



## IPO Note

### Ellenbarrie Industrial Gases Limited

Recommendation: **AVOID!**

#### Company Background –

- **Incorporation:** Ellenbarrie Industrial Gases Limited was originally incorporated on Nov 23, 1973. The registered office is located at Calcutta.
- **Business Activity:** The company is engaged in manufacture and supply of industrial gases.
- **Revenue Stream:** The company generates majority of its revenue from pharmaceuticals, chemicals and steel sector.
- **Human Resource:** The company had 281 permanent employees as of Mar 31, 2025.

#### Objects of the Issue –

1. Repayment or prepayment of all or part of certain outstanding borrowings availed by Company
2. Setting up of an air separation unit at Uluberia-II plant with a capacity of 220 TPD
3. General corporate purposes

#### Promoters Name –

Padam Kumar Agarwala and Varun Agarwal

#### Rationale for recommendation –

**Ellenbarrie Industrial Gases Limited** has a long operating history since 1973 and is backed by experienced promoters and good management. The company has shown consistent financial improvement with revenue growth of 31.38% in FY24 and 15.96% in FY25, along with improving EBITDA and PAT margins due to reduced material and power costs. However, the post-IPO P/E of 73.12x makes it **highly priced** and under-utilization of hydrogen electrolyzer and cylinder filling stations at certain plants indicates operational inefficiencies. Given the high valuation despite sectoral growth potential, we recommend to **AVOID** this IPO for now and track post-listing performance before considering investment.

#### IPO Details

Opening Date	Jun 24, 2025
Closing Date	Jun 26, 2025
Allotment Date	Jun 27, 2025
Listing Date	Jul 01, 2025
Stock Exchange	BSE, NSE
Lot Size	37 Shares
Issue Price Per Share	₹380 - ₹400 per share
Issue Size	₹852.53 Cr.
Fresh Issue	₹400.00 Cr.
Offer for Sale	₹452.53 Cr.
	₹ 14,800 –
Application Amt	₹ 1,92,400 (37 to 481 shares)

#### INDUSTRY – Industrial Gases

Avg. PE ratio as per RHP – 140.74

	KPIs			(In Crores)
KPI's	FY 23	FY 24	FY 25	
Revenue	205.11	269.48	312.48	
EBITDA	52.19	82.26	145.69	
Net Profit	28.14	45.29	83.29	
RoCE	9.18%	13.45%	17.90%	
ROE	7.75%	11.05%	16.88%	
P/E	186.05	115.61	62.89	

#### Promoter Share Holding Pattern

Pre-Issue	Post Issue
96.46%	75.53%

#### Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	6.36	5.47
BVPS	37.68	88.40
P/E	62.89	73.12
P/BV	10.62	4.52
Mkt Cap (In Cr)	5,237.42	6,089.95

\*Annualized

#### Lead Managers –

- Motilal Oswal Investment Advisors Limited
- IIFL Capital Services Limited
- JM Financial Limited

#### Registrar –

KFin Technologies Limited

## Business Overview –

**Ellenbarrie Industrial Gases Limited** manufacture and supply industrial gases including oxygen, carbon dioxide, acetylene, nitrogen, helium, hydrogen, argon and nitrous oxide, as well as dry ice, synthetic air, firefighting gases, medical oxygen, liquid petroleum gas, welding mixture and speciality gases catering to a wide range of end-use industries. The company service offerings include project engineering services, where they leverage extensive technical know-how for the design, engineering, supply, installation and commissioning of tonnage air separation units ("ASUs") and related projects on a turnkey basis for customers across several sectors.

## Company's Technologies –

1. **Cryogenic Air Separation Plant** – Separate atmospheric air into its primary components – Nitrogen, Oxygen and Argon – using cryogenic distillation.
2. **Cryogenic Nitrogen Plant** – Produce high-purity nitrogen from atmospheric air using cryogenic distillation.
3. **Pressure Swing Adsorption Gas Plant** – Separates and purifies gases from air or gas mixtures.
4. **Vacuum Pressure Swing Adsorption Gas Plant** – Improves the efficiency of Pressure Swing Adsorption.
5. **Hydrogen Generation Plant** – Produces high-purity hydrogen by splitting water into hydrogen and oxygen using electricity.

