

ABOUT THE COMPANY: Ellenbarrie Industrial Gases Limited is one of the oldest industrial gases companies in India, with a legacy spanning over five decades since its incorporation. The company manufactures and supplies a wide range of gases, including oxygen, nitrogen, carbon dioxide, hydrogen, helium, argon, acetylene, nitrous oxide, synthetic air, medical oxygen, LPG, welding mixtures, dry ice, and specialty gases.

KEY BUSINESS INSIGHTS: In industrial gases segment customers tend to be sticky, even in the case of Ellenbarrie 85% of revenue in FY 25 came from repeat customers. The company has 1829 customers which is a diversified customers considering B2B nature of the business. The company has three modes of delivery namely bulk, package and onsite. In bulk mode liquefied gases are delivered to customers through cryogenic tankers. For package customers gases are supplied in cylinders and in the case of on-site customers a facility is set up in the premises of the client itself. Around 66% of customers are bulk customers for Ellenbarrie. Although the government does not release any comprehensive data on the industrial gases industry, as a rule of thumb this industry grows at around 4X the rate of growth of real GDP in case of developing nations and 2X the rate of GDP in case of developed nations. In case of India on a conservative side it can be assumed to be 3X which is around 10 to 12 % per year.

VIEW:

The company has delivered robust financial performance, with EBITDA rising at a CAGR of 81%—from ₹33.5 Cr in FY23 to ₹109.7 Cr in FY25— while PAT nearly tripled to ₹83.2 Cr. The IPO is attractively valued at 63x FY25 earnings at the upper price band, especially when benchmarked against its sole listed peer trading at 126x PE. Though the price-to-book ratio stands at 16x, slightly above the peer’s 15x. The company’s market leadership in industrial gases, backed by a long operating track record, reflects strong fundamentals and resilience.

The company has right levers in place and has the potential to grow in the long term, we recommend to **SUBSCRIBE** the IPO for **LONG TERM** gains.



ISSUE DETAILS	
Price Band (in ₹ per share)	380.00-400.00
Issue size (in ₹ Crore)	852.53
Fresh Issue (in ₹ Crore)	452.53
Offer for Sale (in ₹ Crore)	400.00
Issue Open Date	24.06.2025
Issue Close Date	26.06.2025
Tentative Date of Allotment	27.06.2025
Tentative Date of Listing	01.07.2025
Total Number of Shares (in lakhs)	213.13
Face Value (in ₹)	2.00
Exchanges to be Listed on	BSE & NSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	37	14,800
Retail (Max)	13	481	1,92,400
S-HNI (Min)	14	518	2,07,200
S-HNI (Max)	67	2479	9,91,600
B-HNI (Min)	68	2516	10,06,400

BRLMs: Motilal Oswal Investment Advisors Limited, IIFL Capital Services Limited, JM Financial Limited

PROMOTERS: Padam Kumar Agarwala, Varun Agarwal

BRIEF FINANCIALS			
PARTICULARS (Rs. Cr) *	FY25	FY24	FY23
Share Capital	26.18***	6.54	6.54
Net Worth	333.61	250.15	203.32
Revenue from Operations	312.48	269.47	205.10
EBITDA	109.73	61.53	33.58
EBITDA Margin (%)	35.12	22.83	16.38
Profit/(Loss) After Tax	83.28	45.28	28.14
EPS (in Rs.)	6.36	3.46	2.15
Net Asset Value (in Rs.)	25.48	19.11	15.53
Total borrowings	245.29	176.89	101.10
P/E [#]	62.89	NA	NA
P/B [#]	15.70	NA	NA

*Restated consolidated financials; # Calculated at Upper Price Band (400), ***In June 2024, Bonus issue of 1: 3 and split of shares in April 2024

OBJECTS OF THE OFFER

The company proposes to utilise the Net Proceeds towards funding the following objects:

- ◆ Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company. (210 Crores)
- ◆ Setting up of an air separation unit at the Uluberia-II plant with a capacity of 220 TPD. (104.50 Crores)
- ◆ General corporate purposes.

