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Corporate Relations Department BSE Limited 1st Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort Mumbai – 400 001 Scrip Code: 544046	The Manager Listing Department National Stock Exchange of India Ltd Exchange Plaza', C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol: INOXINDIA
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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 Thursday, 6th November, 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
Q2 FY26 Earnings Conference Call”
November 06, 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. ABHINAV – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to INOX India Q2 FY26 Earnings Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhinav. Thank you, and over to you, sir.

Abhinav: Thank you, Trisha. Good morning, everyone. On behalf of ICICI Securities, I welcome you all to the FY26 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 will begin with the opening remarks from the management, which will be followed by Q&A. Thank you, and over to you, sir.

Deepak Acharya: Good morning, everyone. I welcome all our shareholders, investors and analyst friends to the Q2 and H1 FY26 earnings call of INOX India Limited. I trust you have had the opportunity to review our results, earnings release and investor presentation, which are available on the stock exchange and on our website. Joining me today is our CFO, Mr. Pavan Logar, who will later take you through the detailed financial performance, following which we will open the floor for questions.

Let me begin with giving some macro level context as well as some industry context. As we cross the halfway mark of FY26, India's economy continues to demonstrate remarkable strength and resilience. The country remains the world's fastest-growing major economy with GDP growth projected between 6.3% to 6.8% supported by robust manufacturing activity, infrastructure expansion and rising industrial investments.

The government's continued emphasis on Make-in-India and Make-for-the-world, along with strong export momentum and rising global demand for Indian engineering and manufacturing excellence continue to align well with INOX India's long-term growth vision.

The continued push towards hydrogen economy as well as use of LNG, both as a transit fuel as well as fuel for power generation, which advocates well for the cleaner, greener future for the world. It also opens up a lot of growth opportunities for us. Let me give you an overview of the business performance.

We are pleased to share that Q2 FY26 and H1 FY26 have been the best performance period in the company's history, making the highest ever sales, highest EBITDA and PAT margins. and record order backlog, reflecting our strong execution capabilities, innovation-led portfolio and rising global footprint.

During the quarter, our consolidated revenue increased by approximately 16% year-on-year compared to Q2 FY25, driven by robust order inflows and higher dispatches across key business segments. Our order backlog stood at INR1,485 crores as on September 30, 2025, compared to INR1,457 crores in the previous quarter, reflecting sustained demand visibility. Of this, 63% of the order backlog is from the exports and 37% from the domestic market, reinforcing our growth international reach and our efforts to add newer product applications to our fold.

Let me give you some of the segmental highlights. Industrial Gas Solutions. The IG segment had an exceptional strong quarter led by several prestigious order wins and successful project deliveries. We received 2 large 1,500 metric cube cryogenic vessel orders from a leading U.S.-based aerospace company. These are highly engineered tanks designed for critical cryogenic applications, which is a testament to INOX India's precision engineering and credibility in global market among the top-notch consumers.

Another key highlight was the successful dispatch of unique radial flow thermal swing absorption vessel for Tata Air Separation Project, which is executed by INOX Air Products. This vessel developed over the last 1.5 years makes a significant technological milestone and reflects our growing strength in complex process equipment manufacturing.

Additionally, we secured an order of 90KL liquid hydrogen storage tank from European customer for semiconductor and electronics facility, further reinforcing our presence in the high purity and clean energy domains. Together, these orders underline the growing trust of global clients in our capabilities for advanced cryogenic and hydrogen-related applications.

LNG solutions. The LNG segment continued its growth trajectory during the quarter 2 and first half of FY26. We secured 2 important satellite LNG power station project from small island nations near the Bahamas. These projects are part of a broader island energy infrastructure development plan, complementing the main Bahamas project we had earlier executed.

Our LNG vehicle fuel tank supplies to major OEMs also remained robust, supported by growing adoption of LNG as a clean and cost-efficient fuel alternatives. We are expanding our capacity and building capabilities to scale our LNG drill tank production up by 10x over the next few years, supported by favourable regulatory changes and increasing domestic and export demand.

Cryo Scientific division. In the Cryo Scientific division, we witnessed strong progress with new and follow-on orders from the reputed scientific clients. We received 2 major refurbishment contracts, vacuum vessel thermal shield for Sector F repair and a Cryostat thermal shield repair. These projects underscore our ongoing partnership with global scientific research institutions and reaffirm our execution excellence at a complex cryogenic facility such as ITER project. Discussions are also underway for new heater project assignments, and we expect the next order to be finalized during Q3 FY26.

Beverage kegs division. Our beverage keg business continues to gain traction across the geographies. We secured a 30,000 kegs order from a German company. The first batch has been dispatched with the remaining lot scheduled post customer trials in November. Additionally, we received a nonstandard keg order from customer in Germany, reflecting the rising demand for customized keg format.

