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Scrip Code: 544046	Symbol: INOXINDIA

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

Dear Sir/Madam,

The Company had organized a conference call with the Investors/Analysts on Friday, 16th May, 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 Mohanbhai Patel

Digitally signed by Jaymeen Mohanbhai Patel
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INOX INDIA LIMITED BARODA

Jaymeen Patel
Company Secretary & Compliance Officer

“INOX India Limited

Q4 & FY '25 Earnings Conference Call”

May 16, 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 the INOX India Q4 and FY '25 Earnings Conference 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.

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

Mohit Kumar: Yes. Thank you, Shruti. Good morning. On behalf of ICICI Securities, I welcome you all to the Q4 FY '25 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: Thank you, Mohit. Good morning, everybody. Dear shareholders and investors, a very warm welcome to our earnings call for the fourth quarter and financial year ended March 31, 2025. Our results, investor presentation and press release are available on the stock exchange as well as on our website.

With the belief you had the chance to go through it, I will go through operational performance for the quarter in detail for all the segments that 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 questions and answers. India's economy continued to stand out among emerging markets, maintaining strong momentum even as the global growth moderates.

For the second consecutive year, it's poised to be fastest-growing major economy in the world, supported by resilient domestic consumption and sustained infrastructure development. A relatively low exposure to U.S. trade tariffs has also helped us cushion the economy from global disruptions.

According to S&P Global, India's GDP is poised to grow at 6.5% in FY '26, driven by robust service-led exports, particularly to the U.S., which are expected to remain firm despite potential trade headwinds.

On the monetary front, S&P anticipates that RBI eases rate by 50 basis points in the financial year with softening food inflation and lower crude prices expected to bring inflation closer to RBI's 4% target by March 2026. This would create further room for policy support. A recent report by Morgan Stanley also reinforces India's relative strength in Asia. With a lower dependence on goods exports as a share of GDP, India remains less exposed to global trade shocks.

The report highlights the government's proactive fiscal and policy measures as key drivers in reviving domestic consumption and investment, critical to the sustaining growth momentum in the medium term. In parallel, technological self-reliance is becoming a cornerstone for India's long-term strategy.

India has developed its first indigenous MRI machine, which is expected to be installed at AIIMS Delhi for trials by October. INOX India has played a pivotal role in this initiative by manufacturing the country's first indigenously designed 4K helium cryostat for MRI magnet system, making a significant step in reducing medical device import dependency by 80% to 85%. This was achieved under MoU signed with cryostat with SAMEER with support from Ministry of Electronics & Information Technology.

Additionally, in the nuclear segment, India recently signed a deal enabling to transfer of the unclassified small modular reactors technology. This opens up a new opportunities for domestic pumps. INOX India is expected to benefit from this development, particularly through the setup of multi-process vacuum jacketed transfer lines and other specialized cryogenic equipment, key components in building, installing advanced nuclear infrastructure.

At INOX India, we are proud to contribute to this transformative journey through our expertise in cryogenic storage, hydrogen handling, advanced cooling technologies and robust solutions supporting SMR in fusion energy. The union budget announced this year also emphasized on a strong commitment to energy security by inviting private players to invest in this segment, and we look forward to playing a pivotal role in shaping India's green energy future.

Amidst the mixed global economic signals, the fourth quarter and the full financial year concluded on a very strong note for INOX India, marked by robust top line and bottom line growth even from a sequential perspective. Solid execution and consistent order inflow across all business segments drove this performance, enabling us to successfully meet the full year guidance.

The orders secured during the quarter further strengthened our leadership position as a provider of next-generation energy and cryogenic solutions. For the fourth quarter, we reported revenue of INR383 crores, EBITDA at INR95 crores and profit after tax at INR66 crores.

Coming to the segment-wise performance, I'll begin with our largest business segment, Industrial Gas Solutions. The inflow of orders in industrial gas vertical during Q4 FY '25 grew to 25.5% to INR251 crores, buoyed by a few prominent export orders as well. We achieved a significant milestone by securing an order from Australia for oxygen, nitrogen and CO2 IMO containers, our first of its kind which positions us a direct competition with Chinese manufacturers.

This breakthrough not only marks our entry into a new competitive space, but also validates our long-term strategy of targeting major IMO containers contracts. The order comes with a challenging delivery time line of under 6 months, and we are fully committed to meeting it, showcasing the enhanced capability of our Savli plant. Our disposable cylinder business also recorded a strong performance during this quarter. Notably, we received substantial orders from the U.S. client. These wins are particularly encouraging as they were secured despite the introduction of tariffs in February, underscoring the resilience of our positioning and continued demand for our products. The U.S. market continued to face structural shortage of disposable cylinders with demand exceeding the local production by 1.5 million to 2 million units.

While tariffs presented a potential headwind, discussions with our major clients in U.S. indicated that rising steel prices and inflation have also increased cost for U.S. manufacturers, helping us to maintain our competitiveness. We have also made notable strides in our industrial gas segment, particularly with the development of specialized liquid helium containers known as Helium Dewar.

While initial volumes were modest, we expect demand for these products to scale meaningfully in FY '26 as the market matures. In ethylene oxide transport space, we successfully converted 6 trucks for logistics supplies and have already secured another 25 additional truck conversions this quarter, signaling sustained demand in this niche application.

Additionally, we completed the delivery of 9 tanks to U.S.A. for semiconductor applications, further reinforcing our growing presence in this strategically important sector. Overall, the quarter reflected not only solid performance across our established business, but also encouraging momentum in new and high potential areas.