## Company's Product Portfolio -

<b>Steel</b> <b>Oxygen</b> <ul style="list-style-type: none"> <li>Air enrichment in Blast Furnace</li> <li>Oxygen Assisted melting in Arc Furnace</li> <li>Bloom and Ingot Cutting</li> <li>Scrap Reprocessing</li> <li>Manufacture of Ferro Alloys</li> </ul> <b>Nitrogen</b> <ul style="list-style-type: none"> <li>Converter blowing for Stainless and Special Steel</li> <li>Pulverised Coal Injection in Blast Furnace</li> <li>Blanketing in Blast Furnace</li> </ul> <b>Argon</b> <ul style="list-style-type: none"> <li>Converter blowing for Stainless Steel</li> <li>Manufacture of Ferro Alloys</li> </ul>	<b>Engineering and Infrastructure</b> <b>Oxygen</b> <ul style="list-style-type: none"> <li>Steel cutting and welding</li> </ul> <b>Acetylene</b> <ul style="list-style-type: none"> <li>Steel cutting and welding</li> </ul> <b>Argon, CO2 and their mixtures</b> <ul style="list-style-type: none"> <li>Shielded Arc welding, MIG, TIG welding</li> </ul>	<b>Healthcare</b> <b>Oxygen</b> <ul style="list-style-type: none"> <li>Assisted breathing</li> </ul> <b>Nitrous Oxide</b> <ul style="list-style-type: none"> <li>Anaesthetic</li> </ul> <b>Carbon Dioxide</b> <ul style="list-style-type: none"> <li>Gastro surgery and diagnostics</li> </ul> <b>Nitrogen</b> <ul style="list-style-type: none"> <li>Cell and sample preservation</li> </ul>	<b>Petrochemicals</b> <b>Nitrogen</b> <ul style="list-style-type: none"> <li>Inerting and blanketing of hydrocarbon systems</li> <li>Enhanced recovery from oil wells</li> <li>Moving product through pipelines</li> </ul> <b>Helium</b> <ul style="list-style-type: none"> <li>Laboratory purpose</li> </ul>
<b>Defence</b> <b>Oxygen</b> <ul style="list-style-type: none"> <li>Ship manufacture and repair</li> <li>Breathing in fighter aircraft</li> </ul> <b>Nitrogen</b> <ul style="list-style-type: none"> <li>Pneumatic testing of rifle, tank barrels, aircraft</li> </ul> <b>Argon</b> <ul style="list-style-type: none"> <li>Specialised welding for defence equipment manufacture</li> </ul>	<b>Pharmaceuticals and Chemicals</b> <b>Nitrogen</b> <ul style="list-style-type: none"> <li>Controlled atmosphere in reactors</li> <li>Coolant for reactor cooling</li> <li>Lyophilisation</li> </ul> <b>Oxygen</b> <ul style="list-style-type: none"> <li>Fermentation for bio-pharma applications</li> </ul> <b>Hydrogen</b> <ul style="list-style-type: none"> <li>Reactions for molecular synthesis</li> </ul> <b>Argon, Helium</b> <ul style="list-style-type: none"> <li>Laboratory purpose</li> </ul> <b>Synthetic Air</b> <ul style="list-style-type: none"> <li>Laboratory purpose</li> </ul>	<b>Railways, Aviation, Aerospace and Space</b> <b>Oxygen</b> <ul style="list-style-type: none"> <li>Manufacture and repair of engines, wagons</li> </ul> <b>Nitrogen</b> <ul style="list-style-type: none"> <li>Simulation of satellites</li> </ul> <b>Argon</b> <ul style="list-style-type: none"> <li>Welding for railway wagons</li> </ul>	<b>Others</b> <b>Nitrogen</b> <ul style="list-style-type: none"> <li>Preservation of bovine semen for artificial insemination</li> <li>Boiler cleaning and pipeline purging in power plants</li> <li>Controlled atmosphere for food packaging</li> </ul> <b>Oxygen</b> <ul style="list-style-type: none"> <li>Manufacture and repair of engines, wagons</li> </ul> <b>Nitrogen</b> <ul style="list-style-type: none"> <li>Simulation of satellites</li> </ul> <b>Argon</b> <ul style="list-style-type: none"> <li>Welding for railway wagons</li> </ul>

