

Standard Glass Lining Technology Limited

Issue Detail	
Price Band (Rs.)	₹133 to ₹140
Face Value (Rs.)	₹ 10 per share
Issue Size (Rs.)	₹ 4,100.5 Mn
Issue Type	Book Built Issue IPO
Lot Size	107 shares
Issue Opens	January 06, 2025
Issue Closes	January 08, 2025
Listing on	BSE & NSE

Indicative Timeline	On or before
Finalization of Basis of Allotment	January 09, 2025
Unblocking of Funds	January 10, 2025
Credit of shares to Demat Account	January 10, 2025
Listing on exchange	January 13, 2025

Other Detail	
Book Running Lead Managers	<ul style="list-style-type: none"> IIFL Securities Ltd Motilal Oswal Investment Advisors Limited
Registrar	Kfin Technologies Limited

IPO Shareholding (%)		
Category	Pre-Issue	Post-Issue
Promoters	72.49%	60.41%
Public	27.51%	39.59%
Total	100%	100%

Distribution Team
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Company Background

Incorporated in September 2012, Standard Glass Lining Technology Limited (SGLTL) 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. The company provides turnkey solutions, including design, engineering, manufacturing, assembly, installation, and standard operating procedures for pharmaceutical and chemical manufacturers. 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).

Issue Details

Standard Glass Lining IPO is a book-built issue of Rs 4,100.5 Mn. The issue is a combination of fresh issue of 1,50,00,000 shares aggregating to Rs 2,100.0 Mn and offer for sale of 1,42,89,367 shares aggregating to Rs 2,000.5 Mn.

Issue Objectives

The Company proposes to utilise 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.

IPO Share Issue Structure

Category	Allocation	Number of Shares	Value at upper price band (In Mn.)
QIB (Institutional)	50%	1,46,44,684	2050.26
Retail	35%	43,93,405	615.08
Non-Institutional	15%	1,02,51,278	1435.18
Total	100%	2,92,89,367	4100.51

Source: Company RHP, ACMIIL Research

Outlook

SGLTL is one of the top five specialised engineering equipment manufacturer for pharmaceutical and chemical sectors in India, in terms of revenue in FY2024, with in house capabilities across the entire value chain. Further SGLTL is among the top 3 manufacturer of glass-lined, stainless steel & nickel alloy based specialized engineering equipment. Demand for pharmaceutical and chemical engineering products is expected to increase from FY2025 to FY2027, benefiting the company's product demand.

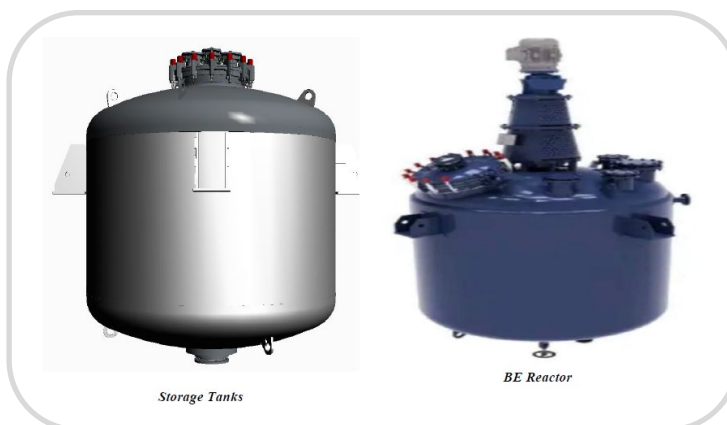
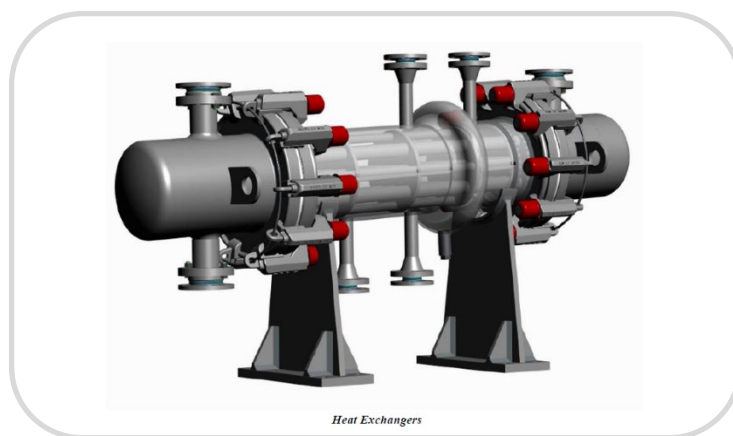
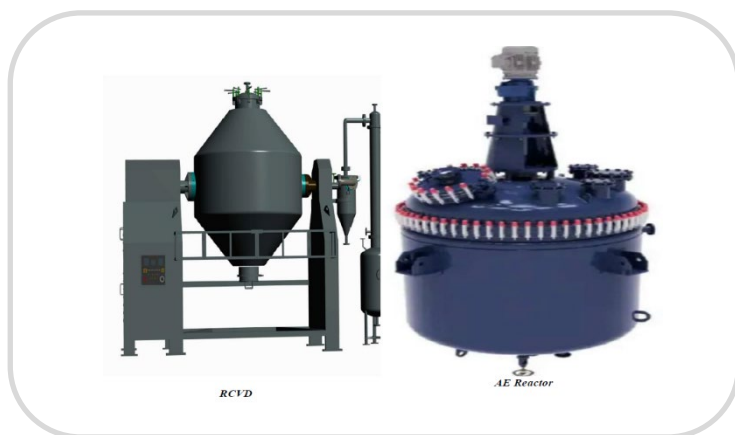
Company Overview

