q2 FY '26 meaningful orders of INR28,000 crores from German company, while actively on the keg line has picked up, we acknowledge that current volumes are still below our internal expectations. However, with the multiple approvals in this pipeline, we remain optimistic about scaling the business in the upcoming quarter.

Despite competitive pressure from Chinese players and BLEFA in Europe, we continue to benefit from the antidumping duties imposed on Chinese products, which helped to maintain a level playing field. In terms of geographies, South America remains a consistently strong market for Keg demand, and we will continue to build on that momentum.

Overall, while we are in the early stages of ramping up of keg volume, the approvals underway strategic distribution appointments and global endorsement give us the confidence in the long-term potential of this segment. We remain optimistic about our performance in the upcoming quarter, supported by strong customer relationships, growing demand across geographies, improving policy scenarios, environmental priorities and continued execution of high-value projects.

Coming to a few important quarterly business numbers. Order backlog on 30th June 2025 was INR1,457 crores, with 45% coming from Industrial Gas, 32% coming from LNG, 23% coming from Cryo Scientific Division. Export comprise around 63% of our total order backlog. In terms of segregation, 48% of the income has come from IG, 29% from LNG and 19% from Cryo Scientific Division. Total order inflow during the Q1 was INR415 crores, comprising 44% from IG, 20% from LNG and 35% from the Cryo Scientific segment.

To conclude, following the strong start-up of FY '26 and a solid Q1 performance, we are encouraged by the momentum across our key businesses, backed by diversified portfolio, global traction and a strong execution as well as we are also well positioned to build on this foundation. We remain confident in sustaining our growth trajectory and are firmly committing to delivering long-term value for all the stakeholders in the quarter aside.

I would like to thank you all for your patient hearing. I now hand over to Mr. Pavan Logar, our CFO, who will share financial numbers in detail with you.

- Pavan Logar:** Thank you, Deepak, and good morning, everyone. I shall share summarize on financials for the quarter ended 30th June 2025. Let me share the numbers for Q1 FY '26. The total income for Q1 was at INR352 crores, which grew by 16.17% Y-o-Y. The EBITDA was up by 19.4%, stood at INR89 crores. Our quarterly PAT grew by 18.9% to INR61 crores.
- The total fund available as on Q1 FY '26 is INR275 crores, which provide us adequate room to fund future growth expansion. That concludes my update on the financial highlights of the company. I shall now request the moderator to open the floor for question-and-answer session. Thank you.
- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abhinav from ICIC Securities.
- Abhinav:** My first question is what are our offerings in the mini-LNG segment? And are you seeing a large pipeline developing in the medium term?
- Deepak Acharya:** On LNG, yes, we have very strong requirements over the globe and in India as well. As you know, we are one of the pioneer in the manufacturing of entire value chain for the LNG system. So we are into the variety of equipment manufacturing, especially for LCNG fueling stations, fuel tanks, marine fuel tanks, small-scale LNG terminals, and we have been doing the LNG small-scale terminals at Bahamas now, and we already finished at Caribbean LNG.
- Many such projects are coming up in Indonesia, Malaysia, Philippines, Andaman and Nicobar. So many such opportunities are available for us in this sector, and we are bidding very carefully. And as we have a successful track record of completion of these projects, I think we are very well placed in this sector.
- Abhinav:** Understood. And the second question is on the beer keg segment. So we received the approvals from global breweries. And can you quantify the expected incremental order inflow for the next 2 fiscal years and is it fair to build a 5% to 10% revenue in FY '26?
- Deepak Acharya:** Yes, we got the global approval from AB InBev and Heineken and we are in the process of getting approval from the Carlsberg and Asahi. So these are the 4, 5 major breweries in the world. And their process is like that they have the auction or the tender. And on the tender basis, they normally qualify for the orders. And globally, they have many breweries. So the breweries, they request the quotations from the suppliers.
- So we are constantly in touch with all the breweries and they do also qualify the product as well. So that process we already started. So we hope that the next season, whenever it comes now, we will have substantial orders in this segment.
- Abhinav:** Understood. Sir, final question is on the U.S. tariff. What is the impact on the disposable cylinder business, sir? How big was this segment in FY '25?