## Capacity Utilisation –

Particulars	UOM	Installed Capacity	Capacity Utilisation (%)		
			FY23	FY24	FY25
Uluberia, West Bengal					
ASU plant	MT per day	38,237.50	98.14%	100.31%	96.19%
Hydrogen electrolyzer	cubic metre per hour	8,40,000	32.18%	38.34%	32.86%
Cylinder filling station	Cylinders per hour	4,65,000	97.82%	100.12%	84.13%
Visakhapatnam, Andhra Pradesh					
ASU plant	MT per day	56,525	91.83%	92.19%	104.56%
Cylinder filling station	Cylinders per hour	4,46,400	30.69%	38.13%	36.42%
Hyderabad, Telangana					
ASU plant	MT per day	43,225	94.23%	108.50%	97.47%
Cylinder filling station	Cylinders per hour	2,48,000	28.00%	31.32%	28.09%
Kalyani, West Bengal					
Cylinder filling station	Cylinders per hour	7,44,000	46.61%	41.55%	59.27%
Panagarh, West Bengal					
Cylinder filling station	Cylinders per hour	2,97,600	58.89%	59.16%	76.30%

<b>Kharagpur, West Bengal</b>					
ASU VSPA plant	MT per day	37,100	95.45%	98.81%	104.37%
ASU onsite plant	MT per day	24,500	89.89%	89.82%	92.70%

**Customer-wise Revenue Bifurcation –**

<b>Particulars</b>	<b>FY2023</b>		<b>FY2024</b>		<b>FY2025</b>	
	<b>Amt</b>	<b>%</b>	<b>Amt</b>	<b>%</b>	<b>Amt</b>	<b>%</b>
Government customers	51.93	25.32%	56.50	20.97%	85.42	27.33%
Non-government customers	153.18	74.68%	212.98	79.03%	227.07	72.67%
<b>Total</b>	<b>205.11</b>	<b>100%</b>	<b>269.48</b>	<b>100%</b>	<b>312.48</b>	<b>100%</b>

**End-use Industries-wise Revenue Bifurcation -**

<b>Particulars</b>	<b>FY2023</b>		<b>FY2024</b>		<b>FY2025</b>	
	<b>Amt</b>	<b>%</b>	<b>Amt</b>	<b>%</b>	<b>Amt</b>	<b>%</b>
Pharmaceuticals and Chemicals	58.73	28.63%	66.60	24.71%	76.03	24.33%
Steel	41.13	20.05%	64.50	23.93%	108.31	34.66%
Dealer and retail network	32.80	15.99%	25.88	9.60%	28.82	9.22%
Healthcare	15.54	7.58%	18.23	6.76%	26.20	8.39%
Others	41.07	20.03%	50.98	18.92%	53.10	16.99%
<b>Total Revenue from sale of gases, related products &amp; services</b>	<b>189.27</b>	<b>92.28%</b>	<b>226.18</b>	<b>83.93%</b>	<b>292.46</b>	<b>93.59%</b>
Steel	5.42	2.64%	34.27	12.72%	13.45	4.30%
Healthcare	7.60	3.70%	4.80	1.78%	2.74	0.88%
Engineering and infrastructure	0.18	0.09%	2.07	0.77%	3.58	1.14%
Others	2.65	1.29%	2.16	0.80%	0.26	0.08%
<b>Total Revenue from Project Engineering</b>	<b>15.84</b>	<b>7.72%</b>	<b>43.30</b>	<b>16.07%</b>	<b>20.03</b>	<b>6.41%</b>
<b>Total</b>	<b>205.11</b>	<b>100%</b>	<b>269.48</b>	<b>100%</b>	<b>312.48</b>	<b>100%</b>