Moving to the LNG segment, during the quarter, INOX India achieved a significant milestone by securing order of 36 number of IMO 40-feet IMO containers from a U.S.-based customer, making our entry into new promising market segment.

In parallel, we are actively supporting the adoption of LNG as a cleaner fuel for Indian Railways, having received orders for LNG fuel system for locomotives. This initiative is aligned with broader efforts to reduce reliance on diesel and coal. Two of these systems are already operational in Gujarat and construction of 4 more is currently underway. Our LNG fuel business is also gaining strong traction.

The newly developed Gen 2 tankfuel tank has been successfully installed and commissioned, and we have received requests from major OEM manufacturers for supply of more than 1,500 units to be delivered in FY '26. Additionally, we are in discussion with Maharashtra State Road Transport Corporation through their conversion partner for changing their bus fleet to LNG.

While there have been some delays, we remain optimistic about the orders finalization, especially since our conversion technology has already been successfully demonstrated on MSRTC buses. To facilitate the transition to LNG fueled vehicles, the development and refueling infrastructure is a key. MSRTC is planning to establish LNG fueling stations and private players like GreenLine are also making substantial investment with plans to set up around 100 new stations over the next 2 to 5 years.

This growing ecosystem is encouraging, especially as OEMs increasingly recognize LNG as a viable and environmentally responsible alternative fuel in line with evolving ESG norms. In a notable milestone, INOX India has become the first Indian company to receive the IATF 16949 certification for cryogenic fuel tank.

This globally recognized quality certification is a mandatory requirement for automotive OEM suppliers and underscores our commitment to the highest manufacturing standards. It also firmly positions us as a pioneer in the integrating cryogenic technology and automotive applications, especially in the growing LNG fuel tank space in India. Importantly, it opens doors to participate in the global heavy-duty vehicle fuel tank market, a significant opportunity for future growth.

Now moving to the Cryo Scientific division. The quarter, a historic milestone with successful installation of India's first indigenously developed MRI machine at AIIMS Delhi. This pioneering efforts supported by SAMEER and the Ministry of Electronics & Information Technology marks a major leap in India's medical technology capabilities.

The initiative has been widely praised for its potential to drastically reduce the cost of MRI scans and significantly cut down the country's reliance on imported missions. This accomplishment not only reflects our technological strength, but also our commitment to advancing self-reliant health care infrastructure.

In parallel, CSD continued to expand its presence in high-impact scientific and aerospace applications. We have secured a prestigious order from Wroclaw University of Science and Technology in collaboration with FAIR project in Germany for construction of feed boxes transfer line and for advanced physics research.

Additionally, we are deepening our engagement with emerging space start-ups, including a recent order for prototype testing equipment designed for high-pressure kerosene as a rocket fuel. These collaborations are part of our broader vision to support cutting-edge research and innovation, positioning INOX India as a key partner in the evolving science and technology ecosystem. The stainless steel kegs division has gained significant global recognition marked by our recent achievement of ABInBev global certification with an outstanding score of 98%.

This accomplishment highlights the superior quality and safety standards of our products and places us in a strong position to secure orders from ABInBev breweries in Africa, Brazil and many other countries. In addition, we have received approval from Paulaner Brewery in Germany and are in the final stage of obtaining approval from Heineken, further strengthening our presence in key international markets.

Back home, the Indian beverage sector is witnessing rapid expansion with major players like ABInBev, Carlsberg and Heineken announcing substantial investments. This has led to surge in the demand for beer kegs as breweries scale up their capacities to cater to the growing market. Our own production has reflected this growth with the keg volumes surpassing 50,000 units over the past year, catering to customers across U.S., Europe and India.

These developments not only validate our capabilities, but also reinforce our position as a trusted key supplier in the global market. I'm also pleased to share that the Savli plant is now fully commissioned and has surpassed INR200 crore turnover in its very first year of operation. This performance includes revenue generated from cryo shop, stainless steel kegs and vacuum vessel thermal steel panels refurbishment.

As we move forward, we are focused on maximizing the plant's capacity with current projects, including fabrication of storage, transport and IMO tank and the manufacture of equipment for air separation units. Regarding the recently imposed U.S. tariffs, we are carefully assessed the impact and expect it to be very minimal.

Demand for disposable cylinders remain robust and the tariffs are not expected to significantly affect our price competitiveness. Our keg business will largely remain unaffected given the absence of major U.S.-based keg manufacturers. There may be a slight effect on our standard tank, but this is largely offset by non-compete clause that remains valid through the end of 2028.

Overall, we expect only a small portion of our U.S. exports to be impacted. Looking ahead, we are optimistic about FY '26. We are targeting revenue growth of around 18% to 20%, while maintaining the strong EBITDA margins in the range of 22% to 24% and PAT margin of 15% to 18%. Segment-wise, we anticipate 16% to 18% growth in IG sector and over 20% growth in LNG and CSD. Our stainless steel keg division, though relatively new, is also expected to become a meaningful contributor to our top line.

Our growth in FY '26 will be driven by multiple factors. In the IG segment, we are focusing on emerging opportunities across helium, hydrogen, semiconductor and ammonia applications along with equipment for air separation plants. The expansion of steel industry and rising investment in semiconductor manufacturing are creating a strong demand for industrial gases, which we will be positioned to meet.