Deepak Acharya: See, normally, U.S. disposable cylinder is a very tricky situation for us. And we have been very carefully analyzing our business and our offerings to this market. And frankly speaking, we are just maintaining the -- whatever the share of market in this segment. And besides that, we have very good situation this time. Because we have recently approved DOT 39 approval for A12 cylinders, helium cylinders and R32 gas cylinders. So this is additional business for us, which will be like 5 lakhs to 6 lakhs additional cylinders will be required in this market. And there are very few manufacturers in U.S.

So in fact, even if there is a tariff imposition, we are not finding any much impact because we are regularly getting orders from these U.S. companies. And recently, what we have seen that - it is only the steel component, it is getting impacted by the tariff. For example, if INR100 is cylinder cost -- price rather and INR50 is your say material cost, then the tariff is applicable only on the steel part, not on the -- your overheads or margins and other areas, okay?

So that way, though EBIT is like 25%, it comes to be around 14% to 15% for this product. And basically, there are very less manufacturers in the U.S. for this -- there is one, I can say, manufacturer in U.S. So the competition is not there to that extent, and there is a shortage of cylinders in the market. So they have to depend on Indian manufacturers. And there, we are well placed.

Moderator: The next question is from the line of Prakash Kapadia from Kapadia Financial Services.

Prakash Kapadia: A couple of questions from my end. This quarter, we've seen only an 8.2% EBITDA growth excluding of other income despite a gross margin expansion. So can you explain some of front loading of the cost, be it employee or some of the other expenses. And given the order book is at an all-time high, does execution be better than the current run rate of 15%, what we've seen in Q1. Can we expect a step-up in execution in the rest of the quarters for FY '26?

Pavan Logar: Yes. Definitely. Actually, our target is to have the turnover increase about 18% to 20% in this year. And EBITDA is definitely much higher than the revenue growth we have the growth of 16%, whereas my EBITDA has increased to 19%.

Prakash Kapadia: But sir, that is because of other income, sir?

Pavan Logar: Yes, other income is also part of our business only and this other income is also like any expenses provision earlier we've provided, and now it is not required. So it is indirectly from the business only. And otherwise, also, we have already very clear that we are keeping our fixed margin for any new orders which we are quoting. Increase in EBITDA is not possible considering the worldwide competition. Moreover we have to increase our customer base to increase the sales. That's why we are keeping the fixed margins in all the new quotes, which we are giving.

- Prakash Kapadia:** I totally appreciate the business more, which we have. What I was trying to understand is are some of the cost onetime or front loaded? And will they normalize as we move forward? Because we've seen employee additions.
- Pavan Logar:** Yes, actually, we already recently started our Savli plant last year only. And all the expenses, all the new manpower has already joined in our Savli unit and the Savli unit performance is now increasing. It is a new -- because it's a new property, new thing, it has just started, we are not getting 100% revenue out of it. So as soon as it is stabilized, definitely, my profitability will improve from our Savli unit. So whenever any new unit starts, it takes some time to stabilize. And specially, my Keg business is also not so strong, which is now increasing.
- Prakash Kapadia:** So because of the keg business and some of the revenue being higher, some of these costs should get absorbed, right?
- Pavan Logar:** Yes.
- Prakash Kapadia:** Understood. And any updates on what is happening on the LNG tendering stations and execution? What is the number government was looking at? Any update you would have?
- Deepak Acharya:** Yes, like last time also we told you almost like 45 stations are there, which are in operation, now are coming up in operations. And the new tenders are coming from BPCL and a few private companies. Besides there's no PSUs are coming up for the tenders.
- Prakash Kapadia:** Okay. So that seems to be going slower than what I think the potential is.
- Deepak Acharya:** Government of India was also thinking in that direction. But the truck people or the OEM manufacturers, they are using their very innovative methods like earlier people were using 450 liter tank, now they prefer 990 liter tank and even some manufacturers are now putting 2 tanks on each other. So which carries them to almost 2,000 kilometers.
- So even if the number of stations are less, they can manage very well within their limit. And many logistic companies are also now initiating their business, and they are interested to put the fueling stations at their premises itself. So this is going to be a game changer in my opinion, and nobody wants to wait for the PSUs and other things.
- The Government of India has recently changed the regulations also. And there was always a land issue. But now recently, you must have seen that Adani and Ambani have come together and whatever the petrol pumps they are having, they can be now converted to the fueling station as well. So all these proactive actions by the government is substantially going to help us in this business.
- And the corridors is now almost having like at a distance of 400 kilometers, at least one fueling station is available. So people can very easily fill their tank through this fueling stations. Yes, rightly what you said. The growth or the number of fueling stations coming up is not that fast, but it is not hampering the OEMs for going ahead with this project.