FINANCIAL STATEMENTS

Profit & Loss Statement

Particulars (In Crores)	FY2023	FY2024	FY2025
INCOME			
Revenue from operations	205.11	269.48	312.48
Other Income	18.60	20.73	35.95
Total Income	223.71	290.20	348.43
YoY Growth (%)	-	29.72%	20.06%
Cost of Materials Consumed	4.11	3.83	3.19
Purchase of Stock in Trade	22.22	53.38	33.30
Changes in inventories of finished goods, stock-in-trade & work-in-progress	-0.46	-2.32	-0.78
Power Expense	73.97	77.66	74.92
Power Expense-% of Revenue	36.07%	28.82%	23.97%
Employee Benefit Expenses	14.41	16.06	22.76
Other Expenses	50.94	54.70	67.23
Impairment loss on financial assets	6.32	4.64	2.13
EBIDTA	33.59	61.53	109.74
EBIDTA Margin (%)	15.01%	21.20%	31.49%
Depreciation and amortisation expense	11.38	10.01	20.72
EBIT	22.21	51.52	89.02
EBIT Margin (%)	9.93%	17.75%	25.55%
Finance cost	3.55	8.03	17.14
Profit before tax	37.26	64.22	107.83
Tax expenses			
Current tax	10.75	11.99	19.11
Prior year tax	0.47	-	0.23
Deferred tax	-2.10	6.94	5.20
Total tax expenses	9.12	18.93	24.54
Profit for the year	28.14	45.29	83.29
PAT Margin (%)	13.72%	16.81%	26.65%
Earnings per share			
Basic earnings per share (₹)	2.15	3.46	6.36