**Competition -**

- 1. Market Competition:** The industry is highly competitive and the key factors of competition are pricing, technology, process efficiency, long-term contracts etc
- 2. Geographic Competition:** The company faces competition from domestic and international industrial gases manufacturers and suppliers in India.
- 3. Barriers to entry:** Moderate barriers to entry.
- 4. Threat of Substitutes:** Low threat of substitutes.
- 5. Bargaining Power of Buyers:** The bargaining power is high with the customers.
- 6. Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

**Business Strategies -**

- The company plans to expand and diversify gas portfolio—especially specialty and ultra-high purity gases—to enter high-growth sectors like semiconductors, green energy and advanced manufacturing, while deepening engagement with existing clients through innovative applications.
- The company aims to scale up manufacturing capacity through new ASU plants across key regions and establish a pan-India presence to meet rising industrial gas demand and enhance national market reach.
- The company plans to pursue a balanced growth model by expanding long-term onsite plants at customer premises for stable cash-flows while scaling automated bulk and packaged gas units across India to boost regional reach and merchant sales.
- The company plans to drive inorganic growth through strategic acquisitions and alliances to consolidate market presence, enhance product offerings and achieve operational synergies across key regions and verticals.

**Risk Factors -**

1. The company is facing under-utilization of capacity at its hydrogen electrolyzer and cylinder filling stations at certain plant locations, indicating potential inefficiencies in asset utilization and demand alignment.
2. The company has contingent liabilities amounting to Rs. 10.17 Cr.
3. The company has 6 tax proceedings, 1 regulatory and 1 civil litigations, together amounting to Rs. 10.08 Cr.
4. The company's trade receivables as a percentage of revenue from operations has increased from 19.21% in FY23 to 26.76% in FY25.
5. The company had voluntarily delisted from the Calcutta Stock Exchange on August 3, 2016, which raises a potential risk that it may consider delisting from stock exchanges in the future as well.

**PEER ANALYSIS**

Particulars	Ellenbarrie Industrial Gases Limited			Linde India Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	13.72%	16.81%	26.65%	16.56%	15.21%	17.77%
EBITDA Margin	25.45%	30.53%	46.62%	27.01%	27.58%	32.81%
RoCE	9.18%	13.45%	17.90%	18.02%	15.53%	15.33%
ROE	7.75%	11.05%	16.88%	17.13%	12.52%	12.04%
EPS (INR)	2.15	3.46	6.36	63.09	50.90	53.33
P/E	186.05	115.61	62.89	63.87	79.17	108.65

## INDUSTRY OVERVIEW -

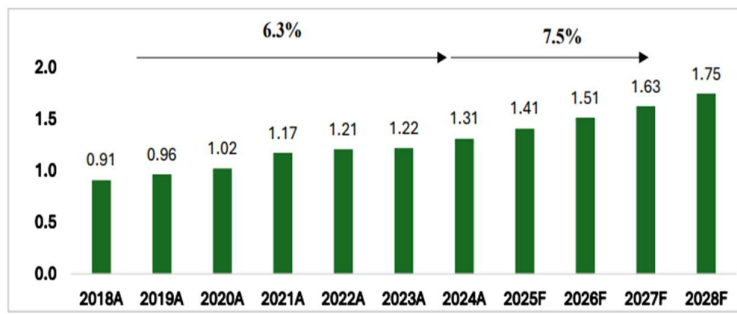
### Industrial Gases Industry in India

India is the fastest growing major economy in the world and is expected to be one of the top economic powers in the coming decade. The industrial gases industry in India is closely linked to GDP growth, with rising demand from sectors like steel, healthcare, oil & gas and food processing. Economic expansion boosts consumption of gases such as oxygen, nitrogen and hydrogen for industrial and medical applications. Government incentives and infrastructure growth further support investment and innovation in this sector.

