

IPO Details:

IPO Date	January 6, 2025 to January 8, 2025
Face Value	₹10 per share
Price Band	₹133 to ₹140 per share
Lot Size	107 Shares
Total Issue Size	2,92,89,367 shares (aggregating up to ₹410.05 Cr)
Fresh Issue	1,50,00,000 shares (aggregating up to ₹ 210.00 Cr)
Offer for Sale	1,42,89,367 shares of ₹10 (aggregating up to ₹200.05 Cr)
Issue Type	Book Built Issue FPO
Listing At	BSE, NSE
Share holding pre issue	18,44,91,662 shares
Investor Category	Shares Offered
QIB Shares Offered	Not less than 50% of the Net Issue
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not more than 15% of the Net Issue
Retail (Min & Max) shares	107 shares & 1391 shares
Retail (Min & Max) application amount	₹14,980 & ₹1,94,740
S-HNI (Min shares & application amount)	1,498 Shares & ₹2,09,720
S-HNI (Max shares & application amount)	7,062 Shares & ₹9,88,680
B-HNI (Min shares & application amount)	7,169 Shares & ₹10,03,660
Basis of Allotment	Thursday, January 9, 2025
Initiation of Refunds	Friday, January 10, 2025
Credit of Shares to Demat	Friday, January 10, 2025
Listing Date	Monday, January 13, 2025
Cut-off time for UPI mandate confirmation	5 PM on January 8, 2025
Promoters	MR.Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna, Venkata Mohana Rao Katragadda, Kudravalli Punna Rao and M/s S2 Engineering Services.
Registrar	Kfin Technologies Limited

Company Profile:

Incorporated in September 2012, Standard Glass Lining Technology Limited is a manufacturer of engineering equipment for the pharmaceutical and chemical sectors in India. The company has the capability to manage the entire production process in-house. It provides turnkey solutions, including design, engineering, manufacturing, assembly, installation, and standard operating procedures for pharmaceutical and chemical manufacturers. The company's product portfolio includes Reaction Systems, Storage, Separation and Drying Systems, and Plant Engineering and Services. It manufactures specialized engineering equipment using glass-lined materials, stainless steel, and nickel alloy. Its customers come from industries such as paint, biotechnology, pharmaceuticals, and food and beverages. Standard Glass Lining Technology Limited's revenue increased by 10%, and its profit after tax (PAT) rose by 12% between the financial years ending March 31, 2023, and March 31, 2024.

Object of the issue:

The Company proposes to utilize the Net Proceeds towards funding the following objects:

- Funding of capital expenditure requirements of the Company towards the purchase of machinery and equipment.
- Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the Company and investment in the wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by S2 Engineering Industry Private Limited, from banks and financial institutions.
- Investment in the wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for funding its capital expenditure requirements towards purchase of machinery and equipment.
- Funding inorganic growth through strategic investments and/or acquisitions and
- General corporate purposes

Financial Details:

Particulars (In Cr)	FY24	FY23	FY22
Income			
I. Revenue from operations	543.67	497.59	240.19
II. Other income	6.01	2.488	1.315
III. Total income (I+II)	549.68	500.08	241.50
Expenses			
(a) Cost of materials consumed	351.66	299.67	139.19
(b) Changes in inventories of FG and WIP	-33.99	-14.17	-24.04
(c) Employee benefits expense	20.77	15.75	13.52
(d) Finance costs	11.79	8.70	3.77
(e) Depreciation and amortisation expense	9.33	7.71	4.24
(f) Other expenses	110.33	110.58	71.06
IV. Total expenses	469.88	428.22	207.73
V. Restated Profit before tax (III-IV)	79.80	71.85	33.77
Tax expenses			
(a) Current tax	19.78	18.21	9.08
(b) Deferred tax (credit)	0.01	0.22	-0.45
VI. Total tax expense	19.79	18.43	8.63
VII. Restated Profit for the period/year (V-VI)	60.01	53.42	25.15

Competitive Strengths :

- The company ranks among India's top five specialized manufacturers for pharmaceutical and chemical sectors, offering end-to-end engineering solutions. Its product portfolio includes glass-lined, stainless steel, and nickel alloy-based equipment, catering to customized customer requirements.
- Offering customized engineering solutions across pharmaceutical and chemical sectors, the company provides over 65 products including reaction systems and storage solutions. Unique innovations like STANGLASS and No Stain Glass address key challenges in the industry.