We are also actively bidding for over 0.5 million kegs with the major global breweries, including Heineken, AB InBEV, Paulaner and many others. These developments indicate rising confidence among the global breweries in INOX India's products, quality and reliability. With multiple approvals and distributor partnership progressing, we remain optimistic about scaling our Kegs Business further in the coming quarters.

As we have completed our first half FY26 with a robust foundation, our healthy order pipelines, expanding global customer base, capacity expansion initiatives and diversified portfolio across LNG, industrial gas and Cryo Scientific and beverage application positions us strongly for a sustained growth. We remain confident in maintaining our growth trajectory, driving operational excellence and delivering long-term value for our stakeholders.

I will now hand over the call to Mr. Pavan Logar, our CFO, to share the detailed financial highlights. Thank you for your time and continued trust.

Pavan Logar:

Thank you, Mr. Acharya, and good morning, everyone. I shall share a summarized financial snapshot for the quarter and half year ended September 30, 2025. For Q2 FY26, total income stood at INR371 crores, representing a growth of 16% Y-o-Y, driven by strong execution across key segments. EBITDA stood at INR92 crores, up by 18% Y-o-Y, reflecting improved operating efficiency and better product mix. PAT, profit after tax was INR62 crores, growing 22.9% Y-o-Y, supported by margin expansion and robust volume growth.

For H1 FY26, total income for the half year stood at INR723 crores, marking the highest ever H1 revenue in the company's history, reflecting healthy performance across Industrial Gas, LNG and Cryo Scientific divisions. EBITDA for H1 was INR180 crores, also the highest ever half year EBITDA with margin improvement driven by a favourable business mix and cost optimization measures.

PAT for H1 stood at INR122 crores, also the highest ever, registering a growth of 20.9% over the same period last year. As of September 30, 2025, our order backlog stood at INR1,485 crores, the highest till date, providing strong revenue visibility for the coming quarters. Of this, 63% is from exports and 37% from the domestic market, reaffirming our strong global presence. Our total fund availability as on Q2 FY26 stood at INR221 crores, providing ample headroom to support future capacity expansion, ongoing project execution and other strategic initiatives. That concludes my remarks on the financial performance for the quarter and half year.

I will now request the moderator to open the floor for questions. Thank you.

Moderator:

Thank you very much. The first question is from the line of Palash Jain from ICICI Securities. Please go ahead.

Palash Jain:

So I just have a couple of questions. First being that what is the order inflow outlook for H2? Overall growth was 16.7% Y-o-Y in H1, whereas in Q1 was lower as compared to Q2 in terms of order inflow. So what can we expect for the full year? And also, is there any foreseen large order in H2? That's my first question.

Deepak Acharya:

For the H2, normally what happens is for the H1, it is 43% to 45% of our target we achieve. And balance H2 is like 55%. Whatever yearly targets we have kept for the order book as well as the revenue, I think we are quite confident that we will achieve these targets. There are -- yes, as you rightly said, a few big orders we are expecting, especially on cryo scientific and LNG, which are likely to come in quarter 2 or quarter 3 now. And this will sum up our revenue as well as our order book in line with our yearly targets.

- Palash Jain:** My second question being, what inference can we draw from the beverage keg approvals, as you rightly said, we have received from major overseas companies. So what is the expectation of sales in FY26? And is there a potential to scale this category to, let's say, up to 2 billion by FY27?
- Deepak Acharya:** Yes. Presently, normally in this keg business, what I have seen is like the season starts from January to July. That is the very peak season and balance portion is like slightly slow. So now the RFQs are on. We have bid for Heineken, AB InBev and Paulaner and many such big breweries. And we are hopeful that another 15 to 20 days or max 1 month, we should get a substantial order from these breweries.
- And all our products which we have supplied as a sample or a prototype, everybody has approved the products. So there is no further discussion on approval process now. It is only we have to bid for the project and win the orders. And we are quite hopeful that whatever targets we have this year, we will achieve.
- And for the coming years, as we grow have more and more approvals because we are waiting for Carlsberg, Asahi, Paulaner and other approvals are pending and to visit our plant somewhere in January, February, and they will start. But once they normally, what I understood is the major breweries like Heineken and AB InBev approves, other breweries have very little to say and they approve the product without any difficulty. So we are quite hopeful with the approvals in place coming years will be much better than this year.
- Palash Jain:** That's very helpful. Just one last question, if I could squeeze in. Could you also throw some light on the execution time lines, especially for large orders like you mentioned 1,500 meters cube tanks in industrial gas segment received from U.S.-based company as well as order for LNG regasification for the Bahamas?
- Deepak Acharya:** Normally for such big jobs, we have a guideline of around 12 to 18 months depending on the size of the project. And we complete within that time span. And these big projects we normally execute from our Kandla facility because the size of the vessels are very large, and we are very next to the port. So we can easily manufacture those tanks at our Kandla facility. So we are hopeful that whatever we have received the orders, we'll be finishing within time. And as on today, the progress is in line with our plan.
- Moderator:** The next question is from the line of Prakash Kapadia from Kapadia Financial Services.
- Prakash Kapadia:** A couple of questions from my end. If I were to look at the H1 results, we've seen a 500 basis point improvement in gross margin. So is it purely mix change? And is it right to relate it to mix change and say if my current order book is how it is, this could further go up as we execute next year and beyond. Is that the right way to look at the business?
- Deepak Acharya:** Yes. I told you in the beginning also, normally, whenever we from the past experience, H1 is slightly around 43% to 45% of our total targets. And Q3 and Q4 are much better. As you see, a lot of projects get started or movement start because of the monsoon, we have always a problem in the first 1 and 2 quarters and some disturbance we have seen because of these tariffs also. So I'm hopeful that Q3, Q4, what we have projected, and we have a very good amount of inquiries