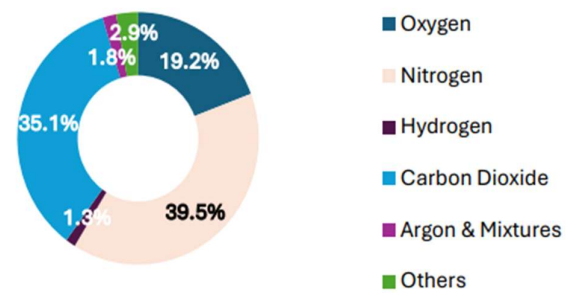
Industrial gases encompass gases or gas combinations employed across various industries for several manufacturing operations and processes. These gases play a crucial role from the initial extraction of raw materials, through their intermediate processing for manufacturing metals, chemicals, pharmaceuticals and ceramics, to the production of intricate industrial, consumer and food items. The key industrial gases include Oxygen, Hydrogen, Nitrogen, Carbon Dioxide, Inert Gases (Argon, Xenon, Helium) and others.

**Global Market Size** - The global industrial gases market, valued at US\$ 105.6 billion in 2024, is projected to grow at a 5.5% CAGR to reach US\$ 131.1 billion by 2028, driven by urbanization, healthcare expansion and manufacturing demand. The pandemic highlighted the sector's critical role, particularly in supplying medical-grade oxygen, solidifying its long-term relevance.

**India Market Size** - India's industrial gases market was valued at US\$ 1.31 billion in 2024 and is projected to reach US\$ 1.75 billion by 2028, growing at a CAGR of 7.5%. Growth is driven by industrialization, clean energy demand (hydrogen) and supportive government initiatives like 'Make in India'.



Industrial gases Market in India (US\$ billion)



Market Segmentation by product in India

### Government Initiatives -

- 1. Production Linked Incentives (PLI)** - The PLI scheme with a Rs. 1.97 lakh Cr. outlay across 14 sectors, is set to boost domestic manufacturing and exports, thereby driving increased demand for industrial gases from end-use industries.
- 2. National Oxygen Supply Program** - The National Oxygen Stewardship Programme (also known as the National Oxygen Supply Program) was launched by the Union Health Ministry to train "Oxygen Stewards" across districts and strengthen India's medical oxygen infrastructure—particularly PSA plants—to ensure rational use and preparedness for future health crises.
- 3. Pradhan Mantri Jan Arogya Yojana (PMJAY)** - The Pradhan Mantri Jan Arogya Yojana (PMJAY) is a government health insurance scheme that provides free hospitalization coverage of up to Rs. 5 lakh per family per year to over 12 crore economically vulnerable families in India.

(source : RHP)

**Key Management -**

<b>Key Management Persons Name -</b>	<b>Padam Kumar Agarwala</b>
<b>Age</b>	64
<b>Designation and No. of experience</b>	Promoter, Chairman and Managing Director, 41+ years of experience
<b>Qualification</b>	Bachelor's degree in commerce
<b>Other Directorships</b>	Ellenbarrie Properties Limited, Ellenbarrie Cryogenics Private Limited, Superior Tea and Allied Industries Private Limited etc.

<b>Key Management Persons Name -</b>	<b>Varun Agarwal</b>
<b>Age</b>	40
<b>Designation and No. of experience</b>	Joint Managing Director and Promoter, 16+ years of experience in the company
<b>Qualification</b>	Bachelor's degree in science and Master's degree in philosophy
<b>Other Directorships</b>	Comfort Share Trading Private Limited, Ellenbarrie Cryogenics Private Limited, Gunjan Suppliers Private Limited, Ellenbarrie Agro Products Limited etc.