Standard Glass Lining Technology is one of the top 5 specialised engineering equipment manufacturer for pharmaceutical and chemical sectors in India, in terms of revenue in FY2024, with in house capabilities across the entire value chain. The 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 is also one of India's top 3 manufacturers of glass-lined, stainless steel, and nickel alloy based specialised engineering equipment, in terms of revenue in FY2024. SGLTL is also one of the top 3 suppliers of polytetrafluoroethylene ("PTFE") lined pipelines and fittings in India, in terms of revenue in FY2024. The company has been the fastest-growing company in the industry in which it operates during the past three completed Fiscals in terms of revenue. Additionally, the company has entered into an agreement with HHV Pumps Private Limited ("HHV"), for supply of vacuum pumps along with a private label arrangement. The company also has a supply and purchase arrangement for India with Japan based Asahi Glassplant Inc. and GL Hakko Co. Ltd ("GL Hakko") for procurement of specified grades of glass for its glass lining division. These partnerships have enabled the company to fortify its position in the Glass Lining and Vacuum Pumps market in India.

Products portfolio and Services

The company's products cater to a range of end-use industries such as pharmaceuticals, agrochemicals, speciality and fine chemicals, active pharmaceutical ingredients, food and bulk chemicals. The company has significantly expanded and diversified its product portfolio in recent years, strategically focusing on glass lined reactors and receivers, stainless steel and nickel alloy equipment, filtration and drying equipment and heat exchangers used in the pharmaceutical, chemical and food industries. The company offers 65+ unique designs across the range of products. Following are the illustrations of some of the products manufactured by the company.

Example of some of the products manufactured by company:

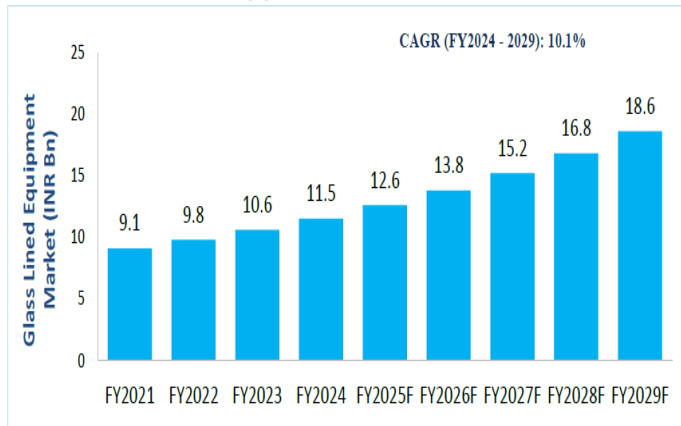


Source: Company RHP, ACMIIL Research

Glass Lined Equipment Industry

The Glass-Lined Equipment (GLE) industry is poised for significant growth, driven by multiple factors. GLE protects the contained media from exposure to water, other chemicals, alkalis, and corrosion, providing a desirable environment for storing the media. GLE is resistant to contamination and capable of operating in a variety of environments. Glass lining technology is extensively used in various industries for its corrosion resistance and durability.

Glass Lined Equipment Market, India, FY2021-2028F



Glass Lined Equipment Market, Global, 2021-2028F



Source: Company RHP, ACMIIL Research

Competitive 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.