and other coming in. And already we have bidden for many big projects as well. So we should be in a position to meet our targets without any difficulty.

Prakash Kapadia: So it's purely the business mix change, sir. What I was looking at is the gross margin improvement is due to business mix change, and it could further improve if the business mix is tilted towards non-IG is what I was trying to get more clarity on

Deepak Acharya: LNG and Cryo Scientific has always a better margin as compared to...

Prakash Kapadia: Yes, I was trying to validate. And if I were to look at the quarterly domestic business over the last few quarters, we've had a run rate of INR160 crores to INR170 crores. So post the GST cut, what kind of momentum are we seeing? Because historically, from what I remember, automobiles is a pretty decent contribution to our domestic business that is doing well. Consumer durables after the GST cut is doing well.

So if you could give us some sense on the domestic side of the business because I think auto, cement, consumer durable, electronics, these are large contributors to us. So what kind of a growth can we expect from here on, on the domestic side? And how easy or difficult it is to increase market share in the domestic business? What would be our market share in the domestic side of the business?

Deepak Acharya: Normally, our export to domestic is 60 to 40 combination normally. And what you rightly said, the GST impact is just 1 month old now or maybe less than that. Definitely, automobile has picked up very well. So in automobile, even the OEM manufacturers to whom we are supplying the LNG fuel tanks, we have started getting good inquiries now again or request. Tata is also pushing very hard to see that the LNG trucks are running on the road. So things should improve. But for our product, the GST is same as earlier and today also, it is same.

There is no variation in our GST rates. So directly, our product is not cheaper or costlier as compared to early regime. So -- but definitely, yes, as the industry -- overall industry, like you rightly said, electronics, automobile, other manufacturing industry grew at much faster rate. Automatically, the capex from those companies get improved and which has a direct impact on our revenues and our targets -- order booking targets.

Moderator: The next question is from the line of Het Shah from Dalal & Broacha Stock Broking Private Limited.

Het Shah: I have a couple of questions. First, it's a continuation of the previous participant. So the question is with regards to the Kegs division. In the previous con call, we had the target of about 100,000 kegs for the year on a bare minimum basis. So are we on track to achieve that?

Deepak Acharya: Yes, already, We have received 30,000. And hopefully, this month, we'll get more than that expectation. We are already through and just final order signing is balanced now.

Het Shah: Okay, sir. Secondly, on the new approval side, I mean, any update on the Asahi and the Carlsberg audit that was supposed to happen in September or October of this year?