- Moderator:** The next question is from the line of Divyang Joshi from Pragya Securities.
- Divyang Joshi:** So my question is, what's the capex and timeline for the LNG fuel tank capacity expansion? And how are you mitigating the risk relating to that?
- Deepak Acharya:** Actually, what we have done, we have already established a serial production line at our Kalol plant. And we are augmenting this line to the extent of say around 500, 600 tanks a month, which will take us to like 5,000, 6,000 units in a year. And we expect that in another 3 to 5 years, it will require at least 30,000 to 40,000 fuel tanks.
- So for that contract business, we are anticipating that, we will be putting up an extra facility, but we are slowly and steadily reviewing this project, but expansion of our existing facility, we have already taken up and this will really improve our, I mean, revenue from the LNG fuel tank business perspective.
- The OEM manufacturers are also very positive in this business. And because of this AC and carbon emissions and all those things, many companies are now preparing LNG fuel trucks in place of a diesel fuel trucks. So that's the advantage now.
- Divyang Joshi:** Okay, okay. Also, I had one more question. You had a great order inflow from the CO2 batteries and USP ammonia containers. So do they carry a lower margin or a higher amount of margin?
- Deepak Acharya:** Margins are, yes, better than what we have or normally we get definitely because this is a first time of this products like that. And these ammonia containers are specifically very high-tech containers, I can say, with very high finish and other requirements are there. So definitely, we'll get better margins. And this CO2 is like first of its kind order.
- And this is basically a carbon capture mechanism they'll be using and they will capture this CO2 and utilize it for energy generation or power generation. So this is, again, an experimental work, which is being done first time in India now. We hope that these technologies are going to be very useful to the country and to the world globally to reduce the carbon emissions and other things and will be very well useful for the container supply of power.
- Moderator:** The next question is from the line of Abhinav from ICICI Securities.
- Abhinav:** My question is on the ammonia ultra-purity tank container. Sir, can you throw some light on how big the market size is for this product and any revenue targets that you have from this particular product?
- Deepak Acharya:** Sir, this is for -- I'll once again tell you this is the first of its kind product what we have developed. Ammonia as such is not new to this country, and it is being used as a byproduct from the fertilizer companies for last few decades. But this ultra-high purity ammonia, which requires a very high cleaned vessels. So we have been manufacturing this for our customer in India, and we have got order for almost 11 numbers. So 2 we have delivered, 9 we are on the pipeline.

So the ammonia use in the country and abroad is going to increase, there will be very substantial requirement of these containers, maybe in the hundreds in coming few years. And we are already into that business now. So our tanks are performing very well. So we don't feel any issue as such in this market. As the market grows, we will be the first one to move ahead in this market.

Abhinav: Understood. Sir, final question, when do we expect the Savli plant to stabilize?

Deepak Acharya: Finally, if you see, last year, we did almost INR200 crores from that plant. And this year, we have plan of around INR300 crores, INR350 crores. So as we are improving our capacity over there and we are putting more manpower and other things, I think stabilization will take around 6 months to 1 year around that time. But gradually, we are putting the products and as on today, more than 150 tanks are under construction at our Savli plant.

Moderator: The next question is from the line of Mohit Surana from Monarch Network Capital Ltd.

Mohit Surana: Sir, my question is with respect to the Cryo Scientific Division. This quarter, we have received order worth INR145 crores from ITER I think that's the largest from this entity we have received so far. Should we consider this as a one-off or even going forward, you can express such kind of growth momentum to continue in this division?

