

Rating: **Subscribe**

### Issue Offer

Fresh Issue of 1,50,00,000 equity shares up to INR 2,100 Mn and OFS of 1,42,89,367 shares by Promoters group taking the total issue size at INR 4,100.5 Mn.

### Issue Summary

Price Band INR	133-140
Face Value INR	10
Implied Market Cap (INR Mn)	27,929
Market Lot	107
Issue Opens on	Jan 06, 2025
Issue Close on	Jan 08, 2025
No. of share pre-issue	18,44,91,662
No. of share post issue	19,94,91,662
Listing	NSE, BSE

### Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

### Registrar

Kfin Technologies Limited

### Book Running Lead Managers

IIFL securities Ltd  
Motilal Oswal Investment Advisors Limited

### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	72.49%	59.87%
Public & Others	27.51%	40.13%

### Objects of the issue

- Funding of capital expenditure requirements of the Company towards the purchase of machinery and equipment.
- 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
- General corporate purposes.

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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 the creation of standard operating procedures for pharmaceutical and chemical manufacturers. The company's product portfolio includes reaction systems, storage, separation and drying systems, as well as plant engineering and services. The company manufactures specialized engineering equipment using glass-lined materials, stainless steel, and nickel alloys. It has eight manufacturing units located in Hyderabad, Telangana. As of September 30, 2024, the company employed 460 full-time staff members and 731 contract laborers.

**One of the top five specialised engineering equipment manufacturer:** Standard Glass Lining Technology Limited is one of the top five specialized engineering equipment manufacturers for the pharmaceutical and chemical sectors in India, in terms of revenue. The company's leading market position can be attributed to several factors, including a diverse product portfolio with a focus on customization.

**Customized and innovative product:** The company's product portfolio consists of more than 65 products and offerings across the pharmaceutical and chemical industries. It manufactures process equipment using various types of alloys with thicknesses ranging from 1 mm to 60 mm, which are used in the food, pharmaceutical, and fine chemical industries. The company also provides turnkey automated equipment solutions, optimizing processes such as vacuum distillation, solvent recovery, and gas dispersion.

**Advanced technological capabilities in manufacturing facilities:** The company's manufacturing facilities are equipped with technologies and tools such as 3D computer-aided design (CAD), robotic welding, and precision computer numerical control (CNC) manufacturing. With in-house CNC gasket cutting, the company has the flexibility to produce gaskets tailored to specific dimensions, materials, and design requirements for their applications.

**Long term relationships with marquee clientele across sectors:** The company enjoys long-standing relationships of over 3 years with 17 of its top 20 customers, as of March 31, 2024. It has been able to obtain repeat orders from existing customers, with more than 85% of its top 20 customers placing repeat orders in each of the last three years.

**Valuation and View:** Standard Glass Lining Technology Limited is one of the top five specialized engineering equipment manufacturer in India. With a customized product and advanced manufacturing facilities the company has a solid growth potential. **At the upper band of INR 140, the issue is valued at an EV/EBITDA multiple of 28.44x based on FY24 EBITDA and P/E ratio of 38.50x, based on an annualized FY25 EPS of INR 3.64. We assign a "Subscribe rating" for this issue.**

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**Stock Rating Scale**

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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