- Deepak Acharya:** Plan, but they are now coming in January now because they have some other plans. But definitely, I was told that if you get the Heineken and AB InBEV, which are the largest breweries, other small breweries automatically follow those. We already supplied our samples to Carlsberg and Asahi and results will be known in coming may be end of November or first week of December. But audit will take in January. The samples, whatever the beverage we have supplied samples so far, everybody has a very positive outlook on our quality and our performance of our equipment.
- Het Shah:** Okay. That's helpful, sir. My next question is with regards to the Disposable Cylinder segment. So sir, what sort of target do we have for FY26 and any guidance for the coming years? Because FY25, we closed it at INR125 crores. FY24 was about INR100 crores. So what is your outlook for the current and the upcoming years?
- Deepak Acharya:** See, we have kept our internal target for production around 2 million to 2.5 million. And in the first half, we almost achieved around 0.5 million cylinders manufacturing. And recently, our major U.S. customers have visited last week to our plant. And they are quite hopeful that they will continue their business with INOX India, looking to the quality delivery and our price constraint.
- Yes, definitely, there was a small constraint when it was like 25% tariff, people were not so much worried. But now with 50%, slight hesitation they have, but we explained them properly that we can work with them to the extent possible. And as the tariff go away again, we will come back to the original numbers. So they are quite happy with our, I mean, explanation, and they will place the orders. There is no problem. Earlier in the quarter 1, we already received a national refrigeration order. We almost in H1 sold around INR46 crores of cylinders to national refrigeration.
- Het Shah:** Got it, sir. Got it, sir. And sir, one last question, if I could squeeze in. It's with regards to the LNG stations. So any update because I think in the previous quarter, we had about 50 stations as on date. any traction in that segment?
- Deepak Acharya:** LNG station somehow is not picking up that fast to our expectation. But definitely, some private players like Ultragas and Green Line, they are putting almost 100 stations they are coming up in due course of time. And besides that, we have some small stations where 2, 3 requirements from GAIL is coming up now and other small companies. But what we expected so fast, it is not happening. But definitely, at least 10 more stations or 15 more stations will come by end of this year.
- Moderator:** The next question is from the line of Divyam Doshi from Pragya Securities Private Limited.
- Divyam Doshi:** So my question was, could you please provide a sense of your average project size or revenue realization per unit in every segment that INOX provides and the segment-wise growth outlook for the rest of FY26?
- Deepak Acharya:** You mean all vertical?
- Divyam Doshi:** Yes, sir.

- Deepak Acharya:** Okay. So if you see our backlog, our backlog is total INR1,485 crores. Out of that 45% is from Industrial Gas, 31% from LNG and 23% from the CSD division, okay? And on the revenue side, the income is 57% from the Industrial Gas, 25% from the LNG and 13% from the Cryo Scientific division. So this is for the Q2 FY26.
- Divyam Doshi:** So I wanted to know that the order book which we have right now, that is INR1,485 crores, when is that expected to complete? And when is the revenue expected to realize?
- Deepak Acharya:** So almost like 60% of this will be more than that perhaps will be completed by H2 and balance will be carried forward for the next year. And this is how it is normal at our pace. So we have almost like INR723 crores we have achieved and balance around INR800 crores to INR900 crores will achieve in the next 2 quarters.
- Divyam Doshi:** Okay. And can you please share where INOX sources its key raw materials, that is, for example, stainless steel or other cryogenic grade materials from?
- Deepak Acharya:** So normally, around 85% to 90% we procure from India, that is JSW/Jindal/ AMNS etc. And there are certain projects which require -- which does not require other Indian origin material, then we buy from mainly Japan or may be Korea, like that we buy. But most of the material is from JSW/Jindal/AMNS India .
- Divyam Doshi:** Okay. So -- and if the whole INOX Group comes together and buys the raw material together, so will there be a great cost cutting in that?
- Deepak Acharya:** No, INOX Group, our 3 businesses, only the consumption takes place at INOXCVA. And that is how we are doing it for other 2 businesses like Industrial Gases and the Cinema business, they don't procure any material as such.
- Divyam Doshi:** Okay. Okay. And if I could squeeze a last question. Can you please help us understand the total addressable market for the Fusion-related work for the next 5 years? And how much of that opportunity is likely to be in our project, which could be -- which could help us in the future and to be recurring?
- Deepak Acharya:** So you're talking about the ITER projects?
- Divyam Doshi:** No, no, the Fusion-related project.
- Deepak Acharya:** All over the world.
- Divyam Doshi:** The TAM, which we could -- the total addressable market for us...
- Deepak Acharya:** It's very difficult to say this because there are many such applications which are coming in. So far, what we have executed is around INR800 crores to INR900 crores we exhibited so far. And whatever the new opportunities are coming in, we expect another for next 5 years, around INR500 crores to INR600 crores additional business. Every year, around INR100 crores, INR150 crores, we can expect.

And this year also, we have received so far a good number, and we are expecting one more order in the quarter 3 or quarter 4. So going forward, at least for the Fusion projects, we have established our name as a good quality supplier, and we are now approved by majority of the Fusion Energy experimentation work. And we have got the ESPN approval also. So that will definitely help us in getting more and more orders in coming days.

Moderator: The next question is from the line of Eshwar from Ithought PMS. Please go ahead.

Eshwar: So I have a couple of questions. Sir, our customer who develops liquid air energy storage projects, they raised funds of around GBP300 million from U.K. Infrastructure Bank. So approximately, what percentage of this capex will be for fuel tanks, LNG?

Deepak Acharya: No, we got the order for cryogenic liquid air storage application for this project, what you rightly said. And there are many such projects they are working. This is not the only project for which that is totally funded now. So they asked for several quotations from us for -- beyond this application because this was a pilot project. So now we will be supplying this equipment by end of December or January to them, and that will reach another 2 months.