Deepak Acharya: Yes. As you know, if you have seen our past record, we have been working with ITER for almost more than 10 years now, okay? So very often, we are getting orders because of our good work and quality and timely deliveries of our products. We are constantly getting orders from them. Previously, we have seen that in VVTS almost like more than INR200 crores order was there. This also is a part of that project, which was, again, a failure from some other countries, they had some issues. So they are relying on India to get it refurbished.

So this is -- yes, you are correct, it's a one-off is kind of order because it is not going to happen again and again. But looking to our performance, ITER is very much interested to give more and more orders to us. And you will see a few more orders in next few quarters again. So ITER is very happy with our work. And whatever works are coming in during the erection, commissioning and the execution part of ITER, definitely, India and INOX India will have a better chance to work with them.

Mohit Surana: Understood, sir. Sir, on the same topic, can you throw some light on the scope of work that we are doing for ITER? Because I understand the Vacuum Vessel Thermal Shield, their work is over. Now, we have got the order for Cryostat Thermal Shield.

Deepak Acharya: Yes. So it is very similar to Vacuum Vessel Thermal panels only. So the Vacuum Vessel Thermal panels are very huge size, maybe are of 8-meter dimensions, 10-meter dimensions. This other panels, which we have recently received orders are not that big in size, they are smaller in size. So we don't have any challenge in manufacturing at our place.

There are a few panels which are very big in size, which they have requested almost 10%, you can say 10% are bigger in size, which is difficult for them to transfer to India or transport to India, which we will be doing at our site through our own manpower.

We have already 25 to 30 guys there and few engineers who are directly working at site for erection, commissioning of this VVTS panels. So that we will be completing 90% at our factories and dispatch it to ITER site and do the erection job. So this is not so difficult job as compared to VVTS I can say.

Mohit Surana: And sir, how many Cryostat Thermal Shields are there in Tokamak? In this, all of that is your repair work?

Deepak Acharya: Yes, The CTS is almost -- around 200 numbers, and we have already done 144 for VVTS. So around 350 numbers, take around that number approximately. So these panels 100% has to go on repair.

Mohit Surana: But how many Cryostat Thermal Shields are there in Tokamak? Is it -- I think the 300, right?

Deepak Acharya: There are 355 numbers, out of that VVTS was something around 144 or 150 number. And the CTS panels are around 200 numbers.

Mohit Surana: Understood, sir. Sir, while we are on this topic, can you also throw some light on future order intake from FAIR and potential from ISRO?

Deepak Acharya: On FAIR, yes, we are bidding for various projects, and we are very much well placed I can say where a very few competitors, maybe 1 or 2 only. And as we see that our prices are very competitive as compared to European and U.S. manufacturers. So we are hopeful that we'll get those orders.

On the space side, yes, the tender is not yet out. Most likely, it is coming up in December or early next year, and we'll get at least 3 months for bidding purpose. So hopefully, by end of this year, something should come up for the third launch right now.

Mohit Surana: Sir, for the third launch, the total project order is somewhere close to INR4,000 crores, how much can we expect for this will move to INOX India?

Deepak Acharya: I don't say INOX India, it will be like -- cryogenic contribution will be around 15% to 20%. And we have better chance because we have done the second launch pad. So we know the intricacies of this manufacturing and designing. So we have a better chance in to this. Cryogenic part is around 20%. Balance is civil work and many other the mechanical part and other things are there.

Moderator: The next question comes from the line of Bimal Sampat, an Individual Investor.