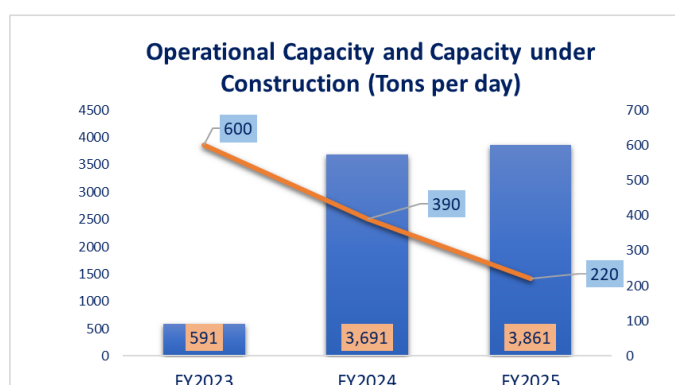
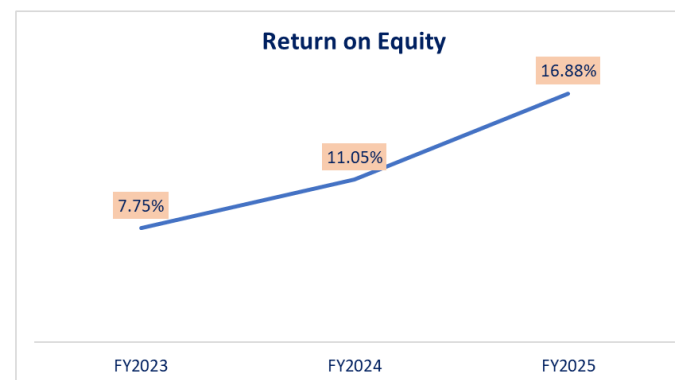
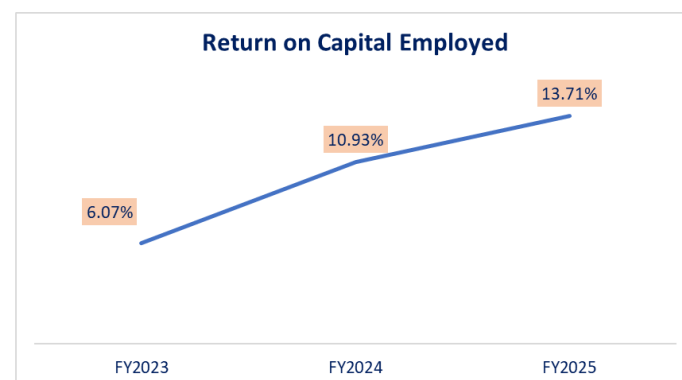
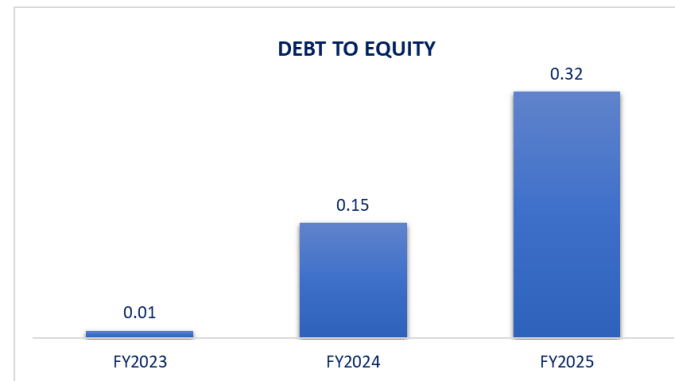
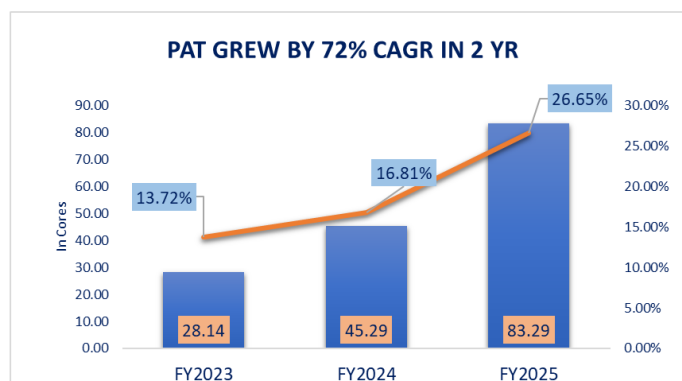
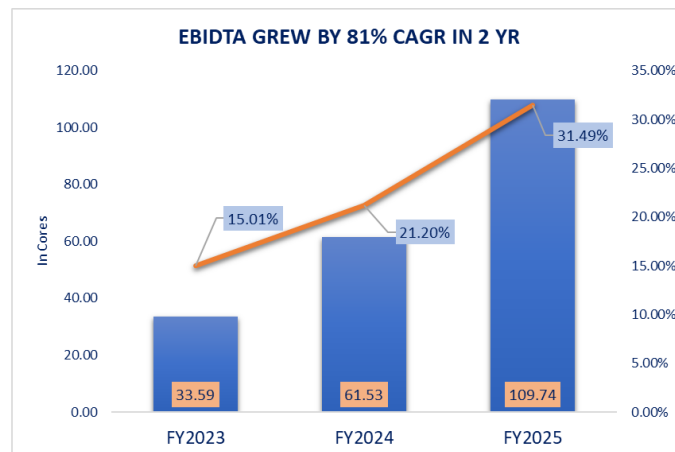
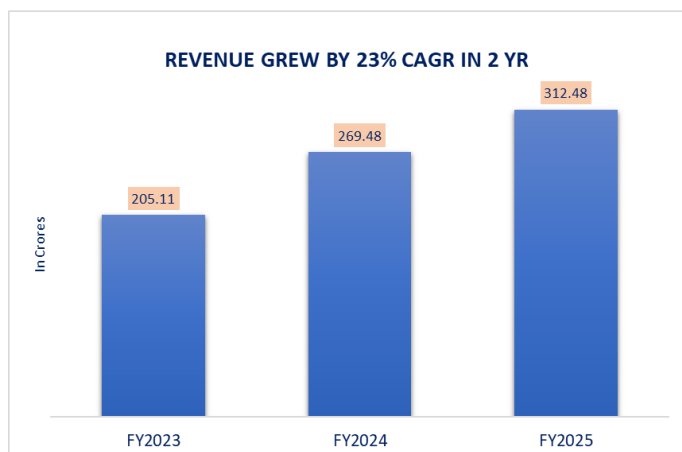
Cashflow Statement