Additionally, the global push towards clean energy has intensified interest in hydrogen storage and transportation, where we actively engaged through ongoing projects and customer inquiries. Coming to the important quarter business numbers. Order book as on March 31, 2025 was INR1,356 crores with 47% from industrial gas, 36% from LNG and 17% from Cryo Scientific Division. Exports comprised 64% of our total order backlog.

In terms of segregation, 61% of the income has come from IG, 19% from LNG and 16% from Cryo Scientific Division. Total order inflow during Q4 is INR364 crores, comprising of 69%

from IG, 20% from LNG and 11% from Cryo Scientific Division. Concluding my speech, I would like to reiterate that we are optimistic about the growth opportunities in all the segments that we cater to, and we expect to continue our growth trajectory in FY '26.

With the successful commissioning of Savli plant, landmarking in global market and strategic strides in LNG, Helium hydrogen, we are entering FY '26 with a solid momentum and confidence in our ability to sustain growth and deliver long-term value. I'd like to thank you all for your patient hearing. I now hand over to Mr. Pavan Logar, our CFO, who will share the financial numbers in detail with you. Thank you so much.

Pavan Logar: Thank you, Deepak, and good morning, everyone. I shall share summarized financials for the quarter as well as financial year ended on March 31, 2025. Let me share the numbers for Q4 and FY '25. The total income for Q4 was INR383 crores, which grew by 33% Y-o-Y. The EBITDA was up by 52% stood at INR95 crores. Our quarterly PAT grew by 55% to INR66 crores.

The total debt at the end of FY '25 is 0, which provides us adequate room to raise debt in future. Coming on financial year 2025 number. The FY '25 income stood at INR1,354 crores, grown by 16.2% Y-o-Y. The EBITDA grew by 18.3% to INR330 crores. PAT grew by 15.4% to INR224 crores.

The company has comfortable net cash -- cash surplus of INR261 crores as on March 31, 2025. That concludes my update on the financial highlights of the company. I shall now request the moderator to open the floor for questions-and-answer session. Thank you.

Moderator: The first question is from the line of Prakash Kapadia from Spark PMS.

Prakash Kapadia: A couple of questions from my end. On the revenue side on industrial gases, you alluded to growth coming from semiconductor and momentum is strong. So can you share any new potential orders or contract wins which we would have received, which can drive growth higher on the domestic side for revenues?

And what would be the split between exports and domestic for the IG division in terms of FY '25 for the year as a whole, if you have that ready? And secondly, on the LNG side, what is the status update on Adani Total terminals? I think 16 terminals orders were given. There was a target of 50 terminals. So when is it likely to happen? And government side also, what is happening?

I think 50 stations, the tendering was over. Government obviously has longer-term plans of 1,000 stations. So where are we in terms of execution, tendering? And on the LNG side, how does the OEM supply or any visibility or further development come on the LNG side? So those were my questions on the revenue side.

Deepak Acharya: Yes. There are 2, 3 questions in one question, that's okay, I'll answer those. On semiconductor industry, yes, we are very hopeful that this segment is going to grow very rapidly. As you know, there are 4, 5 more plants are coming up in India now. And after our successful completion of tanks for U.S. customer, we have supplied in the last quarter, we have recently received order from Tata project in Assam for semiconductor supply of tanks.

And as you know, these tanks are very critical from the supplier because the cleanliness is very important. So we have been supplying similar tanks to the other countries way ahead, present requirement. And semiconductor is really going to be very strong in India, and we are very much hopeful that more and more industrial gases will be required for the semiconductors, and we will get a good number of orders for storage and transportation of these equipments.

On the LNG front, yes, what you rightly said, 1,000 stations were declared by Government of India way back. And last quarter, we said around 45 to 50 are now installed or commissioned or in the process of commissioning.

And in last quarter, we have seen around 8 to 10 number fueling stations getting added. Mainly the new additions have come through the private players and a few of the PSUs. So the growth is happening. The installations are there on the Golden Quadrilateral.

And if you see the LNG fuel tank requirements by the OEMs, that is substantially increasing in the last few months knowing that now there are fueling stations available on the main highways. So we are seeing a great requirement coming from OEM manufacturers, and we are ready for supplying equipment to them. And all our tanks, what we have supplied has very successfully performed at most of the places. And we are very hopeful that this will give additional growth for LNG market.

Prakash Kapadia: Yes, and on Adani Total, any updates?

Deepak Acharya: On Adani, we have commissioned so far 7 such fueling stations and balance are likely to come in the coming quarters. They have plan of 25 stations out of that 7 are now completed.

Moderator: The next question is from the line of Jaiveer Shekhawat from AMBIT Capital.

Jaiveer Shekhawat: Team, congratulations for a great quarter. Sir, first, I wanted to understand on what's been happening on the order intake side. So I see that -- I understand last quarter, you had received the Bahamas, which was a large order. But even prior to that, the order intake this quarter is equal to the second quarter order intake. So in light of that, I mean, what sort of, one, gives you the confidence to achieve the growth guidance that you've guided for? And possibly, I'll take my question after that.

Deepak Acharya: Yes. Our order book is -- in the fourth quarter was good. And though because Bahamas was a big order, so slightly in the quarter 3, there was a jump in order book. And going forward, definitely, all these new segments in IG sector, we lastly also told that steel industry, health care industry, ammonia, hydrogen, helium, these are the growth drivers for us, and we expect very good business in this area.

The steel industry is growing very fast in India. Lot many projects are coming in. So rather not -- we don't only supply to the manufacture tanks out of our factory, but we also started fabricating flat bottom tanks at site and several such sites are under progress. So we have very good orders in hand for the steel plants.