- Bimal Sampat:** Yes. So two, one is what is our total capex for the current year? Under what segment it will cover?
- Deepak Acharya:** Basically, our Capex for this year, we have targeted around INR80 crores. And basically, it will come for some expansion of our Kandla facility because we are manufacturing very big vessels there. 1,500 cubic meter vessels are there. So it requires some additional capex and some capex for our existing plant at Kalol and Savli now.
- Bimal Sampat:** Okay. And this LNG tank what we are expanding, what is the capex on that?
- Deepak Acharya:** We have already around -- for the present facility at...
- Bimal Sampat:** Kalol?
- Deepak Acharya:** We are expanding around INR5 crores to INR6 crores for the addition capacity building for the LNG fuel tank. And we are just evaluating the options of putting a very large facility, and it is under consideration now.
- Bimal Sampat:** Okay. And what will be the output -- suppose we manufacture 5,000 to 6,000 tanks, what will be the output of that value of that production?
- Deepak Acharya:** So average, you can say a fuel tank is sold at INR5 lakh. So multiply it by 5,000.
- Bimal Sampat:** 5,000, okay. Average fuel tank is INR5 lakh.
- Deepak Acharya:** INR5 lakh, okay.
- Bimal Sampat:** Okay. And sir, on this keg thing, now we are just starting out. From here, where do you see in 3, 4 years, can we be 2x, 3x this size?
- Deepak Acharya:** Surely, we have that vision that we are better placed because we are the Indian manufacturer with all our labor cost and other manufacturing costs are much lower as compared to others. And we are considered as a very good quality manufacturer as we have received the FSSC approval, the food approval and many other approvals which are required by the industry. So when we did the Heineken audit, I was told it is very difficult to get this audit cleared, but we are happy to inform you that INOX India has done it on the first go.
- So many big companies in the world, they have to go for 2 times, 3 times audit, than only they were qualified. That shows our product quality and product reliability and our teamwork and trained staff or skills we're having. So I think our product is well placed to the industry as such. We are just waiting for the orders to flow in and that should happen very soon now. And we should have multiple opportunities in this sector now.
- Bimal Sampat:** So it will be 3, 4 times the current size?
- Deepak Acharya:** Definitely.

- Bimal Sampat:** At least. Okay. And sir, this nuclear reactors, SMB, SMR, what do you say, I mean, how are we looking at it? What is our scope there?
- Deepak Acharya:** Yes, we can manufacture the SMRs, small SMRs, which are built into the factories. So we are working with government and some other foreign companies as well to see that how we can put such reactors in the market. But definitely, this again is a very slow process as the nuclear project doesn't move so fast. But we are working with some partners who can work with us on this segment.
- Bimal Sampat:** And numbers, it will take 3, 4 years, at least.
- Deepak Acharya:** Yes, it should take that much time.
- Moderator:** The next question is from the line of Rohan from Envision Capital.
- Rohan:** So sir, my first question was on the Industrial Gases segment. What you've seen for the past 2, 3 years, the first quarter has always been slow and that is what we've seen in this quarter also. So anything that we need to consider on that? And will this scale up from here for the next 3 quarters?
- Deepak Acharya:** So Industrial Gas is a very steady business, I can say. And normally, the steady growth takes place in the first and second quarter basically because the site work is very slow during this period of monsoon in India. And most of the sites work very slowly. But immediately after Dussehra or so, everything takes up very fast. The projects are decided during this period, and it starts moving in the second or third quarter onwards.
- But otherwise, the health care sector, the steel sector and many other fabrication industries, all that is the smooth selling. And the MNC companies also they take on a regular basis. So slightly, yes, the first quarter is slightly less as compared to other quarters for the IG sector. But definitely, it picks up in the balance quarter this we have seen for the last so many years.
- Rohan:** In the LNG tanks, Blue Energy the largest OEM in India, we are not supplying to that company today. So are we working in that direction? Sir, are we working with them to get qualified and start supplying?
- Deepak Acharya:** Yes, We are already qualified, and we will be supplying substantial amount of equipment this year. We have that arrangement made with them now. So don't worry on that. They had initially bought some tanks from outside, but we have given them tanks and they are now happy with our product, what we have supplied so far.
- Moderator:** The next question is from the line of Jaiveer Shekhawat from AMBIT Capital.
- Jaiveer Shekhawat:** Sir, my first question is on your Industrial business. So when I see your order intakes on a quarter-on-quarter basis, I think there's been a decline there. So I just want to understand, is it largely because of what has happened on the export side, is there a decline on the export intake?

And are there any specific segments that have taken a hit because you highlighted that you've still been able to manage notable orders for disposable cylinders as well from U.S.A. customers? But are there any specific segments where the order inflow has come down on the industrial business specifically?

