

Incorporated in September 2012, Standard Glass Lining Technology Limited is a manufacturer of engineering equipment for the pharmaceutical and chemical sectors in India. It is one of the top five specialised engineering equipment manufacturers for pharmaceutical and chemical sectors in India with products across entire value chain. The Promoters of the Company are Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna, Kudaravalli Punna Rao, Venkata Mohana Rao Katragadda and M/s S2 Engineering Services.

**Business Overview :**

- Company's capabilities include designing, engineering, manufacturing, assembly, installation and commissioning solutions as well as establishing standard operating procedures for pharmaceutical and chemical manufacturers on a turnkey basis.
- The company's product portfolio includes: (i) Reaction Systems; (ii) Storage, Separation and Drying Systems; and (iii) Plant, Engineering and Services (including other ancillary parts).
- It is also one of India's top three manufacturers of glass-lined, stainless steel, and nickel alloy based specialised engineering equipment, in terms of revenue in Fiscal 2024.
- It is also one of the top three suppliers of polytetrafluoroethylene ("PTFE") lined pipelines and fittings in India, in terms of revenue in Fiscal 2024 (Source: F&S Report).
- The company has the capability to manage the entire production process in-house. The company possess in-house capabilities to manufacture all the core specialised engineering equipment required in the active pharmaceutical ingredient ("API") and fine chemical products manufacturing process.
- Its engineered solutions are used in processes across pharmaceutical, chemical, food and beverage, biotechnology and fertilizer sectors.
- Company customise its products basis the unique process requirements of its customers. It also provides turnkey automated equipment solutions, optimising processes like vacuum distillation, solvent recovery and gas dispersion.
- Over the last decade it has supplied over 11,000 products.
- The company's customer includes Apitoria Pharma Private Limited, Aurobindo Pharma Limited, CCL Food and Beverages Private Ltd, Cohance Lifesciences Ltd, Cadila Pharmaceutical Ltd, Deccan Fine Chemicals (India) Private Ltd, Dasami Lab Private Ltd, Laurus Labs Ltd, Granules India Ltd, Macleods Pharmaceuticals Ltd, MSN Laboratories Private Ltd, Natco Pharma Ltd, Honour Lab Ltd, Hetero Drugs Ltd, Hetero Labs Ltd, Hazelo Lab Private Ltd, Piramal Pharma Ltd, Sanvira Biosciences Private Ltd, Suven Pharmaceuticals Ltd, Tagros Chemicals India Private Ltd, Vamsi Labs Limited and Viyash Life Sciences Private Limited.
- The company operate through its eight manufacturing facilities spread across built-up/floor area of over 400,000 sq. ft., strategically located in Hyderabad, Telangana, the "Pharma Hub" of India, which accounted for 40.00% of the total Indian bulk drug production in Fiscal 2024.
- The company's sales offices are situated in Vadodara, Gujarat, Ankleshwar, Gujarat, Mumbai, Maharashtra and Vishakhapatnam, Andhra Pradesh and sales team members are in Jhagadia, Gujarat, Chennai, Tamil Nadu, New Delhi, Bengaluru, Karnataka and Vijayawada, Andhra Pradesh with pan-India reach.
- It also has agency arrangements for sale and marketing of its products in Bangladesh as well as agency and distribution agreement for sale, marketing and distribution of its products in Russia. Further, it has resale arrangements for North America (excluding Cuba), South America, Europe (excluding Belarus and Russia) & certain countries in Asia and Africa.

<b>NSE SYMBOL</b>	<b>SGLTL</b>
<b>SECTOR</b>	<b>ENGINEERING — HEAVY—GLASS LINED EQUIPMENT</b>
<b>ISSUE SIZE</b>	<b>Rs. 410.05 Crs.</b>
<b>PRICE BAND</b>	<b>Rs. 133 - 140</b>
<b>BID SIZE (Nos.)</b>	<b>107</b>
<b>FACE VALUE</b>	<b>Rs. 10.00</b>
<b>MARKET CAP</b>	<b>Rs. 2792.88 Crs</b>
<b>RATING</b>	<b>SUBSCRIBE</b>

<b>TENTATIVE DATES</b>	
<b>ISSUE OPEN DATE</b>	<b>6TH JAN 2025</b>
<b>ISSUE CLOSE DATE</b>	<b>8TH JAN 2025</b>
<b>BASIS OF ALLOTMENT</b>	<b>9TH JAN 2025</b>
<b>INITIATION OF REFUNDS</b>	<b>10TH JAN 2025</b>
<b>CREDIT OF SHARES</b>	<b>10TH JAN 2025</b>
<b>LISTING DATE</b>	<b>13TH JAN 2025</b>

- As of September 30, 2024, the company had 460 full-time employees and 731 contract labourers.
- The company benefit from an experienced management team, which is supported by a capable and motivated pool of employees. Its senior management team has diverse experience in manufacturing and functions related to its business, and an in-depth understanding of the specific industry, products and geographic regions they cover, which enables them to appropriately support and guide its employees.
- It has enjoyed growth in its revenue from operations, EBITDA and profit after tax in the past three fiscal years. It has been the fastest-growing company when compared to its peers during the past three completed Fiscals.
- Company has been able to achieve 50.45% growth of revenue from operations on a consolidated basis from Fiscal 2022 to Fiscal 2024.

*(Source— RHP)*

## STRENGTHS

- One of the top five specialised engineering equipment manufacturers for pharmaceutical and chemical sectors in India with products across entire value chain.
- Customized and innovative product offering across the entire pharmaceutical and chemical manufacturing value chain.
- Strategically located manufacturing facilities with advanced technological capabilities.
- Long term relationships with marquee clientele across sectors.
- Consistent track record of profitable growth.
- Experienced promoters and management team.

