

# INOXCVA<sup>®</sup>

## HISTORICALLY FUTURISTIC

# INOX INDIA LIMITED



(Please scan this QR code to view the Red Herring Prospectus)

Our Company was originally incorporated as a public limited company under the Companies Act, 1956 with the name "Baroda Oxygen Limited" at Gujarat, pursuant to a certificate of incorporation dated December 21, 1976, issued by the Registrar of Companies, Gujarat at Ahmedabad ("RoC") and received a certificate of commencement of business from the RoC on April 18, 1979. Subsequently, the name of our Company was changed from "Baroda Oxygen Limited" to "INOX India Limited", pursuant to a fresh certificate of incorporation issued by the RoC, recording the change in name on March 23, 1987. Further, the name of our Company was changed from "INOX India Limited" to "INOX India Private Limited", upon conversion into a private limited company, and a certificate of incorporation dated May 22, 2015, was issued by the RoC. The name of our Company was subsequently changed to "INOX India Limited", upon re-conversion into a public limited company, pursuant to a resolution passed by our Board on May 23, 2022, and a resolution passed by our Shareholders on June 15, 2022. A fresh certificate of incorporation dated July 14, 2022 was issued by the RoC consequent to the re-conversion of our Company into a public limited company. For details of the changes in registered office of our Company, see "History and Certain Corporate Matters" on page 263 of the red herring prospectus dated December 8, 2023 ("RHP" or "Red Herring Prospectus") filed with the RoC.

Registered and Corporate Office: 9<sup>th</sup> Floor, K P Platina, Racecourse, Vadodra - 390 007, Gujarat, India. Telephone: +91 265 6160100. Contact Person: Kamlesh Shinde, Company Secretary and Compliance Officer; Telephone: +91 26 5616 0145; E-mail: secretarial.in@inoxcva.com; Website: www.inoxcva.com

Corporate Identity Number: U99999GJ1976PLC018945

### OUR PROMOTERS: PAVAN KUMAR JAIN, NAYANTARA JAIN, SIDDHARTH JAIN AND ISHITA JAIN

INITIAL PUBLIC OFFERING OF UP TO 22,110,955 EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF INOX INDIA LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[•] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹[•] MILLION (THE "OFFER"). THE OFFER COMPRISES AN OFFER FOR SALE OF UP TO 22,110,955 EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("OFFERED SHARES") AGGREGATING UP TO ₹[•] MILLION, AS INDICATED BELOW.

#### DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF SELLING SHAREHOLDERS	TYPE	NO. OF EQUITY SHARES OFFERED	WACA* (IN ₹ PER EQUITY SHARE)	NAME OF SELLING SHAREHOLDERS	TYPE	NO. OF EQUITY SHARES OFFERED	WACA* (IN ₹ PER EQUITY SHARE)
Siddharth Jain	PSS	Up to 10,437,355 Equity Shares	5.36	Lata Rungta	OSS	Up to 190,000 Equity Shares	0.13
Pavan Kumar Jain	PSS	Up to 5,000,000 Equity Shares	2.15	Bharti Shah	OSS	Up to 13,400 Equity Shares	0.50
Nayantara Jain	PSS	Up to 5,000,000 Equity Shares	1.10	Kumud Gangwal	OSS	Up to 13,400 Equity Shares	0.50
Ishita Jain	PSS	Up to 1,200,000 Equity Shares	1.00	Suman Ajmera	OSS	Up to 13,400 Equity Shares	0.50
Manju Jain	OSS	Up to 230,000 Equity Shares	4.85	Rajni Mohata	OSS	Up to 13,400 Equity Shares	0.50

PSS: Promoter Selling Shareholder; OSS: Other Selling Shareholder; WACA: Weighted average cost of acquisition on fully diluted basis. \*As certified by K C Mehta & Co LLP, Chartered Accountants, by way of their certificate dated December 8, 2023.

Our Company is a manufacturer of a range of cryogenic equipment and offers solutions across design, engineering, manufacturing and installation of equipment and systems for cryogenic conditions.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations  
QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer | Retail Portion: Not less than 35% of the Offer

PRICE BAND: ₹ 627 TO ₹ 660 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.

THE FLOOR PRICE IS 313.5 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 330 TIMES THE FACE VALUE OF THE EQUITY SHARES.  
THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE COMPANY AT CAP PRICE IS 39.22 TIMES AND  
AT THE FLOOR PRICE IS 37.25 TIMES.

BIDS CAN BE MADE FOR A MINIMUM OF 22 EQUITY SHARES AND IN MULTIPLES OF 22 EQUITY SHARES THEREAFTER.

