

Inox India Limited

August 05, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	-	-	Reaffirmed at CARE AA-; Stable / CARE A1+ and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE AA-; Stable/CARE A1+' assigned to bank facilities of Inox India Limited (IIL) with immediate effect. The above action has been taken at the request of IIL and 'No Objection Certificate' received from the banks that have extended the facilities rated by CareEdge Ratings.

Ratings continue to derive strength from extensive experience of IIL in the cryogenic tanks sector and its strong market position. IIL is India's leading manufacturer of cryogenic storage tanks, holding a substantial presence in industrial gases and liquefied natural gas (LNG). Ratings also factor in the extensive experience of promoters being part of the restructured Inox Group under the Pavan Jain faction (comprising other group entities – Inox Air Products Ltd and having 16.85% stake in PVR Inox Pictures), established operational track record and diversified revenue profile across the industrial gases and LNG segments, and intermittent orders from the International Thermonuclear Experimental Reactor project (ITER). The company's financial risk profile continues to remain robust with comfortable capital structure and debt coverage indicators.

The above rating strengths, continue to be tempered by exposure to raw material price risks, currency fluctuations, competition in the global market, and the working capital intensive operations.

Analytical approach: Consolidated

A consolidated approach has been adopted for IIL as the entities are in the same line of business, enabling unified financial reporting and a comprehensive view of the company's performance. List of entities consolidated is placed at **Annexure-6**.

Detailed description of the key rating drivers:

Key strengths

Leadership position in the domestic cryogenics industrial segment

IIL is a strong player in cryogenic equipment for industrial gases and has maintained its leadership position in this segment in India, with over 70% market share in the domestic market. The company also plans to expand its presence in the cryo-bio and life-sciences segment with new products developed for vaccines, stem cells, blood and bio-specimens. The company has developed an entire range of new transport equipment with payload specifications.

Steady operational performance in FY25

Considering healthy demand momentum, IIL's total operating income (TOI) increased from ₹1,137.05 crore in FY24 to ₹1,312.58 crore in FY25, registering year-over-year (y-o-y) growth of 15.44%. The company's operating profitability margin remained steady at 22.29% (PY: 22.55%). Profit after tax (PAT) margin remained broadly stable at 17.22% in FY25 compared to 17.24% in FY24, supported by continued demand strength and stable operational performance. The company's export contribution improved significantly from 50% in FY24 to 64% in FY25, reflecting its expanding global market presence.

Part of the Inox Group (under Pavan Jain faction)

IIL is a part of the restructured Inox group (under the Pavan Jain faction). The group has interests in other sectors such as industrial gases and entertainment. The company's day-to-day operations are managed by Deepak Acharya, who is the Chief Executive Officer, and has over 35 years' experience, including that of specialisation in fabrication of large pressure vessels, coded vessels and cryogenic tanks, with specialisation in cryogenic welding techniques. Siddharth Jain, an alumnus of the University of Michigan, Ann Arbor, with a degree in Mechanical Engineering and a MBA from INSEAD, is the Executive Director at IIL.

Comfortable capital structure and strong debt coverage indicators

The company has strong debt coverage indicators, characterised by overall gearing (including customer advances) of 0.50x as on March 31, 2025 (PY: 0.42x), primarily reflecting higher customer advances linked to project executions. Despite an increase in total debt levels, the capital structure remained conservative, supported by healthy growth in net worth and steady profitability. The company's debt coverage indicators, marked by interest coverage and total debt to gross cash accrual (TD/GCA), stood at comfortable levels, aided by a modest rise in finance costs and continued healthy cash accruals.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications

Liquidity: Strong

The company has strong liquidity profile, backed by cash and bank balance of ₹288.94 crore as on March 31, 2025. GCAs stood at ₹254.87 crore in FY25 with no term debt repayment obligations. There was minimal utilisation of its fund based, and non-fund based working capital limits for the last 12 months ended March 2025.

Key weaknesses
Exposed to competitive intensity in India and international markets

The company is a leading player in the industrial gases segment in the domestic market. The other players in the industry are relatively smaller compared to IIL. The industry is characterised by higher entry barriers due to approvals required from government agencies. The company's scale of operations is relatively modest and it is not a very large player in the global market.