Besides that in LNG market, yes, we are seeing a very good potential for the small-scale LNG units as well as the fuel tanks for the buses and trucks and many fueling stations, satellite stations for the variety of applications. As you see, the ESG is getting more and more forward.

So we will have definitely because of the ESG initiatives, everybody wants to grow -- use the clean fuel and LNG can be the only substitute as on today. So we feel that with all these initiatives which are coming up, at the same time, the Cryo Scientific Division, we are getting very good orders from all over the world, especially from ITER, CERN, WUST and so many other organizations. So we are quite confident that whatever we have achieved last year, we will grow at least 17% to 20% on revenue for the next year.

Jaiveer Shekhawat: Sure, sir, that's very helpful. I think second, I wanted to pick your brain on the entire LNG conversation that we are having. Now we have been speaking with some of the auto OEMs trying to understand their unwillingness to sort of invest into making changes. I understand there has been some pickup that you have seen over the last few months. And there has also been some pickup from the oil PSUs on the government side as well.

But I think it's been slower than what one would have earlier anticipated. And now there is also the discussion around EV adoption as well that might happen eventually on the MHCV side as well. So do you think the oil PSUs structurally are incentivized to put in such amount of large capex to invest into these LNG fueling systems.

And then at the same point of time, even the automakers, because it seems as if the Indian opportunity does not seem that exciting, we might even rely on import of LNG as well. But possibly the international could be something that sort of play out very well for you. So I just want to understand your thoughts there.

Deepak Acharya: Yes. If you really compare the EV and the LNG, okay? So whatever is our experience, not only in India but rest of the world also, for heavy-duty truck and buses, EV is not so powerful, so demanding in my opinion, basically because it has got a limited kilometers what it can travel.

So maximum, it travel, say, 300, 400 kilometers in one space. And then it has to go for charging for at least 3 to 4 hours. So whereas the truck they have to travel minimum 500, 600 kilometers in a day. And deliveries are so short deliveries are there. So they now keep these drivers, so they continuously run the trucks.

So presently, our 450-liter, 1 tank installation can go to almost 450 kilometers. And if they install 2 such tanks, then 900 kilometers. And recently, in Auto Expo in Delhi, one of the OEM manufacturers has put 990 liters 2 tanks.

That means almost like 2,000 kilometers in 1 stop once you fill that. So that is what is this LNG. And secondly, the power you get with LNG is substantially higher. So looking to and the availability also now more than 58 stations are there now across the Golden Quadrilateral. Every 300, 400 kilometers, there is a station now. So we don't have to really seek.

And with these 2 tanks on 1 truck, people are so comfortable that once tank gets emptied, say another 450 liter is available for him to drive on the road. And once he sees the a fueling station, he can fill up that tank.

So that fear of, I will go out of my fuel is not there, which is always with the EV batteries and trucks. So this is what is helping us. And the signals what we are getting from OEMs that they are really gearing up to start their production of LNG vehicles in a big way now.

Jaiveer Shekhawat: Got it. Sir, this is very helpful, I wish you all the best.

Deepak Acharya: Thank you.

Moderator: The next question is from the line of Nidhi Shah from ICICI Securities.

Nidhi Shah: Yes. I have 2 questions in particular. Firstly, on the beer kegs, I know you mentioned that you are in advanced stages of approval for 2 players internationally. But other than that, I sort of wanted to understand the -- how we expect this beer keg opportunity for us to grow in the upcoming 3 to 4 years, given what we have seen so far in the approval stage for exports. And domestically also, you mentioned that there are a couple of expansions happening. So with this, how do we expect this entire space to play out? That is my first question.

And the second would be on exports. So we've seen over the last, say, 1 year, every quarter, we've had some type of container shortage or say, U.S. tariffs, things like that. So how do we expect the upcoming year to pan out in terms of exports? And the situation for containers, has it gotten any better since, Q2, Q3? And do we expect any disruptions in container availability anytime soon given the geopolitical situation?

Deepak Acharya: Yes, Nidhi, very good questions you are asking. The one first is like beer kegs. As you know, I briefed you -- all of you last time as well, the -- there are almost 120 million kegs available in the market. And there is 4% to 5% of replacement demand in the market every year. So almost there is a 4 million to 5 million kegs required in the market every year. And the present manufacturers in Europe and maybe China have a capacity to produce around 3 million to 4 million kegs. And there is always a shortage of 1 million to 1.5 million kegs in the market.

And the basic purpose of that was -- putting our plant was to cater to this demand because from the logistics supply point of view, European countries cannot supply to -- or it is difficult for them to supply to Middle East, Southeast, India and other countries, okay? And presently, we have installed our capacity of 300,000 kegs a year.

And last year, we produced almost 50,000. And as you see, the market is growing very fast. In India, there are 3 main breweries, ABInBev, Carlsberg and Heineken. And we have received global approval from ABInBev. And now recently, last week only, we have received approval from Heineken.

So the only Carlsberg approval is pending, which they have planned to come to our factory for audit in the month of August. So once these 3 certifications are there, global approvals are there, we think that we will be very well placed in the global market.

And India, as you know, that recently, these 3 majors have declared investment of almost INR3,500 crores to INR4,000 crores new capex investment in coming year. And definitely, there will be substantially of that portion will go into the plant manufacturing as well as the facility for dispensing that is through kegs. So we have potentially very good market.