<b>Key Management Persons Name -</b>	<b>K. Srinivas Prasad</b>
<b>Age</b>	
<b>Designation and No. of experience</b>	Chief Financial Officer, 12+ years of experience in finance, accounts and taxation in the company
<b>Qualification</b>	Chartered Accountant, Company Secretary, Bachelor's degree in commerce and has qualified the examination for Institute of Cost and Works Accountants of India
<b>Other Directorships</b>	

- **Aditya Keshri** is the **Company Secretary and Compliance Officer**. He is an associate member of Institute of Company Secretaries of India.
- Soumitra Bose, Ajit Khandelwal, Pawan Marda and Seema Sapru are the Non-Executive Independent Directors of the company. They have significant experience and education in their respective fields.
- Sanjay Basak is the Vice President – Project and Engineering of the company. He holds a master's degree in technology (cryogenic engineering) and executive programme in operations management.



**FINANCIAL SNAPSHOT**

<b>Statement of Profit and Loss</b>			<b>Amt in Crores</b>
<b>Particulars</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>
Revenue from Operations	205.11	269.48	312.48
Other Income	18.60	20.73	35.95
<b>Total Income</b>	<b>223.71</b>	<b>290.20</b>	<b>348.43</b>
<b>Expenses</b>			
Cost of materials consumed	4.11	3.83	3.19
Purchases of stock-in-trade	22.22	53.38	33.30
Changes in Inventories of finished goods and WIP	-0.46	-2.32	-0.78
Power expenses	73.97	77.66	74.92
Employee Benefit Expenses	14.41	16.06	22.76
Finance costs	3.55	8.03	17.14
Depreciation and Amortization Expense	11.38	10.01	20.72
Impairment loss on financial assets	6.32	4.64	2.13
Other expenses	50.94	54.70	67.23
<b>Total Expenses</b>	<b>186.45</b>	<b>225.99</b>	<b>240.61</b>
<b>EBITDA</b>	<b>52.19</b>	<b>82.26</b>	<b>145.69</b>
<b>EBITDA Margin</b>	<b>25.45%</b>	<b>30.53%</b>	<b>46.62%</b>
<b>Profit/(Loss) before tax</b>	<b>37.26</b>	<b>64.22</b>	<b>107.83</b>
<b>Tax Expense</b>			
Current tax	10.75	11.99	19.11
Excess / Short Provision of tax for prior years	0.47	-	0.23
Deferred Tax	-2.10	6.94	5.20
<b>Total Tax</b>	<b>9.12</b>	<b>18.93</b>	<b>24.54</b>
<b>Profit/(Loss) for the year</b>	<b>28.14</b>	<b>45.29</b>	<b>83.29</b>
<b>Net Profit Margin</b>	<b>13.72%</b>	<b>16.81%</b>	<b>26.65%</b>

<b>Statement of Assets and Liabilities</b>			<b>Amt in Crores</b>
<b>Particulars</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Equity Share Capital	6.55	6.55	26.19
Other equity	356.51	403.35	467.17
<b>Total Equity</b>	<b>363.06</b>	<b>409.89</b>	<b>493.36</b>
<b>2. NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
(i) Borrowings	56.14	94.98	146.73
(ii) Lease Liabilities	1.53	0.67	1.13
(iii) Other non-current 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
<b>Total Non-current liabilities</b>	<b>81.48</b>	<b>127.30</b>	<b>204.63</b>
<b>3. Current liabilities</b>			
Financial Liabilities			
(i) Borrowings	44.97	81.92	98.57
(ii) Lease Liabilities	0.87	0.86	0.19
(iii) Trade Payables			
(a) Total outstanding dues of MSME	0.44	0.93	0.50
(b) Total outstanding dues of creditors 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
Other Current Liabilities	-	-	6.45
<b>Total Current liabilities</b>	<b>106.73</b>	<b>135.34</b>	<b>147.98</b>
<b>Total Liabilities</b>	<b>188.21</b>	<b>262.64</b>	<b>352.61</b>