So maybe next year, by mid of next year, pretty this entire station will be operational, and they can feel what is the advantage of this such type of application. But definitely, they have started getting RFQs for the new projects, which are quite big projects. So we are hopeful that we will be in a position to provide them good solutions for these upcoming projects.

Eshwar: Okay, sir. Approximately what percentage of the capital cost will be for tanks.

Deepak Acharya: I'll get you that number, whatever we have received the order. But this is only a small part they have given us, frankly speaking. We have many more opportunities in this project. But as this was the first order and the first interaction with INOX India, I think they have restricted this to only for the supply of cryogenic liquid air storage batteries system only to us. But going forward, once we have developed a good relationship, they can offer many storage equipment, many piping, sheets and many other equipment they can offer us for building up.

Eshwar: Okay, sir. And my second question is how is the outlook for LNG fuel tanks because one of our Chinese competitors, they make around 2 lakh tanks annually and sell it at a similar landed cost to us domestically. So approximately, what would our market share be in this segment, both domestic and exports, sir?

Deepak Acharya: Yes. Presently, if you see there are 4, 5 OEM manufacturers in India. The biggest one can be Blue Energy, then Tata Motors, Ashok Leyland and Volvo, okay? So we are catering to almost everybody, all the 4. But definitely, the market is going to grow up gradually. We have developed all tanks right from the small tank as small as 200 litres and now to 990 litres, which can carry you to almost 1,000 kilometres in one fill. So the market is going to grow. The OEMs are yet not ready for bigger tank installation because of their chassis design or something is pending.

But hopefully, by another or the beginning of the quarter 3, they will be in a position to take bigger tanks as well. Presently, they are utilizing 450 litre tanks, on left side and one on right

side so that they can carry to 900 litres. So going forward, we see a lot of good potential. And over a period of time in next 3 to 5 years, the LNG fuel tanks will be at least 25% to 30% in my opinion. That will require around 30,000 to 40,000 tanks a year.

Eshwar: Understood, sir. And what would be more beneficial to us, sir, having 2 tanks the same vehicle or a single bigger tank realization wise?

Deepak Acharya: Realization-wise, perhaps 2 tanks will be a better solution for us, but it depends on the design of the truck. So if the truck cannot have a turning radius because of the 990-liter tank, which is mounted at the back of the cabin, then it is difficult. They cannot run that tank. But 450-liter, 2 tanks is almost 900 kilometres, and this is also 900 kilometres.

So 2 tanks from revenue point of view is better for us. At the same time, whenever the 2 tanks are there, the driver is aware that one tank is already empty, and he will think of filling it up in next filling station. But 990, if something even goes wrong or something issues are there and suddenly the tank is empty, then he is in trouble. So what we have seen, people are happy with 450-liters 2 tanks.

Moderator: The next question is from the line of Pravesh from Four Lion.

Pravesh: One quick update on the Highview project. I think last time we had mentioned it's likely to get completed by October. Can you provide an update on that? Highview?

Deepak Acharya: Yes, we are on the track. Almost our -- all tanks are now completely tested, hydro testing, everything is done, final painting and other thing is going on. So we hope that our deliveries are in January first week, and we'll be meeting those deliveries. And we don't have any constraint for delivery of these tanks now. In fact, we are trying to see that how we can deliver slightly earlier also.

Pravesh: Understand. Is there any plan from Highview, because this was a starter kind of a project on Air batteries. Are you getting more traction on similar lines for Air batteries...

Deepak Acharya: We are getting inquiries from them for future projects, and we already bid for them. It is under evaluation now.

Pravesh: Understood. On the -- earlier on the call, did you mention that you are bidding for 0.5 million beverages in this season? Is that right number that I got?

Deepak Acharya: Correct. Basically, we have major breweries have total requirement of that size, and we have bid for that. How much we win is we have to see now.

Pravesh: Understood. And just generally, what is your expectation or target in terms of getting these orders?

Deepak Acharya: We thought that this year, we'll do at least 100,000 to 150,000. Basically, even if they have a requirement of, say, 300,000 being our first entry into the market of INOX India, they will definitely -- even if our prices are lower, they will not give the entire order to us. So normally, it is a strategy of -- purchasing strategy of these breweries that distribute the order to 2 to 3

vendors. So from the reliability point of view, from the delivery or some logistic point of view, they distribute the order to 2, 3 vendors. So out of, say, 0.5 millions requirement, we at least expect 100 to 150.

Pravesh: Got it. Understood. And one final question, if you can give where we are run rating on the number of IMO tanks now and if there has been a material step-up you can see in H2?

Deepak Acharya: IMO, we are having almost like around 90, 95 tanks are under construction, few we have delivered. And as you said, like Bahamas and other projects are going on. And definitely, the mother station of Bahamas and the 2 new orders we have received, they will require IMO tanks for catering to the small stations. So the requirement of IMO tanks going forward will improve. That is what our thinking.