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated December 9, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for the Offer Price' section on pages 166 to 170 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

#### RISK TO INVESTORS

- Concentration of manufacturing facilities risk:** Our business is dependent and will continue to depend on our three manufacturing facilities located in Gujarat at Kalol and the Kandla Special Economic Zone and in Silvassa in the Union Territory of Dadra and Nagar Haveli. 100% of our revenue from operations in the six months ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 was derived from products manufactured at our three manufacturing facilities. During Fiscal 2023 and the six months ended September 30, 2023, our Kalol manufacturing facility contributed 69.30% and 57.92% to our revenue from operations, respectively. We are subject to certain risks in our manufacturing processes such as the breakdown or failure of equipment and industrial accidents that could lead to interruptions in our business operations, which may, in turn, adversely affect our production schedules, costs and sales and our ability to meet customer demand.
- Customer concentration risk:** We are dependent on a limited number of customers and projects. Cancellation by customers or delays or reductions in their orders could have a material adverse effect on our business, results of operations and financial condition. The table below sets forth a breakdown of our revenue from operations for the periods indicated from our largest customer, top 10 and top 20 customers as a percentage of our revenue from operations.

Particulars	Six months ended September 30, 2023		Six months ended September 30, 2022		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Largest Customer	812.25	14.39 %	634.96	13.04%	1,116.60	11.56%	714.73	9.13%	704.92	11.87%
Top 10 Customers	3,160.44	55.97%	2,416.84	49.65%	4,492.95	46.52%	2,826.51	36.11%	2,328.71	39.22%
Top 20 Customers	4,108.46	72.77%	3,214.52	66.03%	5,848.95	60.55%	3,738.65	47.77%	3,064.13	51.60%

- Dependency on export markets:** We are substantially dependent on our export sales. Exports constituted 62.18%, 38.13%, 45.83%, 34.29% and 34.65% of our revenue from operations for the six months ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively. A slowdown in our exports due to tariffs and trade barriers and international sanctions could adversely affect our business, results of operations and financial condition.
- Supplier concentration risk:** We are dependent on a limited number of suppliers for some of our raw materials. Any disruptions in the availability of raw materials that meet our design or quality specifications, or any fluctuations in raw material prices, may cause us to fail to meet our product and service delivery timelines and adversely affect our business and results of operations. The table below sets forth the value of raw materials supplied by our top five and top ten suppliers and as a percentage of our total consolidated value of raw materials supplied for the periods indicated. The cost of our consolidated imported raw materials as a percentage of total raw material purchases for Fiscal 2023 and the six months ended September 30, 2023 was 18.51% and 21.84% respectively.

Particulars	Six months ended September 30, 2023		Six months ended September 30, 2022		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Top 5 Suppliers	1,229.21	49.31%	1,544.69	54.20%	2,718.63	53.22%	2,885.68	53.92%	1,209.34	50.12%
Top 10 Suppliers	1,416.89	56.84%	1,837.68	64.48%	3,193.19	62.51%	3,274.55	61.19%	1,395.73	57.84%

- Cryogen leakage and health hazards related risk:** Due to cryogenic gases being stored at very low temperatures, their leakage poses health hazards and risks. (Source: CRISIL Report, November 2023). Although we have had no incidents of cryogen leakage in the six months ended September 30, 2023, and in Fiscal 2023, Fiscal 2022 and Fiscal 2021, we face an inherent risk of exposure to claims in the event that the failure, use, or misuse of our products due to the high pressures and low temperatures at which many of our cryogenic products are used and the inherent risks associated with concentrated industrial and hydrocarbon gases.
- Trademark and license related risk:** We do not own the name "INOX" and have been permitted to use the same pursuant to a name license agreement dated June 6, 2022 with its owners, namely the Jain family represented by Pavan Kumar Jain, one of our Promoters. No amounts have been paid under the said name license agreement in the six months ended September 30, 2023, and in Fiscal 2023, Fiscal 2022 and Fiscal 2021. Pavan Kumar Jain has acquired such trademark registrations for the INOX name with effect from April 12, 2023.
- Sector concentration risk:** Our business is concentrated on the Industrial Gas sector. Any factors leading to a decline in the Industrial Gas sector could materially and adversely affect our business, results of operations and financial condition. For Fiscal 2023 and the six months ended September 30, 2023, our industrial gas business division contributed 70.88% and 64.00%, our LNG business division contributed 24.89% and 30.53%, and our Cryo Scientific business division contributed 4.23% and 5.47%, each, towards our revenue from operations, respectively.

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