Recommendation: **AVOID**

Particulars	FY 23	FY 24	FY 25
<b>Total Equity and Liabilities</b>	<b>551.27</b>	<b>672.54</b>	<b>845.97</b>
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
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) Trade receivables	-	-	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
<b>Total Non-Current assets</b>	<b>361.35</b>	<b>468.62</b>	<b>636.97</b>
<b>2. Current assets</b>			
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
(iii) Cash & Cash equivalents	11.40	0.92	0.18
(iv) Bank balances other than cash	3.21	2.83	2.84
(v) Loans and advances	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
<b>Total Current assets</b>	<b>189.92</b>	<b>203.92</b>	<b>209.00</b>
<b>Total Assets</b>	<b>551.27</b>	<b>672.54</b>	<b>845.97</b>

Cash Flow Statement			Amt in Crores
Particulars	FY 23	FY 24	FY 25
Net Cash Flow from Operating Activities	38.75	43.75	4.28
Net Cash Flow from Investing Activities	-114.23	-121.71	-56.93
Net Cash Flow from Financing Activities	86.60	67.48	51.92

**Key Ratios**

Per Share Data	FY 23	FY 24	FY 25	Valuation Ratios (x)	FY 23	FY 24	FY 25
Diluted EPS	2.15	3.46	6.36	EV/EBITDA	8.61	7.09	5.05
BV per share	554.56	626.10	37.68	Market Cap / Sales	1.28	0.97	16.76
<b>Operating Ratios</b>				P/E	186.05	115.61	62.89
EBITDA Margins	25.45%	30.53%	46.62%	Price to Book Value	0.72	0.64	10.62
PAT Margins	13.72%	16.81%	26.65%	<b>Solvency Ratios</b>			
Inventory days	15.02	14.96	16.62	Debt / Equity	0.28	0.43	0.50
Debtor days	70.31	61.55	96.77	Current Ratio	1.78	1.51	1.41
Creditors days	244.99	113.50	140.90	Quick Ratio	1.70	1.43	1.32
<b>Return Ratios</b>				Asset Turnover	0.37	0.40	0.37
RoCE	9.18%	13.45%	17.90%	Interest Coverage Ratio	11.50	9.00	7.29
RoE	7.75%	11.05%	16.88%				



**FINANCIAL ANALYSIS –**

- **Revenue from Operations -**

- The company's top line increase by 31.38% in FY24 was driven by increase in sales of manufactured products and revenue from construction contracts.
- The company's topline increased by 15.96% in FY25, primarily due to increase in sale of manufactured products and sale of services but was partially offset by decrease in revenue from construction contracts.

- **EBITDA and PAT margins** – The company's consistent improvement in EBITDA and PAT margins over the years is primarily attributed to a reduction in material cost of goods sold (COGS) and power expenses, resulting in a decline in total expenses as a percentage of revenue from 83.34% in FY23 to 69.05% in FY25.

- **RoCE and ROE** – The company's return ratios have been consistently improving over the years, with RoCE of 9.18%, 13.45% and 17.90% and ROE of 7.75%, 11.05% and 16.88% in FY23, FY24 and FY25 respectively.

- **Finance costs** – The company's finance costs as a percentage of revenue has increased from 1.59% in FY23 to 4.92% in FY25, primarily due to increase in interest expense on term loans, cash credit loan and unsecured loan.

- **Power Expenses** – The company's power expenses as a percentage of revenue has decreased from 33.07% in FY23 to 21.50% in FY25.

- **Operating cashflow** – The company has maintained positive operating cashflow of Rs. 38.75 Cr., Rs. 43.75 Cr. and Rs. 4.28 Cr. in FY23, FY24 and FY25 respectively.

**LEAD MANAGER TRACK RECORD -**

The lead managers to the issue are Motilal Oswal Investment Advisors Private Limited, IIFL Capital Services Limited and JM Financial Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Managers in recent times –

**1. Motilal Oswal Investment Advisors Private Limited –**

Sl. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Schloss Bangalore Limited	3,500.00	435	Jun 02, 2025	389.30
2.	Dr. Agarwal's Health Care Limited	3,027.26	402	Feb 04, 2025	392.95
3.	Laxmi Dental Limited	698.06	428	Jan 20, 2025	412.70
4.	Standard Glass Lining Technology Limited	410.05	140	Jan 13, 2025	167.45
5.	Concord Enviro Systems Limited	500.33	701	Dec 27, 2024	557.90
6.	Niva Bupa Health Insurance Company Limited	2,200.00	74	Nov 14, 2024	81.68

The company has handled 15 mandates in the past three years (including the current year).