We have supplied to almost everybody in India and whatever the products we have supplied, people are very happy. So we hope that once their facilities are expanded and they are ready for taking beer keg, definitely, they will call us and give the orders to us. On the export front, the container shortage is no more now. It was there in the first and second quarter, but third quarter, it started streamlining. And now the fares have also come almost similar to the last year pricing now. So there is no such issue.

Our exports traditionally are more than almost 50%, 55% every year. We continue to get that orders in export in coming year as well. And on tariff, yes, we have 3 products, which we explained you that one is our major exports to U.S. is to disposable cylinders. And in disposable cylinders, our competitors and other manufacturers there in U.S.A., they have a limited production capacity.

And hence, the major users in U.S. have to depend on other sources. And there, we are very well placed because of the zero antidumping on INOX India. At the same time, because of the local inflation, which is going to be very high this year in U.S. at the same time, the steel prices going up, the delta between our cylinders and the locally available cylinders will remain the same even in spite of the tariff additions.

Secondly, on the kegs, there is no such manufacturer available in U.S. So we don't have to worry that local manufacturer will gain that order. So we can supply on a regular basis. Slightly, there will be slight impact perhaps on our cryogenic tank business, but that is very marginal because we have non-compete clause till 2028. So anyhow, we cannot stock and sale the tanks in U.S. because of this. So by that time, something more effective and more good solution we'll find in due course of time.

Nidhi Shah: Lastly, I just wanted a follow-up question on the beer kegs. What is our, say, price competitiveness with the Chinese players? My question comes mainly from the line of if they ramp up their capacity tomorrow to cover up the shortage, would that mean that our market would -- they would eat into our share of exports? That's the angle that I am sort of looking at.

Deepak Acharya: Yes, you are true. I mean our prices are competitive and not lower than Chinese, but competitive pricing. And as you know, still in Europe and U.S. countries, Chinese products are not favored rather. So we have a better chance. And earlier, it was China Plus One, now people are only looking at India.

So with that advantage, definitely -- and our product quality, there are many companies in China who don't have these certifications even and a lot of antidumping duty on to the Chinese kegs are there. So with all this, we definitely hope that India will have a better chance to sell the beer kegs into the Europe and U.S. market.

Moderator: The next question is from the line of Eshwar Arumugam from ithought PMS.

Eshwar Arumugam: So sir, Chart Industries, they have reported that they have started delivering LNG fuel tanks to Volvo Eicher. Are we losing market share to other players in the LNG fuel tank division? Some other China or the U.S.?

Deepak Acharya: See, this market is a big market. And so I told you that the current trucks produced is almost 4 lakhs to 5 lakhs of trucks and buses every year. So even if every -- all the 3 OEM manufacturers will say 10% of their production goes to LNG, which will be around 40,000, 50,000 fuel tanks will be required.

And definitely, everybody has this thing that they can try different -- this one. As you rightly said, Volvo tried Chart tanks, but their prices are much, much higher than our tanks. We are in discussion with them. And sooner or later, we are 100% confident they will come back to INOX India.

Eshwar Arumugam: Understood, sir. And also, I wanted to congratulate you on the the U.S. order. So I wanted to ask what is the wallet share that we can gain with this client as the project is set to be worth around USD 15 billion. And also the same company, it is investing in India as well for a semiconductor project. Are we expecting to win that order in India? What could be the potential.

Deepak Acharya: Yes. The semiconductor business looks to be very promising to us. And we are not getting any chance that we are losing any business on semiconductor if it comes on our way. And besides this U.S. company, what we have supplied the 9 tanks ranging from 50 KL to around 200 KL,recently, we have received order from Tata Semiconductor Complex in Assam.

And that we will be supplying in this financial year FY '26. So whatever the opportunities are coming for a variety of gases, our parent company, Industrial oxygen -- industrial -- INOX AP is putting their efforts to see that they grab the order. And definitely, we will supply most of the storage and transportation equipment to this industry.

And even we are thinking that we'll go for manufacturing of different piping piece and other things for the semicon industry. So as the market grows up, as the requirement comes, we are really geared up to take that market head on. And we are confident that we will do substantial product development for this industry in coming few years or few months.

Eshwar Arumugam: Understood, sir. My last question is, while our results are very strong, you were confident of Q4 being above INR400 crores in the last call and FY '25 growth being around 18% to 20%. So I just wanted to know if there has been any slowdown in the offtake this year compared to your expectations?

Deepak Acharya: Very, very well said. And I was expecting this question from some of you. I really said last time that this time will cross INR400 crores. But somehow I mean we are stuck up, say, around INR385 crores or something. Basically, we had again this -- you say February and March, this tariff has really disturbed everybody.

We were almost having ready tanks available at our shop almost 2 million to 2.5 million and people were just waiting because they are confused what to do. So we had some issues with the customer that we said, okay, we have never said we will be paying the additional duties and all that. So we started negotiating with them.

A few of them accepted, okay, whatever duty it will come, we will pay. And few said, we are -- our plants are not ready or our sites are not ready. So we'll wait and watch what is going to happen. And this has really some -- had an effect on our final numbers. But we are almost close to INR400 crores, which you should appreciate.

And if that few numbers were increased, almost like though we have said around 17% to 20%, we would have reached around 17%, 17.5%. But small plus/minus here and there, it happens. And I think 16.2% is not a really low number for the revenue from growth in my opinion. But yes, rightly what you said, slight there is a deviation to that.

Moderator: The next question is from the line of Deepesh Agarwal from UTI AMC.