Particulars (In Crores)	FY2023	FY2024	FY2025
Cash generated from operating activities	49.55	49.82	11.65
Income tax paid (net of refunds)	-10.80	-6.07	-7.38
Net cash generated from operating activities	38.75	43.75	4.28
Net cash used in investing activities	-114.23	-121.70	-56.93
Net cash used in financing activities	86.60	67.48	51.92
Net increase/ (decrease) in cash and cash equivalents	11.11	-10.47	-0.73
Balance as at beginning	0.28	11.40	0.92
Cash and cash equivalent as at year end	11.40	0.93	0.18

Balance Sheet

Particulars (In Crores)	FY2023	FY2024	FY2025
Assets			
Non-current assets			
Property, plant and equipment	181.50	329.30	337.59
Capital Work in Progress	71.41	0.42	45.30
Right of use assets	2.20	1.33	1.23
Other intangible assets	0.30	0.20	0.12
Financial assets			
(i) Investments	27.19	57.87	107.74
(ii) Other financial assets	-	-	1.00
(iii) Loans	-	8.00	5.75
(iv) Other financial assets	45.83	43.95	100.43
Non current tax assets (net)	14.44	8.52	3.02
Other non-current assets	18.50	19.04	34.80
Total non- current assets	361.35	468.62	636.97
Current Asset			
Inventories	8.42	11.01	14.19
Financial assets			
(i) Investments	83.67	111.84	86.56
(ii) Trade receivables	39.40	45.32	82.62
(ii) Cash and cash equivalents	11.40	0.92	0.18
(iv) Bank Balance Other than ii	3.21	2.83	2.84
(v) Loans	19.40	10.00	4.00
(vi) Other financial assets	5.08	5.34	4.27
Other current assets	19.36	16.67	14.34
Total current Asset	189.92	203.92	209.00
Total assets	551.27	672.54	845.97
Equity and liabilities			
Equity			
Equity Share Capital	6.55	6.55	26.19
Other Equity	356.51	403.35	467.17
Total equity	363.06	409.89	493.36
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowings	56.14	94.98	146.73
(ii) Lease liabilities	1.53	0.67	1.13
(iii) Other Financial Liabilities	-	-	2.00
Provisions	5.00	5.58	8.47
Deferred tax liabilities (net)	18.81	26.08	31.00
Other Non Current liabilities	-	-	15.29
Total Non-Current liabilities	81.48	127.30	204.63
Current liabilities			
Financial liabilities			
(i) Borrowings	44.97	81.92	98.57
(ii) Lease liabilities	0.87	0.86	0.19
(iii) Trade payables			
Due to MSME	0.44	0.93	0.50
Due to other than MSME	17.19	16.81	13.55
(iv) Other financial liabilities	15.65	16.29	19.85
Other current liabilities	27.36	18.52	8.27
Provisions	0.27	0.02	0.60
Current tax liabilities (net)	-	-	6.45
Total Current liabilities	106.73	135.34	147.98
Total liabilities	188.21	262.64	352.61
Total equity and liabilities	551.27	672.54	845.97

PERFORMANCE THROUGH CHARTS



INDUSTRY REVIEW

INDIA INDUSTRIAL GASES MARKET OVERVIEW

India’s industrial gases market, valued at \$1.31 billion in 2024, has grown at a 6.3% CAGR since 2018, fueled by industrialization, hydrogen adoption, and technological advances. Government initiatives like ‘Make in India’ and the push for import substitution, coupled with rising demand across steel, pharma, defense, and electronics, are key drivers. With continued sectoral growth and efficiency improvements, the market is projected to reach \$1.75 billion by 2028, reflecting a robust 7.5% CAGR

GOVERNMENT OF INDIA POLICIES

India’s medical oxygen production has significantly expanded through joint investments and collaboration between public and private sectors. Initiatives like the National Oxygen Supply Program, PMJAY, and the PM CARES Fund have driven the establishment of new plants and upgrades of existing facilities. Streamlined regulations, fast-tracked approvals, and improved transportation logistics have further accelerated capacity growth, enabling reliable oxygen access across remote regions. These measures have strengthened infrastructure and encouraged sustained private sector engagement in oxygen supply enhancement.