*(Source— RHP)*

## OBJECTS OF THE OFFER

**The Offer for Sale** - Company will not receive any proceeds from the Offer for Sale of shares of Rs. 200.05 crores. The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale.

**Fresh Issue** - The Company would also raise up to Rs. 210 crores by offering fresh shares. Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects.

- Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment.
- Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and investment in our 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 our 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

## RISKS

- The company is dependent on its manufacturing facilities, all of which are situated in Telangana, India.
- Its business is dependent on the availability and retainment of skilled labour and workforce, and if the company is unable to hire and engage the appropriate personnel, its business, results of operations and financial condition shall be adversely affected.
- It is dependent on a limited number of suppliers for its key raw materials such as stainless steel, carbon/ mild steel, nickel alloy, forgings, castings, chemicals and polytetrafluoroethylene powder.
- Majority of our customers operate in the pharmaceuticals and chemical sectors. . Factors that adversely affect these sectors or capital expenditure by companies within these sectors may adversely affect its business, results of operations and financial condition.
- The company has witnessed negative cash flow from operating activities in the past.

*(Source— RHP)*

## PEER COMPARISON

	Face Value (Rs.)	CMP In Rs. (03-01-2025)	TTM EPS (Rs.)	BV per share (Rs.)	P/E (X)	P/BV (X)	M. Cap / Sales
GMM Pfaudler	2.00	1210.55	22.80	229.23	53.1	5.3	1.7
HLE Glasscoat	2.00	367.00	4.50	63.16	81.6	5.8	2.5
Thermax	2.00	4139.70	54.11	387.83	76.5	10.7	5.0
Praj Industries	2.00	836.35	15.14	70.69	55.2	11.8	4.6
<b>Standard Glass Lin</b>	<b>10.00</b>	<b>140.00</b>	<b>3.69</b>	<b>33.40</b>	<b>38.0</b>	<b>4.2</b>	<b>4.4</b>

(\*\*On upper price band and on FY 2025 annualised EPS)

## RECOMMENDATION

At the upper band of offer price of Rs 140, the issue has been priced at P/BV of 4.3 times and P/E of 38.5 times on enhanced equity. Compared to peer group, average P/BV of 8.4 times and average P/E of 66.6 times, STANDARD GLASS LINING TECHNOLOGY LTD is reasonably valued.

Investors - **SUBSCRIBE to STANDARD GLASS LINING TECHNOLOGY LTD - IPO** considering one of the top five specialised glass lined engineering equipment manufacturers for pharmaceutical and chemical sectors, strategically located manufacturing facilities and track record of strong financial performance.

## PROFIT & LOSS A/C

(In Rs. Crore.)

	FY 2022	FY 2023	FY 2024	6 MONTHS SEP FY 2025
Income				
Revenue from operations	240.19	497.59	543.67	307.20
Other income	1.32	2.49	6.01	4.90
Total income	241.50	500.08	549.68	312.10
Expenses				
Cost of materials consumed	139.19	299.67	351.66	189.54
Changes in inventories	-24.04	-14.17	-33.99	-21.75
Employee benefits expense	13.52	15.75	20.77	13.64
Finance costs	3.77	8.70	11.79	8.00
Depreciation and amortisation expense	4.24	7.71	9.33	4.97
Other expenses	71.06	110.58	110.33	67.96
Total expenses	207.73	428.22	469.88	262.36
Profit/(Loss) before tax	33.77	71.85	79.80	49.74
Income Tax expense/ (credit)				
Current tax	9.08	18.21	19.78	13.41
Deferred tax	-0.45	0.22	0.01	0.06
Total tax expense	8.63	18.43	19.79	13.47
Restated profit for the year/ period	25.15	53.42	60.01	36.27

**BALANCE SHEET**
**(In Rs. Crore.)**

	FY 2022	FY 2023	FY 2024	6 MONTHS SEP FY 2025
Assets				
Property, plant and equipment	31.93	54.68	82.21	92.43
Capital work-in-progress	0.70	3.29	4.47	5.23
Right-of-use assets	19.67	19.74	12.97	12.90
Other non-current assets	8.25	6.94	6.95	22.27
Total non-current assets	60.55	84.66	106.60	132.83
Inventories	125.93	143.41	224.80	254.85
Trade receivables	82.17	91.28	154.78	191.49
Cash and Bank balance	0.12	5.42	51.94	39.04
Other current assets	29.35	23.02	127.26	138.31
Total current assets	237.56	263.13	558.78	623.69
Total assets	298.11	347.79	665.38	756.52
Equity and liabilities				
Equity share capital	15.30	15.79	18.16	181.64
Other equity	53.66	139.94	389.18	261.58
Equity attributable to the owners parent	68.96	155.72	407.34	443.21
Non-controlling interests	0.00	0.00	1.64	3.65
Total equity	68.96	155.72	408.98	446.86
Borrowings	6.79	3.03	0.58	5.70
Lease liabilities	18.25	18.47	12.43	11.97
Other non-current liabilities	1.81	2.67	1.49	1.77
Total non-current liabilities	26.84	24.17	14.50	19.44
Borrowings	42.36	57.03	113.20	152.46
Lease liabilities	2.41	3.43	3.11	3.67
Trade payables	62.48	74.97	88.71	95.86
Other current liabilities	95.06	32.47	36.88	38.24
Total current liabilities	202.31	167.89	241.90	290.23
Total liabilities	229.15	192.07	256.40	309.67
Total equity and liabilities	298.11	347.79	665.38	756.52

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