Deepak Acharya:

See, I told you in the beginning also the Industrial Gas sector doesn't grow as fast as the other 2 sectors, which are growing like LNG and Cryo Scientific. It's a very steady growth of say, around 8% to 10% is the conventional growth and maybe the addition of new products, what we are putting in, we get another 5%, 6% extra. So overall growth, what we are expecting in IG sector is something around 15% to 17%. And the growth of the standard products is very steady because the equipments are used in health care, steel industry, petrochemicals, pharmaceuticals and so many others.

Whereas recently, we have introduced products like this ultra-high-purity ammonia, hydrogen equipment and even this now CO2 battery system. So that adds to our revenue on a bigger way. So as this market grows up, definitely, we will have substantial growth in this segment as well. Otherwise, conventionally, the MNC people, they buy around 8% to 10% of their equipments every year for the replacement demand and for the new projects.

And these big projects normally in the rainy season are slightly sluggish in India. So I don't think that there will be a decline in our IG sales, it will definitely improve over a period of time because this is a major sector we are seeing. And almost every year, we are having more than 50% revenue coming from our IG sector, and that will continue. Because as space sector, the defense sector, health care, steel industry, everything is in booming side now.

Jaiveer Shekhawat:

As you had already also guided earlier in your call as well, I think you were anyway expecting around that range of 15-plus percentage on your Industrial business and the rest of the segments will grow faster. So do you retain your guidance of that 18%, 20% revenue growth as you've guided earlier?

Deepak Acharya:

Yes, basically, I told it because we are putting new products into whole range. So we are strongly working for all the opportunities which are coming up in this IG sector, and we are working on them.

Jaiveer Shekhawat:

Sure. And sir, lastly, on the LNG side itself, if you were to just -- still all the amount of opportunity that exists across different type of equipments that you manufacture all the way from fuel tanks to fueling stations, I mean how does that stack up happen? I mean, which are the largest opportunity? And how much is coming from there? If you could quantify those, I think that will be more helpful.

Deepak Acharya:

See, I told about LCNG stations and fueling stations. So LCNG stations are moving in a good way I can say, fueling stations, which Government of India has decided to go with 1,000 stations has not moved to that extent because of some issues, especially from the statutory point of view and recently, the gadget publication has come from PESO that mainly what we have understood

that the fueling stations, people were interested, but acquisition of land on the highways was always a problem.

So now with this, the new rule, which is coming up that you can put a fueling station next to the petrol payment station as well. So that has really changed the scenario now. And as you have known that, Ambani and Adani has come together now, and they will be leasing out their land for fueling stations. So that should change the whole scenario.

Secondly, there was a regulation that maybe the pressure vessels like maybe the cryogenic equipments, tankers or maybe other equipments where which carries hazardous chemicals and other things. They are not allowed to use LNG as a fuel, but that is also now given a clearance by the statutory authorities. So there is a good demand of such equipment in the market. And many of the companies, because of this carbon capture or the carbon emission and ESG norms and to get those benefits and to see that they're clean.

There is a clean fuel. People want to go for it, and we are in constantly touch with OEM manufacturers, and they seek that there is a good demand in the market even for the smaller vehicles as well now. So the things are going to change very rapidly. And we are seeing this is happening in China in the early stage, few years before. And same thing will repeat in India. That is what our perception is.

Moderator:

The next question is from the line of Kunal Bhatia from Dalal & Broacha.

Kunal Bhatia:

Sir, just extending to the previous question. So sir, in place of LNG, what is the kind of growth do you foresee in the next 3, 4 years? That would be the first question. And secondly, also in terms of the keg business, now that we have global approval these larger players, what is the current volume do you foresee for this year? And if you could guide something for the next 1 or 2 years?

Deepak Acharya:

Yes. On LNG front, what you rightly said, yes, the growth is going to be more than 20%, or more than that. Because we are seeing a great traction, especially from the OEM manufacturers for use of LNG as a fuel, then we have very good requirements from the marine equipments and the small-scale LNG terminals. So all this is going to put a very good show in the coming few years. And whatever you have seen, the hydrogen is a futuristic. But still, its commercial viability is a big problem.