COMPETITIVE STRENGTHS OF THE COMPANY

COMPREHENSIVE PRODUCT PORTFOLIO, CATERING TO DIVERSE END-USE INDUSTRIES

The company manufactures a broad range of industrial gases—including oxygen, nitrogen, argon, helium, hydrogen, carbon dioxide, nitrous oxide, and acetylene—catering to sectors like shipbuilding, glass and steel manufacturing, pharmaceuticals, and fabrication, where consistent supply is vital. It also provides dry ice, firefighting gases, LPG, medical oxygen, synthetic air, and specialty mixtures tailored to critical applications such as respiratory support. Leveraging its engineering expertise, the company undertakes turnkey projects involving design, supply, and installation of tonnage ASUs, while helping clients reduce carbon emissions through enhanced efficiency and energy optimization

LONG-STANDING CUSTOMER RELATIONSHIPS LEADING TO STABLE CASHFLOWS

The industrial gases industry exhibits strong customer retention, especially among large clients, due to long-term pipeline contracts of 15–20 years that make supplier shifts financially and operationally burdensome. The company serves (i) bulk customers via cryogenic tankers, (ii) package customers via cylinders, and (iii) onsite customers including O&M services. Bulk customer stickiness is reinforced by company-owned unloading infrastructure, which competitors cannot use without regulatory approvals, reducing churn. As of March 31, 2025, the company had 328 bulk customers with average contract tenures of five years and renewal flexibility.

DIVERSIFIED CUSTOMER BASE, MINIMIZING CONCENTRATION RISKS

The company supplies critical industrial gases to the Indian armed forces, including bases of the Air Force and Navy, and to government laboratories for applications such as weapons and ship manufacturing, aircraft pneumatics, and life-support for pilots and divers. It also serves space research agencies, AIIMS hospitals, and railway workshops. A trusted contributor to India’s space and defence programs, its products—like liquid nitrogen—support satellite testing. In Fiscal 2025, it reported ₹3,124.83 million in revenue, with 27.33% from government clients and the remainder from a well-diversified private customer base.

RISK FACTORS

FACILITIES AT SITES OF CUSTOMERS

- As of March 31, 2025, four of its facilities are located at the sites of its customers. Two of its facilities in Kharagpur, West Bengal are located at the site of one of its customers, a major steel manufacturing company in India, and its facility at Kurnool, Andhra Pradesh is located at the site of its customer, Jairaj Ispat Limited, each pursuant to lease cum operation and maintenance agreements dated February 28, 2019 and June 1, 2021, respectively, for a period of 15 years each.
- While The company have a long operating history in terms of supply of industrial gas, The company have only commenced onsite operations at its customers' premises in 2019. Accordingly, the company may face unforeseen challenges in these operations, including disputes with the relevant customers, allegations that the company have failed to comply with its obligations under the respective agreements or inability to supply the required amount of gases.

RISKS ASSOCIATED WITH THE PRODUCTS

- The intrinsic properties of industrial gases manufactured, transformed or packaged by the company makes them hazardous. The use of these industrial gases requires specific means of control and protection in order to prevent risks such as anoxia, which is associated with inert gases; over-oxygenation or fires, associated with oxygen and oxygen mixtures or flammable gases; and the toxicity associated with certain specialty gases.
- Its manufacturing processes involve very low-temperature techniques, which are associated with a risk of cryogenic burns from liquefied gases. Further, high-temperature techniques, which are used in particular in the production of hydrogen, are particularly prone to risks of burns, fire or explosions. Pressurized equipment must be designed with safety devices which limit the risk of accidents caused by an uncontrolled increase of pressure.
- The company are required to deliver its products to customers through cylinders, cryogenic tankers and via pipelines. Accordingly, the company are subject to risks associated with distribution of such gases such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage, destruction of inventory of finished goods and environmental contamination.