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

Mohit Surana: My first question is with respect to the new LNG terminals. Last time, you had indicated that we have bidden for some Southeast Asian island where the LNG projects are expected to be set up. And we have bidden for those projects. Any update on those because I think that will be material for the LNG order book ramp up.

Deepak Acharya: Yes. We are equally anxious to win these orders, mainly in Indonesia, Philippines, Andaman & Nicobar. These are the 2, 3 main projects which are under our vision. And we are bidding for these projects. And hopefully, by end of the third quarter, at least one will materialize. That is what we think.

Mohit Surana: And sir, how big these projects will be in terms of value of the contract?

Deepak Acharya: It will be quite big, maybe around INR200 crores or so.

Mohit Surana: Understood. Sir, my second question -- sir. Would you want to say something now?

Deepak Acharya: No, no, I said you continue.

Mohit Surana: So sir, second question is with respect to the payment milestones in projects like hydropower. So how do we get paid? I mean, these are like 12 to 18 months projects. Do we get some upfront payment or based on milestone we get payment for these kind of projects?

Deepak Acharya: Yes. Normally, we get around 20% to 30% along with the order. Then we have the hydro -- there is a material availability. Then once we receive the material also we get some payment, then there is a hydro test and almost 90%, 95% payment at the time of dispatch and around 5% to 7% for commissioning if it is in our scope. This is normally our payment terms with these big contracts...

Mohit Surana: Got it. And sir, this quarter, we received one order from U.S. space company. Just wanted to understand what's the scope of getting repeat orders from this entity going forward? Or is it just one of the one-off orders which may not be again?

Deepak Acharya:

No. I will tell you, this order is, as you know, it's a very big order for us again. And requirements are coming up all over the globe. There are more than 40 such, you can say, launch pads all over the world. And most of the pads, they utilize the old technologies of solid propylene is not so economical for lifting the rocket. So everybody is now going with the liquid-based system and may be the methane oxygen-based system. So we are targeting not only the U.S. launch pad operators, but all over the globe.

And India is also -- I told you last time that third launch pad will be the very modern launch pad. Similarly, there are many such projects coming up in Japan, China, many other countries. So we are just targeting them as well to see that how we can get associated and our experience of space department in India, we can work. And the one which is now recently, we have received order from the space company in U.S. as well.

So there is a lot of potential going forward, in my opinion, because there is a lot of new technologies that are coming up into these launches. And everybody wants to see that the launches are very effective, very cost economical and new fuels are coming, new technologies are coming. So everybody want to augment the launch pads. So we see a lot of potential into this going forward.

Mohit Surana:

Understood. And sir, when can we expect ISRO order to be received? I think we are already in discussion with, right?

Deepak Acharya:

Order, ISRO ?

Mohit Surana:

Yes.

Deepak Acharya:

ISRO , yes, we are working very closely with them. Hopefully, by December end, the RFQ will be out. And if everything goes well and fast, end of the year, they should place the order.

Mohit Surana:

Got it. And sir, my last question is with respect to the semiconductor industry. I mean we have been hearing a lot of news in the Indian market of semiconductor industry projects ramping up or the plans on that. I just wanted to have your understanding of what you are seeing on the ground in terms of inquiry pipelines? And how soon do you think we can get orders from that industry?

Deepak Acharya:

Yes. On semiconductor, again, we are very bullish that there is INR1.6 lakh crores investment, which is planned as a semiconductor outgo and major projects, almost 75% projects are coming in Gujarat now -- we are very well placed. We have supplied to Micron in U.S.A. We have supplied to Micron facility in Dholera. We have supplied to Foxconn in Bangalore. We are supplying to Tata facility in Assam. We are supplying to Air Liquide/ Dresden project in Europe.

I think we have pretty good understanding of these projects, and we have entire range of products which are required by the industry. However, what will be the opportunity from the semiconductor is like a big question to me because the investment and how they do plan for their total project is slightly difficult at this moment. But whatever the equipments are required, we can definitely from the cryogenic expert point of view, we can supply the equipment, especially

the storage tanks, vaporizers, the piping screens and many other things, in the hydrogen tanks we can supply.

So we have better understanding of this industry. And definitely, we are targeting every industry. And there are no manufacturers, I can say, who can really manufacture to these high-quality requirement going forward. And we have supplied similar equipments to Japan and Singapore earlier. So we have a pretty good idea of how these equipments are to be manufactured.

Moderator: The next question is from the line of Kaushal Sharma from Equinox Capital Ventures Private Limited.

Kaushal Sharma: My question is from Semiconductor side and could you please tell me what kind of products can cater to this sector? And what kind of current order book with this sector?