Deepesh Agarwal: Yes, sir, if I look at your balance sheet, there is a substantial increase in receivables and contract assets versus March '24. What is this?

Pavan Logar: Yes. Actually, these contract assets is this percentage completion method. Our order book is increasing and a lot of project orders are coming now. And in project orders, we are getting the payment according to the payment terms. And due to that, we have been calculating according to Ind AS rules. That's why this amount is in contract assets. And order book because of project order book increasing by -- or more than around INR1,000 crores. That's why this is there.

Deepesh Agarwal: Sir, would it be fair to say, there has been a substantial advantage against them because the other liabilities are also up substantially?

Pavan Logar: Yes, That's why if you see the advance from customers, that is also increased from INR252 crores to INR387 crores. And the basic reason is that, yes, contract assets amount is also lying in this. So until the billing is there, we cannot reduce the advances. That's why it has come in FY '25, it is shown in contract assets.

Deepesh Agarwal: What is the revenue for the beer kegs and disposable cylinder in FY '25? And what is your expectation in '26? And are they also part of your order book?

Pavan Logar: Yes. We did almost like -- disposable is around INR129 crores, and stainless steel kegs with INR27 crores last year, more than 50,000 kegs were sold. [inaudible 0:44:27]

Deepesh Agarwal: Sorry, your voice was not clear. Beer kegs was for INR23 crores for the year?

Deepak Acharya : Beer kegs, we did INR27 crores in FY '25, [inaudible 0:44:49] we have got the approval from ABInBev and Heineken now. And we expect that more and more orders will start coming in because these are global approvals. So once this global approval is there, any country can give order to us.

Moderator: The next question is from the line of Dhruv Shah from Dalal & Broacha.

Dhruv Shah: Congratulations on good set of numbers. Sir, my first question is, in the last quarter, you had mentioned that for our liquid air energy storage system, Highview Power is looking at 3 to 4 new additional plants. So do we have any updates on that? Have you received any order wins over there?

Deepak Acharya: No, we have not received any order, but we have bidded for 3, 4 projects which are in the pipeline, and we are awaiting for their confirmation. But definitely, with our progress on the first order they have placed, they are extremely happy with the services we have provided, our engineering inputs we are providing. So we are hopeful that once they decide, they will come back to us.

Dhruv Shah: Sure, sir. And for the full year FY '25, what has been the revenue contribution from the U.S.? And if you can share the percentage of your order backlog coming from the U.S.?

Deepak Acharya: The overall revenue is from U.S. customers is almost 8% to 10% of our total revenue. And we expect similar or higher because the disposable cylinder requirement is coming up very fast now. And there are many such projects which are requiring now LNG equipment as well because of this present situation in the U.S. market. So we are hopeful that we are getting -- we'll be getting more orders from U.S. this year and early next year.

Dhruv Shah: Right. And sir, one last question. Regarding your Australia orders that you received for oxygen and IMO container, the delivery you mentioned is under 6 months, right?

Deepak Acharya: Yes, yes.

Dhruv Shah: And what is the order value?

Deepak Acharya: Order value is around INR21 crores.

Moderator: The next question is from the line of Rohan Vora from Envision Capital.

Rohan Vora: Congratulations on the great set of numbers. Sir, my first question was on the LNG part of it. So any LNG terminal project that is in sight where we've bid or the discussions are on for the next year where we can potentially receive order that you are looking at? That was one. Second was, I was also trying to understand because I read that INOX Air Products is supplying to the semiconductor plant in Dholera. so have we made inroads there? And what would it take for us? Or how is the competitive intensity there? I mean, are we going to be present there as well? So that was the 2 questions that I had.

Deepak Acharya: Yes. The Dholera project, the land is acquired by INOX Air Products. And they are just setting up their requirements, what equipment they will be requiring. And once -- as this is our parent company, and definitely, whatever the equipment, storage equipment, transportation equipment or IMO containers will be required, definitely, we will work on those projects.

And we are sure that we'll get those orders. So that way, we don't find any difficulty. And semiconductor market is growing. We recently also received order from a Tata project in Assam as well. So we are hopeful that whatever efforts we are putting in the semiconductor industry is going to be very beneficial to us for our top line as well as bottom line because, frankly, there are no manufacturers to the specification of semiconductors as on today in India.

And going forward, we have been in this industry way back when we supplied equipment to semiconductor industry in Japan and Singapore. So we very well know the requirement of this industry. So we are very confident that we'll get majority shares as the semiconductor industry grows in India.

Rohan Vora: Sure, sir. And sir, the first question was on the LNG terminal, any orders in sight or we bid for, sir?

Deepak Acharya: We already had the order of Bahamas, which is under progress. Almost 50% to 60% engineering work is over. Of course 30% material has received -- 30% of the total project material has also been received. So we are very much on track for the Bahamas project. The production has started.

We have already bidded for various upcoming projects in Philippines and Indonesia and Andaman as well. So there are 3, 4 more opportunities which are coming in this LNG terminal.

And we are 100% sure that we will quote and we will have a benefit into these new projects once they are decided.

Moderator: The next question is from the line of Kunal Bhatia from Dalal & Broacha Stock Broking.

Kunal Bhatia: Congratulations on a great set of numbers. Sir, I had a question in terms of -- sir, you have given your order book. But currently, what would be the status of your order pipeline? What is the total order pipeline you are looking for FY '26 and '27?