REGULATORY REQUIREMENTS

- Its operations are subject to extensive government regulations and the company are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which the company operate, generally for carrying out its business and for its facilities.
- Several of these approvals are granted for a limited duration. These approvals expire from time to time and the company are required to make applications for renewal of such approvals. As on the date of this Red Herring Prospectus, its Company has obtained all material approvals in relation to its business, except no objection certificate from relevant state fire department for its facility situated at Uluberia, which has expired and its Company has applied for renewal.
- Its business is also subject to inspections under certain applicable laws including the Legal Metrology Act, 2009. Further, approvals required by the company are subject to numerous conditions, such as regularly monitoring emissions in the work environment and segregating and disposing of waste as per the guidelines laid down in its environmental clearance approval, and The company cannot assure you that these conditions will be met at all times or that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

PEER COMPARISON							
Name of the company	Total Income (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
Ellenbarrie Industrial Gases Limited	335	2	6.36	25.48	24.97	63^	16^
Linde India Limited	1,257	10	53.33	447.91	11.91	126	15

Financials are as of FY2025^ Calculated at upper price bands. *Calculated at closing of 19th June 2025



Canara Bank Securities Ltd.

(A Wholly Owned Subsidiary of Canara Bank)



Research Desk

Canara Bank Securities Ltd

SEBI: RESEARCH ANALYST REGISTRATION: INH000001253

BSE: INB 011280238, BSE F&O: INF 011280238

NSE: INB 23180232, F&O: INF 231280232, CDS: 231280232

Maker Chambers III, 7th floor,

Nariman Point, Mumbai 400021

Contact No. : 022 - 43603861/62/63

Email id: researchdesk@canmoney.in

Analyst Certification

We/I, Sankita V, MBA, Mcom Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Disclosures and Disclaimers

CANARA BANK SECURITIES LTD (CBSL), a wholly owned subsidiary of CANARA BANK, is a SEBI registered intermediary offering broking services to its institutional and retail clients; we also run a proprietary trading desk. CBSL is member of BSE & NSE. We are registered as RESEARCH ANALYST under SEBI (INH000001253). CBSL or its associates do not have an investment banking business. Hence, they do not manage or co manage any public issue. Neither CBSL nor its associates, neither the research analysts nor their associates nor his/her relatives (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the end of the month immediately preceding the date of publication of the research report OR date of the public appearance (iv) have received any compensation from the subject company in the past twelve months (v) have received any compensation for investment banking merchant banking or brokerage services from the subject company in the past twelve months (vi) have received any compensation for any other product or services from the subject company in the past twelve months (vii) have received any compensation or other benefits from the subject company or third party in connection with the research report. (viii) Research Analyst involved in the preparation of Research report discloses that he /she has not served as an officer, director, or employee of subject company (ix) is involved in market making activity of the company.

We shall adhere to SEBI guidelines from time to time.

We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of CBSL. The Research Desk does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of CBSL. CBSL will not treat recipients as clients by virtue of their receiving the research report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, the Research Desk does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive it. The securities discussed in the report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive the research report should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in the research report and of evaluating the merits and risks involved in the securities forming the subject matter of the reports. All projections and forecasts in research reports have been prepared by our research team.

The client should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by CBSL For these reasons; The client should only consider the projections and forecasts described in the research reports after carefully evaluating all of the information in the report, including the assumptions underlying such projections and forecasts. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. CBSL or its research team involved in the preparation of the research reports, accept no liabilities for any loss or damage of any kind arising out of the use of these reports. The technical levels and trend etc mentioned in our reports are purely based on some technical charts/levels plotted by software used by us and these charts/levels are believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. The recommendation expressed in the reports may be subject to change. The recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. This research reports are for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of CBSL. The Research reports or any portion hereof may not be printed, sold or distributed without the written consent of CBSL. The research report is strictly confidential and is being furnished to client solely for client's information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely based on certain assumptions & calculations and are given as part of the normal research activity of CBSL and are given as of this date and may be subject to change. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. The report has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Any opinions and projections contained herein are entirely based on certain assumptions and calculations. None of the directors of the company or any other persons in the research team accepts any liability whatsoever for any loss arising from any use of the research report or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that the client has read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India (SEBI) before investing in Securities Market. Please remember that investment in stock market is subject to market risk and investors/traders need to do study before taking any position in the market.