Deepak Acharya: So in the semiconductor industry, there are various applications for which we require this -- mainly we require nitrogen for chemical wafer deposition, nitrogen pulsing, periodic chamber clearances, continual idle equipment purging and oxygen is normally used for silicon layer deposition, etching co-reaction gases and reactive gas neutralization. So these are various applications which are required by semiconductor. And as you know, India is a tropical country. The dust environment is there in India.

So amount of cleaning which is required is very high. So the consumption of gases in the semiconductors will be tremendous. I was told that almost 47 types of gases are required for chemical -- the semiconductor industry. And India as on today produce only 7 or 8 types of gases. Other gases are imported from other countries.

So we see a lot of potential, and we are constantly in touch with our parent company to develop products which are required. We recently developed ultra-high purity ammonia containers, again, for similar application and solar application. So we have pretty good idea about what are the requirements, and we are in constant touch with all the newcomers into this industry. But definitely, the process is, again, will take at least 3 to 5 years for complete development of these big projects.

Kaushal Sharma: And sir, what is the current order book in this segment?

Deepak Acharya: Current order book will be around 8% to 10% of our total revenue now.

Kaushal Sharma: 8% to 10%. And what would be in general the time line to execute them?

Deepak Acharya: Yes. Time line is around 8 months to around a year. 8 months to 1 year.

Kaushal Sharma: And sir, what kind of EBITDA margin in this kind of product that semiconductor can we expect?

Deepak Acharya: Normally don't track like EBITDA margin for product to product. We have the consolidated EBITDA and we are operating within the range of around 20% to 24% on an average based on the different products because it is very difficult to monitor on a case-to-case basis.

Kaushal Sharma: Will this margin be sustainable or there is improvement by going in this kind of segment?

- Deepak Acharya:** These are the areas which are of recent thing. So if we don't maintain our margins in such type of projects, how can we manage the whole show. So definitely, because there are very few manufacturers in the world to manufacture these equipment, definitely, we have a better chance to get good margins in this business.
- Kaushal Sharma:** So we are seeing any improvement in this margin going forward?
- Deepak Acharya:** Improvement in margin, not substantially, but case-to-case basis, depending on the requirement, we quote and definitely some improvement can be possible.
- Kaushal Sharma:** Sir, we are around 8% to 10% you are saying that in next 3 to 5 years, the ecosystem will be developed. So what kind of mix are we expecting going forward in this segment?
- Deepak Acharya:** What sort of...
- Kaushal Sharma:** In semiconductor, like 8% to 10% currently, we are having the order...
- Deepak Acharya:** Yes, yes.
- Kaushal Sharma:** So going forward, you are saying that around 3 to 5 years, the whole ecosystem will be developed in India. What kind of mix overall revenue would cater to this segment?
- Deepak Acharya:** Very difficult question at this moment, but we are targeting for all our products. Besides that, we are also targeting for semiconductor pipelines, which are required, though it is not really cryogenic pipeline, but huge amount of pipelines are required, for example, a Tata project in Dholera. Will require at least 50 kilometres of pipeline.
- And these pipelines, again has to be very neat and clean and absolutely dust free from inside. So it requires polished pipes and all these things are required. So a huge amount of work is there. this pipeline work as well besides the supplying of cryogenic equipment and other gases equipment to them. So things will improve, but number, I cannot tell you at this moment.
- Moderator:** The next question is from the line of Jaiveer Shekhawat from AMBIT Capital.
- Jaiveer Shekhawat:** Sir, first question on the LNG business. If you were to exclude the small-scale LNG projects, what would have been the growth in the rest of the LNG business over the last year, let's say, in the first half of this year versus the last year? How is the growth taking there, excluding the small-scale LNG projects which you do outside island station?
- Deepak Acharya:** Small-scale LNG project is like big projects and definitely excluding that. Yes. If you remove that, the main growth comes from the satellite station, the fueling station, the LCNG station then marine fuel tanks. So almost 50% of these new -- these products contribute to our revenue besides the small-scale LNG project, 50% to 60%.
- Jaiveer Shekhawat:** I was just trying to understand what growth have you seen either in order intake or revenues from that segment? Because we have received one of these larger LNG projects outside. But apart from that, how is the growth happening for the rest of the segment?