Deepak Acharya: So the order backlog we are having almost INR1,356 crores as the backlog we are having and normally, on an average, around INR350 crores to INR400 crores order we receive in every quarter. So that momentum, we are going to maintain in coming years. So we don't think whatever targets we have set for the revenue for 2028, there is a 100% on our quote, we see that we accomplish this target for here.

Kunal Bhatia: Okay. And sir, any large project like the one we did for ITER in the Cryo Scientific Division, any large project we are expecting going forward? So if you could give some details on that?

Deepak Acharya: I'm saying in the quarter 1 or quarter 2 of FY '26, we are sure to get one big order from the scientific community worldwide. And we are confident that we will win this order as we have done a very good job for them in the last 2 years. So we are sure that this contract will come to us.

Kunal Bhatia: Sir, by big you mean to say will it be bigger than the ITER one?

Deepak Acharya: Not because ITER was -- initial project was very big, but it will be substantially big.

Kunal Bhatia: Okay, okay. Fine sir, I'll get back in the queue.

Deepak Acharya: Yes. Thank you, thank you.

Moderator: The next question is from the line of Kenneth Mendonca from TCG AMC.

Kenneth Mendonca: Congratulations on a good quarter. Sir, my question was for the LNG segment. Could we get the breakup in terms of domestic and export revenues? And within domestic, I wanted to know how many terminals we have commissioned in FY '25 and the revenue from that?

Deepak Acharya: No, in domestic, there is no such terminal we have commissioned, so what we did was Scotland earlier, then Caribbean and now we are doing Bahamas we have not done any project for a terminal in India.

Kenneth Mendonca: Sir, I just wanted to clarify, I meant on the stations in India.

Deepak Acharya: Fueling stations, you mean?

Kenneth Mendonca: Yes, fueling stations. How many stations we did and the revenue from them for FY '25?

Deepak Acharya: That number is not ready with me. But in total, so far, 58 stations are there. So almost 60% to 65% of the stations are installed by us. And in balance stations where we have not won the full contract, we are supplying the storage equipment, dispensers and cryo lines and VJ lines. So in almost all 58 stations we have some part of the equipment we have supplied. Almost 60%, we have supplied fully.

Kenneth Mendonca: Sure, sir. And sir, the breakup in domestic and exports for LNG revenue?

Deepak Acharya: Around 60-40.

Kenneth Mendonca: Sure, sir. All the best.

Deepak Acharya: Thank you.

Moderator: The next question is from the line of Vipin Goyal from Mirabilis.

Vipin Goyal: Vipin Goyal this side from Mirabilis. Sir, I had a question on LNG, although just alluded to it in the last question. I just wanted to like know your estimate and your guess on this that how many stations given our order win rate and the pace of tendering, can we expect in this year? In terms of the number of stations, what you think would be an ideal number to estimate for the current year?

Deepak Acharya: So in quarter normally 8 to 10 fueling stations are getting added. And recently, MSRTC and Greenland plan to start 100 station in 2 to 5 years and about 1,000 stations are already announced by Government of India and mainly PSUs is contributing to the stations. So this is what the present status of fueling stations. But more or less, on average on the Golden Quadrilateral at least 40 to 50 stations are under commissioning .

Vipin Goyal: Got it. So about 40, 50 pumps per order wins per year can we -- we can estimate for a year? That is one. And also another question which I had was on this -- a similar question on this is how many stations are there as of now in the current order book, which are under execution?

Deepak Acharya: In current execution, almost like 7 to 8 are under current execution, and one big order from Petronet is there, which is because of some land issues, they have just hold up for some time. We are producing on the equipment and just waiting for the final clearance for dispatches.

Vipin Goyal: Got it. Got it. Okay. Sir, second question, which I had was on the tariff comment that you made, the impact on tariffs in the last quarter, in the last few days of the quarter. So can you give us an insight as to, let's say, what type of customers who are coming to you for renegotiation based on tariffs. So any kind of commentary on the customer profiling? Or is it like on the disposable side or any other industry you want to classify?

Deepak Acharya: It was -- disposable is not a major concern to us. Only concern is on the industrial gas equipment. So normally, we are supplying industrial gas equipment directly to the customers, and they have placed the orders. So almost like 2 million and 2.5 million equipment were ready for dispatch in February and March. However, some have given consent, okay, whatever the tariff is there, we will -- as soon as we receive the vessels, we will pay for that and get the equipment cleared.

Whereas a few where the sites were not ready or the projects were delayed, they were just taking a chance if suppose something gets reduced or something gets more clarity better later on. So they have just kept it under hold for some time, but mostly now it will be getting cleared. So those were the few tanks which around 2 million and 2.5 million, which we have to hold up because of this sudden impact of the tariff issues in U.S.

Vipin Goyal: Okay. So safer to assume like if you were to classify this industry, they would be like more on the standard cost and not on the custom...

Moderator: Sorry to interrupt, sir, Vipin, sir, may we request you to return to the question queue for a follow-up question as there are several participants waiting for their turn.

Vipin Goyal: Yes, I'll get back in the queue.

Deepak Acharya: Thank you.

Moderator: The next question is from the line of Vimal Sampath, an Individual Investor.

Vimal Sampath: Two questions. One is what is our capex for the current year, FY '26? And second, I was told -- I just heard in the market that whatever the tanks for automobiles we have supplied, there has been some issue and we have recalled some tanks and replaced. Can you explain more on that?

Deepak Acharya: Yes, we had some operational issues at the LNG fuel tank as well as some equipment had some issues. So we have recalled those few tanks, and we have supplied and we have developed a new-generation LNG fuel tank, and it is supplied to major OEMs now. And the trials, initial trials are very, very encouraging.