So LNG is going to be a winner for next 8 to 10 years in our opinion and that will be a transition fuel over a period of time. And INOX India has very carefully articulated its product to see that we are in the entire range of ecosystem of the LNG equipment. So we have entire range of equipments, and we are also approved and certified by the global agencies for manufacturing these equipments. So we are very well placed for LNG if it is booming.

And the prices of LNG are also very attractive now. And the government regulations, which was earlier, slightly a hurdle, I can say, is getting smoothened up and people have started

understanding the advantages of LNG as if from the cost economics point of view, from the clean energy point of view, from the efficiency point of view.

And this is a success story now. I mean people were just watching because so many alternatives were available to the different OEMs. So they have carefully evaluated all, last, I can say, 2 to 3 years, the batteries, the biofuels, the LNG and so many things. So people are now convinced, yes, LNG is the best bet now. And that is how everything is moving on that.

On the keg front, yes, we have got the major approvals, but still 2, 3 more approvals are required. So once these approvals are there, we will have a substantial increase in our revenue from the keg division. This year, we are targeting at least 100,000 kegs we will be selling, and it will multiply over a period of time now.

Kunal Bhatia: Okay. And sir, finally, on the -- this new business of the CO₂ storage. What is the kind of opportunity there? I understand you've received 1 order, but...

Deepak Acharya: This is the first order of its kind. And -- but when we were discussing with this company, they have at least a lot of such requirements not only in India but entire globe. And this is basically, you can say, for carbon -- CO₂ capture, it can basically, it captures the CO₂ and then CO₂ is utilized for power generation. So this is, again, a very good way of helping clean energy goal. So things are going to improve once this one project is successful, definitely, people will come and join this area.

Kunal Bhatia: And so this order would be worth how much?

Deepak Acharya: This order is not a so big order. We have got 26 units, which we have to sell of 50 cubic meter times at 20 bar pressure. So it's not a very big order in value-wise. But yes, this will give a very good push to the industry. And if it is successful, then definitely bigger projects will come up in future.

Moderator: The next question is from the line of Ankit Kapoor, an Individual Investor.

Ankit Kapoor: Sir, my question is regarding how much growth are we expecting in top line and bottom line for FY '26 along with margin expansion?

Pavan Logar: If you see our growth of 3 years, so we feel that the growth should be similar only. And it should be even higher than the last 3 years growth. Let's see how the things happen. But yes, we are hopeful into our order book, we should definitely achieve it.

Ankit Kapoor: Okay, sir. And sir, my second question is that how much are we going to impact on the recent developments that your government has imposed the tariff of 35%.

Deepak Acharya: Tariff is a very tricky issue. Every day, it is changing. So it is very difficult to say what's going to happen. But what I told is that our contribution for the U.S. market on our total revenue is almost 10% to 12% and majority comes from our disposable cylinders. And we are very well

placed in disposal disposable cylinders, basically, there is no manufacturer, only a single manufacturer in the U.S. with a limited capacity. And it is totally based on the carbon fill or the CRC material available in that country.

Again, there are very few manufacturers of CRC material. So the prices of steel is increasing there. The inflation is increasing. The labor cost is increasing. Whatever delta was there earlier, the same delta will continue over a period of time. And we have not seen any decline in the orders resume from these major customers in U.S. right from April, then July, then August now. So practically, we are receiving orders we were expecting. So the impact of this tariff, yes, slightly will be there, but not substantial for our products.

Ankit Kapoor: Sir, my question is that, are we going to see any substantial gains from the recently concluded India-UK trade deal?

Pavan Logar: UK tariff you're talking?

Ankit Kapoor: No, no, India-U.K. trade deal, I'm talking. Are we going to see any substantial gains from that deal?

Pavan Logar: I think we have to evaluate that. We have not done so far. We will let you know.

Moderator: The next question is from the line of Mohit Surana from Monarch Network Capital Ltd.

Mohit Surana: My question is with respect to the Highview Power. We are already executing one project for the company. And I think they have more, 3 to 4 more such projects in the pipeline, which they have to complete by 2030. When can we expect more orders to flow through from Highview Power to us?