- Deepak Acharya:** See, we are getting good orders from the LNG fuel tanks. We are getting good orders from LNG fuel ship requirements. Presently, if you have seen in Cochin, they are having 4 ships, which will be 100% now on LNG. We are targeting for that. Similarly, the fueling station, if you have seen the Essar Group is putting 100 stations now -- fueling stations.
- Besides that, there are some satellite stations like Saint Gobain and other people are putting their plants. So we see a pretty good amount of orders coming in over a period of time. And the growth can be almost like 15%, 20% more than that perhaps can come from these projects.
- Jaiveer Shekhawat:** Sure. And sir, the order backlog that you have on the Industrial Gas business, usually, what time period is it usually executable at? Because these are, again, your standard tanks and a lot of other equipment.
- Deepak Acharya:** Standard tanks maximum up to like 3 to 4 months. And nonstandard depending on the project, for example, this order of U.S. big tank order, it is like around 12 months. So depending on the project, yes, the delivery varies. But for standard tanks, we do it in almost like 3 to 4 months.
- Jaiveer Shekhawat:** Sure. Because I'm just trying to gauge the current order backlog that you have in the Industrial Gas business. Does that allow you to do a 15%, 20 percentage growth in the next year?
- Deepak Acharya:** Industrial Gases, yes, because if the projects are there, definitely, the growth is possible. For standard tanks, it is difficult, but always it is a combination of standard and nonstandard tanks. And presently, also our business is like 50% to 60% comes from the project jobs. And there are a lot of projects which are coming up in India as well as in other countries. So we are targeting them, and we are hopeful that we'll get these orders as well. So the growth is -- we are expecting, and we are adding new products as well, the new territories, new products, all that should contribute to our top line.
- Jaiveer Shekhawat:** Sure. Sir, lastly, what kind of order backlog by the end of the year would you want to expect so that you can achieve your '27, '28 targets?
- Deepak Acharya:** Hopefully, normally, whatever we are like every month, we are getting INR150 crores, INR160 crores order. So if that continues, our backlog will be in this range only around INR1,500 crores, INR1,600 crores.
- Moderator:** The next question is from the line of Kunal Bhatia from Dalal & Broacha.
- Kunal Bhatia:** Sir, in terms of -- I'll just -- because I have only limitation of one question. The most important question I just wanted to ask in terms of the Cryo Scientific order backlog, are we expecting any big number to come in there because that was the only space wherein our run rate for that INR400 crores plus orders that we received on a quarterly basis came down. So anything we are expecting?
- Deepak Acharya:** We are expecting good order from -- in Cryo Scientific. Actually, we missed this quarter 2. Hopefully, end of November, we will get there.

- Kunal Bhatia:** Okay. And sir, finally, in the recent launch of the CMS03, did we supply any of our tanks in there?
- Deepak Acharya:** No. See, the CMS03, what you have seen, there are 3 things which are there. This was the largest among the satellite of 4,4 and for the communication purpose. So way back, we have installed a facility at Space Application Centre in Ahmedabad, where the satellites or the payloads are tested to space condition on earth. That is simulation is done. So this -- our -- the space application centre thermal vacuum chamber, we supplied was 6.5 meter diameter.
- And we were told that these satellites were tested in that chamber. Besides that, there is acoustic testing, which is done at Bangalore. Again, these satellites were also tested in the Bangalore facility. So both our equipment, which supplied to space application centre and Bangalore and lastly, the launch pad. The launch pad, if you see at Sriharikota, way back in 1919 and 2004, we have supplied all the ground equipment for cryogenic and gas system.
- So we have been in all phases of this launch. And going forward, if you see these heavy vehicles or heavy launch vehicles, which are happening now, definitely, bigger and bigger size of satellites you will see over a period of time. And our equipment, what we manufactured earlier will be 100% utilized for the testing of these new satellites.
- Kunal Bhatia:** Okay. That's great news. Sir, but any cryo...
- Moderator:** Sorry to interrupt, sir, but could you rejoin the queue for follow-up question?
- Kunal Bhatia:** Ma'am just last continuation question. Sir, I just wanted to ask any cryogenic tanks that we offer for this ISRO rocket?
- Deepak Acharya:** Cryogenic tanks already we have supplied in the past. they don't buy the tanks. The tanks are equipment and the whole facility is developed. So it is not like everything you have to order these tanks for the launches.
- Moderator:** The next question is from the line of Amol Rao from One Up Financials.
- Amol Rao:** On a Kegs Order, these orders, just out of curiosity, are they fixed price contracts which are to be executed? Or is there some escalation for material that we are allowed for, sir?
- Deepak Acharya:** No, no. This is normally when the small orders are there, they are fixed contract only. We have to supply and the cycle time of manufacturing is not that big. However, if it is a big order of stretch for a year or so, definitely, there is a price escalation formula built into the system.
- Amol Rao:** All right. So the price escalation is built in case there is a continuous supply over a year or 2?
- Deepak Acharya:** Absolutely.
- Moderator:** Ladies and gentlemen, in the interest of time, that was the last question. I would now like to hand the conference over to the management for the closing comments.

Deepak Acharya: Thank you, all the participants. It was a nice interaction with all of you. Hopefully, we have answered all your questions. If you have something -- additional questions or some more information is required, you can write back to us via mail, and we will answer the questions and hope to see you in the next quarter again. Thank you so much for your time.

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