- With eight manufacturing facilities totaling over 400,000 sq. ft., the company has robust technological capabilities including 3D CAD, robotic welding, CNC machines, and advanced production methods. These facilities support high-volume manufacturing with precise and efficient processes.
- The company maintains long-term relationships with 347 clients in the pharmaceutical and chemical industries. Over 80% of top customers have provided repeat orders, demonstrating trust in the company's consistent product quality and timely delivery.
- Customer relationships have expanded over years, with major clients receiving various specialized equipment. Dedicated design professionals use cutting-edge technology to ensure product quality, while proximity to clients enhances communication and responsiveness, contributing to sustained growth.

Revenue from Operations:

Particulars (In Cr)	Sep-24	% of Revenue from sale of products	FY24	% of Revenue from sale of products	FY23	% of Revenue from sale of products	FY22	% of Revenue from sale of products
Pharmaceuticals	230.70	75.10%	444.67	81.79%	411.98	82.80%	205.43	85.53%
Chemicals	40.25	13.10%	68.17	12.54%	71.34	14.34%	32.45	13.51%
Others	36.25	11.80%	30.83	5.67%	14.27	2.86%	2.31	0.96%
Total	307.20	100.00%	543.67	100.00%	497.59	100.00%	240.19	100.00%

Comparison with listed Peers:

Name of Company	Total Income (Rs Cr)	Face Value (Rs per share)	P/E	EPS (Rs) Basic	EPS (Rs) Diluted	RoNW (%)	NAV (per share) (Rs)
Standard Glass Lining Technology	549.681	10.00	-	3.52	3.52	20.74%	24.55
Listed peers							
GMM Pfaudler Ltd	3466.5	2.00	30.64	39.79	39.80	20.23%	215.22
HLE Glascoat Ltd	976.736	2.00	56.54	6.52	6.52	7.99%	61.06
Thermax Ltd	9556.03	2.00	81.24	57.28	57.30	15.53%	394.10
Praj Industries	3509.777	2.00	52.54	15.42	15.42	24.09%	69.36

Key risk factors:

- Dependent on Telangana-based manufacturing facilities, risks include accidents, natural disasters, and economic/political changes, which may impact operations, business, and financial condition.
- Business relies on skilled labor. Failure to hire suitable personnel may negatively affect operations, results, and financial performance.
- Reliance on a few suppliers for critical raw materials like steel and chemicals. Loss of suppliers may disrupt production, delivery schedules, and financial results.
- Over 88.20% of revenue comes from the pharmaceutical and chemical sectors. Adverse factors affecting these sectors could harm business and financial results.
- Under-utilization of production lines or ineffective use of expanded capacity may negatively affect business, prospects, and future financial performance.
- Manufacturing facilities depend on uninterrupted electricity and water supply. Shortages or disruptions may lead to operational issues, higher costs, and reduced margins.

SUMMARY :

Standard Glass Lining Technology Limited (SGLT) is a leading specialized engineering equipment manufacturer in India, catering to the pharmaceutical and chemical sectors. It has experienced rapid growth, becoming the fastest-growing company in its industry over the past three fiscal years. The company is launching its first IPO, offering 29,289,367 equity shares valued at Rs. 410.05 crore, including Rs. 210 crore in fresh equity and Rs. 200.05 crore in an Offer for Sale (OFS). The price range for the shares is Rs. 133 – Rs. 140. Post-IPO, its equity capital will increase to Rs. 199.49 crore, with a target market cap of Rs. 2,792.88 crore. SGLT has demonstrated strong financial performance with an average EPS of Rs. 3.29 and a RoNW of 35.37%. The P/E ratio stands at 37.78x at the lower price band of ₹133 and 39.77x at the upper price band of ₹140. The company has achieved a 50.45% CAGR in revenue from operations over the last two fiscal years. The Indian glass-lined equipment market is projected to grow significantly, prompting SGLT to expand its manufacturing capacity and strengthen its market presence to meet rising demand. Hence we recommend our clients to **“SUBSCRIBE”** to the issue.

DISCLAIMER

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