\*CMP for the above-mentioned companies is taken as of 23<sup>rd</sup> Jun 2025.

As per the offer document, on their respective listing days, Schloss Bangalore Limited has opened at discount, Dr. Agarwal's Health Care Limited has opened at par and all other above mandates have opened at a premium to their issue prices.

**2. IIFL Capital Services Limited -**

Sl. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Oswal Pumps Limited	1,387.34	614	Jun 20, 2025	620.35
2.	Aegis Vopak Terminals Limited	2,800.00	235	Jun 02, 2025	245.65
3.	Schloss Bangalore Limited	3,500.00	435	Jun 02, 2025	389.30
4.	Hexaware Technologies Limited	8,750.00	708	Feb 19, 2025	836.10
5.	Standard Glass Lining Technology Limited	410.05	140	Jan 13, 2025	167.45
6.	Ventive Hospitality Limited	1,600.00	643	Dec 30, 2024	698.30

The company has handled 42 mandates in the past three years (including the current year).

\*CMP for the above-mentioned companies is taken as of 23<sup>rd</sup> Jun 2025.

As per the offer document, on their respective listing days, Aegis Vopak Terminals Limited and Schloss Bangalore Limited have opened at discount and all other above mandates have opened at a premium to their issue prices.

**3. JM Financial Limited -**

Sl. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Oswal Pumps Limited	1,387.34	614	Jun 20, 2025	620.35
2.	Schloss Bangalore Limited	3,500.00	435	Jun 02, 2025	389.30
3.	Ather Energy Limited	2,981.06	321	May 06, 2025	317.70
4.	Ajax Engineering Limited	1,269.35	629	Feb 17, 2025	596.00
5.	Ventive Hospitality Limited	1,600.00	643	Dec 30, 2024	698.30
6.	Inventures Knowledge Solutions Limited	2,497.92	1,329	Dec 19, 2024	1,605.30

The company has handled 37 mandates in the past three years (including the current year).

\*CMP for the above-mentioned companies is taken as of 23<sup>rd</sup> Jun 2025.

As per the offer document, on their respective listing days, Schloss Bangalore Limited and Ajax Engineering Limited have opened at discount and all other above mandates have opened at a premium to their issue prices.

## Recommendation -

- Ellenbarrie Industrial Gases Limited has **significant operating history** since it was incorporated on Nov 23, 1973.
- The P/E on a post-IPO annualized basis is **73.12** times which makes it **highly priced**.
- The overall management of the company is good. The management and promoters have **significant** experience.
- The company's revenue grew by 31.38% in FY24 and 15.96% in FY25, driven by higher sales of manufactured products and services, though construction contract revenue declined in FY25.
- EBITDA and PAT margins improved consistently due to lower material COGS and power costs, reducing total expenses from 83.34% in FY23 to 69.05% in FY25.
- The company is experiencing suboptimal utilization of its hydrogen electrolyzer and cylinder filling stations at select plants, suggesting inefficiencies in aligning capacity with current demand.

The company's financial performance has shown consistent improvement year-on-year, supported by good management and operations in an industry with strong growth prospects. However, the current valuation appears slightly high. Therefore, we recommend investors to **AVOID** this IPO for now and monitor the company's post-listing performance to assess whether future results justify the valuation before considering an investment.

## Disclaimer

We are not registered research analysts with SEBI and are not subject to the regulations governing research analysts. This research report is for educational purposes only and should not be construed as investment advice. The information contained in this report is based on publicly available information and is believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness. Also, some of the employees of our organization may have or may in the future hold investments in the company that is the subject of this research report. This may create a conflict of interest, and you should be aware of this when considering the information contained in this report. You should consult with your financial advisor before making any investment decisions.

The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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