Working capital intensive operations

IIL has working capital intensive operations characterised by higher inventory holdings, though there was an improvement in FY25 with inventory days reducing from 186 days in FY24 to 174 days. This improvement was supported by better inventory management despite the inherent long production cycles, high-cost inventory items, and the need to manage a global supply chain for customised products. The conversion cycle continues to vary depending on the type of tanks supplied, ranging from one month to over a year. A large part of IIL's working capital requirement continues to be funded through internal accruals and healthy customer advances, resulting in minimal reliance on bank borrowings.

Susceptibility to raw material price risk and currency risk

The principal raw material required for manufacturing cryogenic tanks is stainless steel. Steel prices have depicted significant volatility in recent past. The company procures majority steel requirements from the domestic market. Since the company purchases raw materials immediately after an order is received, the raw material price risk is mitigated to an extent. The company operates internationally too, with transactions being entered in several currencies. However, the company is primarily exposed to the foreign currency risk against US\$. The company does not has a formal hedging policy, although a portion of the forex exposure is hedged naturally.

Environment, social, and governance (ESG) risks

Particulars	Risk factors
Environmental	The company has received approval from Gujarat Pollution Control Board (GPCB) for setting up the new plant and approval for non-agricultural use for six of eight survey numbers of Savli Land.
Social	<ul style="list-style-type: none"> • Healthcare Services: IIL's Mobile Health Unit, in collaboration with the Shroff Foundation Trust, provides essential medical care to over 5200 individuals in seven villages near the INOXCVA Kalol Plant, focusing on elderly citizens through weekly visits and home check-ups. • Education Support: The Udayan Shalini Project, supported by INOXCVA, aids 50 underprivileged girls from Kalol and Vadodara, helping them pursue higher education for five years until graduation. • Community Outreach: The Mobile Health Unit uses a VAN with doctors and paramedics to offer medical services and check-ups in the villages, emphasising home visits for elderly individuals living alone.
Governance	No governance issues per auditor's report nor qualified opinion. 50% board members comprise independent directors.

Applicable criteria
[Consolidation](#)
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Withdrawal Policy](#)
[Short Term Instruments](#)

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Other industrial products

Incorporated in 1992, INOX India Limited (IIL) is a part of the restructured Inox Group promoted by Pavan Kumar Jain and Siddhartha Jain. INOX India Limited is the leading manufacturer of cryogenic storage tanks in India, holding a significant market share in cryogenic tanks, industrial gases, and LNG. The company operates manufacturing facilities at Kalol, Kandla, Bhachau and Silvassa, exporting to over 100 countries. The company caters a wide range of industries, including industrial gases, liquefied natural gas, green hydrogen, energy, steel, fishing, agriculture, irrigation, medical and healthcare, chemicals and fertilizers, aviation and aerospace, pharmaceuticals, and construction.

Brief Consolidated Financials (₹ crore)	FY24 (A)	FY25 (A)
Total operating income	1,137.05	1,312.58
PBILDT	256.44	292.55
PAT	196.00	226.03
Overall gearing (times)	0.42	0.50
Interest coverage (times)	45.23	34.24

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

List of all the entities consolidated – Annexure-6

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Cash Credit		-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-BG/LC		-	-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-Cash Credit	LT/ST	-	-	-	1)CARE AA-; Stable / CARE A1+ (03-Jul-24)	1)CARE AA-; Stable / CARE A1+ (04-Jul-23)	1)CARE AA-; Stable / CARE A1+ (10-Jan-23)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	-	-	-	1)CARE AA-; Stable / CARE A1+ (03-Jul-24)	1)CARE AA-; Stable / CARE A1+ (04-Jul-23)	1)CARE AA-; Stable / CARE A1+ (10-Jan-23)

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Cash Credit	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)**Annexure-6: List of all the entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	INOXCVA Comercio E Industria De Equipamentos Criogenicos Ltd, Brazil	Full	Wholly owned subsidiary
2	INOXCVA Europe BV	Full	Wholly owned subsidiary

Note on the complexity levels of the rated instruments: CareEdge Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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