So whatever the small issues were there in the operational side because it's a new technology as such. The fueling stations are new, the people are new, the operators are new. So all such infrastructure is getting developed for this fuel tank. So these were operational issues and a few were related to our equipment as well. So we have plugged those issues and fixed all the problems. And whatever we have produced the new, they are working fantastic. No issues now.

Vimal Sampath: Okay. And what is our capex?

Deepak Acharya: It will be around INR80 crores for this year FY '25.

Vimal Sampath: This High view 3, 4 projects, what is the quantum value of -- if we get the orders, what is the value of those? Because they had mentioned they are bigger than what was -- what has been ordered. Yes.

Deepak Acharya: Yes. Very -- I mean, not right for me at this moment to tell you the numbers, but the projects are almost 5 to 6x bigger than the present projects we are executing.

Vimal Sampath: Okay, okay.

Deepak Acharya: Yes, thank you.

Moderator: The next question is from the line of Pritesh Chheda from Lucky Investments.

Pritesh Chheda: Yes, sir, from a slightly futuristic point of view, so the next 3 years, which are the bigger opportunities or which are the bigger sector areas which will generate growth or a larger business for us?

Deepak Acharya: So the major opportunities are going to come is in the LNG and Cryo Scientific Division. So whereas the IG sector definitely will have a good growth because of hydrogen, helium and ammonia and other sectors. But the major jump will come through the LNG prospects in India as well as in foreign countries.

And Cryo Scientific Division, especially we are expecting rather the Government of India has declared the third launch pad for the space department, which is a very big, I mean, project. So we'll be bidding very aggressively for this project as well. So these are the few important projects which are coming up.

And many other projects in the big science projects are there all over the world where we are bidding. And as you know, there are very few manufacturers in the world for this type of projects and INOX India is one of them. So our chances are much better as compared to our European and U.S. competitors.

Pritesh Chheda: So from a mix perspective, we will see a slightly higher share coming from LNG androgenic is industrial over the next 3 years. So that's the one indication. Second is when it comes to industrial, so the linkage incrementally or historically or incrementally has to do with the industrial activities, right? Barring hydrogen, which is a newer area, which get added. Otherwise, whatever is the industrial capex in chemicals or any other manufacturing link is where the industrial gas growth linkage should be developed?

Deepak Acharya: Yes, always. See, basically, the major additions are coming up in the steel sector now. Yesterday only I was reading Jindal Steel is putting a INR40,000 crores investment for their new steel plant coming up in Maharashtra. There are many such private players who are interested to put the air separation plants.

So that is going to be a big business because presently, India has the capacity to manufacture around 178 million to 180 million metric tons of steel. And by 2030 to cover almost 300 million metric tons. So that will be a huge demand for cryogenic equipment because of the expansion in steel industry through ASU plants.

Pritesh Chheda: So in industrial, which will be the biggest 2 sectors for us?

Deepak Acharya: So biggest 2, it will be steel and health care sector.

Pritesh Chheda: Okay. And my last question is on the cryogenic side. So here, the linkage has larger share will be space, right, in cryogenic?

Deepak Acharya: Yes. Space is there, a big science projects like CERN or nuclear physics research or maybe sort of the nuclear programs in Europe, these are the few big opportunities for us.

Pritesh Chheda: Some total the CAGR growth if you have to look at over the next 3 years, considering these -- the discussion that we had, what it should be, sir?

Deepak Acharya: Around 15% to 20%.

Moderator: The next question is from the line of Pravesh from FourLion Capital.

Pravesh: Congratulations on great set of numbers. My first question is on what is your outlook for IMO tanks, given that's a relatively high-volume business globally. So if you can give any indication on monthly numbers that you are targeting later this year or 2 years out, etcetera, given now we are competitive with the Chinese, as you mentioned, on the Australian contract? And the second question is on the adjacencies that you're looking at in terms of heat exchangers, vaults, tool boxes, et cetera. So where are we on that journey?

Deepak Acharya: So IMO is a very big market, frankly speaking, but it is a very competitive market as well. So as we grow in this business, the numbers will definitely run very high. And so far, because of our space limitations, we were not in a position to take the bigger orders. But now we have a very good line in Savli, we have established for such products.

So we are very competitive now, and we are producing the equipment much faster than what we could have produced earlier in our old plant. So this business is a very big business, and it is only dominated by China. But what we have seen is if we manufacture in a serial production, we can not directly compete, but we are just be in league with Chinese.

And we have very good reputation with the customers. So people prefer Indian products as compared to China products, even if it is 10%, 15% higher in price. So that advantage we are going to get. We don't say we'll produce in thousands. But yes, in hundreds, definitely we'll produce in coming years.

Pravesh: On the adjacencies?

Deepak Acharya: On the heat exchangers and other things and maybe the projects which are already in line, we are talking to several parties, and we are hopeful that in quarter 1 or quarter 2, we will have some good orders in hand. And once it is coming, we'll let you know.

Moderator: Due to time constraints, that was the last question. I now hand the conference over to the management for closing comments.

Deepak Acharya: Yes. Extremely thankful to all of you for participating in this conference call and very wide range of questions you asked. Hope we have answered to the best of our knowledge and the expertise we are having. And let us speak again after the quarter 1 is over, and we are very hopeful that whatever the targets we have set for the revenue as well as the margins, we'll try and achieve. And the market is looking very strong to us. Let's see how we can capture this. Thank you very much for attending this conference call.

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