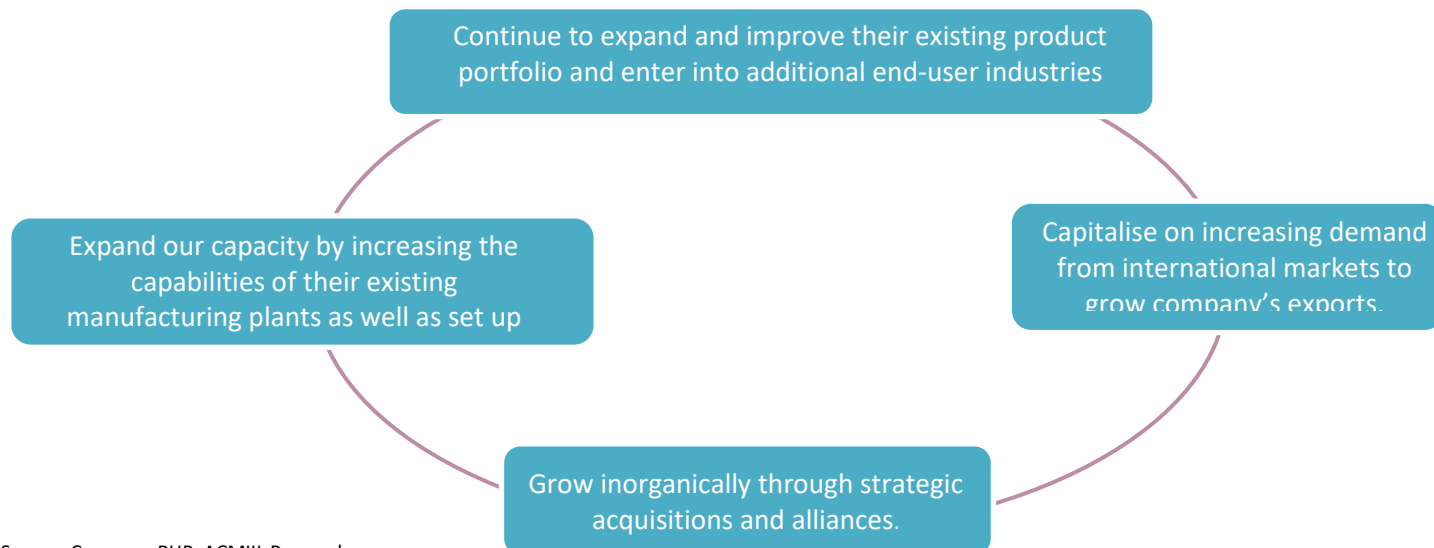
Long term relationships with marquee clientele across sectors.

Consistent track record of profitable growth.

Experienced promoters and management team.

Source: Company RHP, ACMIIL Research

Key Business Strategies



Source: Company RHP, ACMIIL Research

Financial Snapshot (Consolidated)

Particulars (In Mn)	FY22	FY23	FY24	H1FY25
Revenue from operations	2,401.87	4,975.88	5,436.69	3,071.95
EBITDA	417.79	882.56	1,009.19	627.08
EBITDA%	17.30%	17.65%	18.36%	20.09%
PAT	251.45	534.24	600.11	362.68
PAT%	10.41%	10.68%	10.92%	11.62%
ROE%	54.89%	47.56%	20.74%	8.06% *
ROCE%	42.03%	43.43%	25.49%	10.81% *

Note: *Not annualised

Source: Company RHP, ACMIIL Research

Comparison with Peers as on 31st March, 2024

Company Name	Total Income (Mn)	Face Value (₹)	P/E	EPS (Diluted) (₹)	Return on Net Worth (%)	NAV per share (₹)
Standard Glass Lining Technology	5,496.81	10.00	[●]	3.52	20.74	24.55
GMM Pfaudler Ltd	34,665.00	2.00	30.64	39.79	20.23	215.22
HLE Glascoat Ltd	9,767.36	2.00	56.54	6.52	7.99	61.06
Thermax Ltd	95,560.30	2.00	81.24	57.28	15.53	394.10
Praj Industries	35,097.77	2.00	52.54	15.42	24.09	69.36

Source: Company RHP; P/E based on CMP as of December 20,2024, on NSE, ACMIIL Research

Risks and concerns

- **Manufacturing facility risk:** All of manufacturing facilities are located in Telangana, India, the company is subject to risks related to their manufacturing process, such as accidents and natural disasters, as well as risks arising from changes in state of Telangana.
- **Raw material sourcing risk:** Company is dependent on a limited number of suppliers for their key raw materials such as stainless steel, carbon/ mild steel, nickel alloy, forgings, castings, chemicals and polytetrafluoroethylene powder. Any loss of suppliers or failure to procure raw materials in a cost-effective manner may have an adverse impact on business, financial conditions and result of operations.

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Quarterly Kaleidoscope	Investment ideas
Market Pulse	Master trades High & Medium Risk
RBI Monetary Policy	Techno Funda
Budget Report	Stock Basket
Weekly Derivatives Synopsis	Mutual fund model portfolios
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Rollover Analysis (Monthly)	IPO Note
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