Deepak Acharya: I think it will take the beginning of the next year because this project, we are delivering by end of January or February. So once they have better understanding of the project, they have already started working on many such projects at least 4, 5 are there in the pipeline. So once we are done with the first project, I think by beginning of the new year, they will be discussing for the new projects coming in all over the world.

Mohit Surana: Sir, will we be the preferred supplier of those tanks?

Deepak Acharya: Yes. So far, yes, I can say because we have maintained a very good relationship with them and so many technical queries are there. We are resolving their queries. From engineering perspective and manufacturing perspective, they have very high reliability on INOX India. And we are trying to see that we have a good rapport with this customer because not only this equipment, but several other equipments will also be required to come and we'll be very competitive. So they will be definitely working with us.

Mohit Surana: Sir, the next question is with respect to refrigerant cylinders and stainless steel tanks. So these are part of our Industrial Gas segment, right, both sustainable cylinders and stainless steel tanks?

Deepak Acharya: Yes.

Mohit Surana: So can you share how much was the sales in rupee terms as well as volume for this quarter for both the products?

Deepak Acharya: Exact number is not known, but around INR5 lakhs to INR6 lakhs is the business what we did around INR30 crores, you can say.

Mohit Surana: Both consolidated, right?

Deepak Acharya: Pardon?

Mohit Surana: Including both cylinders as well as stainless steel tanks.

Deepak Acharya: No, no, only disposable cylinders I am talking about.

Mohit Surana: Okay. Sir, another question is with respect to the recent acquisition of Chart Industries by Baker Hughes. I mean is this a global -- I mean, is this something which indicates some kind of consolidation happening in the industry and the acquisition was more with respect to Baker Hughes moving their foothold in the emerging demand areas like LNG and data centers.

Deepak Acharya: Yes.

Mohit Surana: So I wanted to understand where are we? I mean, do we also think that the industry is under consolidation phase? And what are the overlapping products that we can further get into like cryogenic walls and pipes that Chart Industries makes and that we don't?

Deepak Acharya: We are practically making all the equipments what Chart is making from the cryogenic side, barring the compressors and liquefaction plant and other things which we are not making, but we are very hopeful that as the Chart has merged with oil and gas companies, such as Baker Hughes, I think they are offering maybe slightly on a wider basis but their response to the customers will be not as smooth as earlier.

So perhaps from the cryogenic front, yes, we will be now sliding upwards because this company will be considered as an oil and gas company, not as a cryogenic company. So we will have a better chance of winning the cryogenic products and going forward. That is what we pursue.

But it is too early to say because this deal has been recently done. It will take 6 to 8 months to really complete the final deal and then the consolidation will happen. So actual results will come to only after 1 and 1.5 years.

Mohit Surana: Understood, sir. And sir, any thoughts on improving our exposure to the data center demand data?

Deepak Acharya: Yes. Data center, we have pretty good opportunities, but we have not developed any products so far and cryogenic is the main. Like in data centers for cooling purpose, the cryostats and other

things is a major thing, and we are evaluating these options and how we can enter into this business. Because we know the technology, we know the engineering point of view, we are quite familiar with these products. But the real developing and discussing with customers will start now. But this is a big opportunity for us going forward.

Mohit Surana: Sir, my last question is with respect to LNG. We have posed for projects for mini LNG terminals. Any update on when can we expect some kind of order flows for those mini LNG terminals?

Deepak Acharya: The new LNG terminal is -- it's a slightly bigger order. So they take a little longer time because approval process is there, financial closures are required, and land acquisitions are there. So many things are there. But we are very much, you can say, discussing with majority of projects which are coming up. And hopefully, by beginning of next year, something should happen.

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

Deepak Acharya: Thank you very much. Thank you all the participants for your interactions. And hopefully, we answered all your queries. If something is there, which we could not have answered, you can write back to us. We will to the best of our abilities, our knowledge, we'll provide you the answers. And hopefully, we'll meet again after the second quarter. Thank you so much.

Pavan Logar: Thank you.

Moderator: On behalf of ICICI Securities, concludes this conference. Thank you for joining us, and you may now disconnect your lines.