

## Company Business and Products

Standard Glass Lining Technology Limited (SGL) is one of the top five specialized engineering equipment manufacturers for the pharmaceutical and chemical sectors in India, based on revenue in Fiscal 2024. The company boasts in-house capabilities across the entire value chain.

**SGL's product portfolio includes:**

- ✦ **Reaction Systems:** These are critical for various chemical processes and constitute a significant portion of the global and Indian markets.
- ✦ **Separation and Drying Systems:** Essential for isolating and drying products, these systems contribute to SGL's revenue and market share.
- ✦ **Heat Transfer Systems:** These systems play a vital role in managing temperature within processes.
- ✦ **Storage Tanks and Vessels:** Used for storing raw materials and finished products.
- ✦ **Other Equipment:** This category likely encompasses specialized components and ancillary equipment.



## Industry Analysis and Future Growth and TAM

- ✦ The specialized industrial process equipment market, particularly for the pharma, chemicals, and food processing sectors, is experiencing significant growth. This growth is driven by factors such as rising demand for pharmaceuticals and chemicals, advancements in manufacturing processes, and increasing investments in research and development.

**SGL's product portfolio includes:**

Product Types	Global Market Size (US\$ Bn) - CY 2023	India Market Size (INR Bn) - FY 2024	SGLT Revenue (INR Bn)	Domestic Market Share %
Reaction Systems	76.12	114.51	3.08	2.7%
Separation and Drying Systems	17.45	33.12	1.64	5.0%
Plant Engineering & Services	14.00	30.00	0.71	2.4%
<b>Total</b>	<b>107.57</b>	<b>177.63</b>	<b>5.43</b>	<b>3.1%</b>

New Product Type - Pipeline	Global Market Size (US\$ Bn) - CY 2023	India Market Size (INR Bn) - FY 2024
Powder Mixing Equipment	5.78	32.80
ZLD Equipment	6.81	36.90
Solvent Separation	0.97	-
Fermentation Equipment	1.91	16.41
Heavy Engineering Equipment	670.00	11,890.20
Precision Parts	13.12	131.20

Exchange rate US\$ 1 = INR 82

## IPO Details

- ✦ Open date : **Jan 06, 2025**
- ✦ Close date : **Jan 08, 2025**
- ✦ Issue Size : **2,92,89,367 Shares (410.05 Cr.)**
- ✦ Fresh Issue : **1,50,00,000 Shares (Rs. 210 Cr.)**
- ✦ OFS : **1,42,89,367 Shares (Rs.200.05 Cr.)**
- ✦ Price Band : **Rs. 133-140 Per Equity Shares**
- ✦ Pre IPO Promoter Holding : **72.48%**
- ✦ Post IPO Promoter Holding : **60.39%**

## Objects of the Issue

- ✦ Funding capital expenditure requirements for the purchase of machinery and equipment, amounting to **INR 10 crore**.
- ✦ Repayment or prepayment of outstanding borrowings availed by the company and its material subsidiary, S2 Engineering Industry Private Limited, totaling **INR 130 Cr.**
- ✦ Investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for funding its capital expenditure requirements towards purchase of machinery and equipment. **INR 30 Cr.**
- ✦ Funding inorganic growth through strategic investments and/or acquisitions **INR 20 Cr.**
- ✦ General Corporate Purposes.

*\*It is important to note that a Pre-IPO Placement of Equity Shares was undertaken by the company, raising INR 40 Cr. This amount will be used for general corporate purposes.*



- ✦ SGL holds a small percentage of this market, indicating substantial room for expansion. The company's revenue from reaction systems in Fiscal 2024 was INR 3.08 billion, representing a domestic market share of 2.7%. For separation and drying systems, SGL had a 5% market share with revenue of INR 1.64 billion in Fiscal 2024.
- ✦ The F&S report "Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals, and Food Processing Sector" provides detailed insights into market trends, growth drivers, and future projections. This report, commissioned by SGL, can be accessed on their website.

## Capacity Utilization

Manufacturing Facility	As of September 30, 2024			As of March 31, 2024			As of March 31, 2023			As of March 31, 2022		
	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#
SGL Unit	805	576	71.60	1,609	1,345	83.59	1,609	1,166	72.47	1,609	1,274	79.18
S2 Unit 1	229	204	89.08	458	332	72.49	458	382	83.41	115	99	86.46
S2 Unit 2	190	182	95.79	380	326	85.79	380	223	58.68	95	86	90.53
S2 Unit 3	220	214	97.27	440	440	100.00	440	323	73.41	110	41	37.27
S2 Unit 4	342	221	64.62	684	484	70.76	684	684	100.00	171	95	55.56
SFPL Unit	54,000	35,558	65.85	90,000	57,484	63.87	-	-	-	-	-	-
CPK Unit 1	90	39	43.33	-	-	-	-	-	-	-	-	-
CPK Unit 2	30	14	46.67	-	-	-	-	-	-	-	-	-

## Financials of the company

(Fig. in Cr)

Particulars	Sep 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	307.19	543.66	497.58	240.18
YOY Revenue Growth		9.26%	107.17%	
EBITDA	62.70	100.91	88.25	41.77
EBITDA Margins	20.09%	18.36%	17.65%	17.30%
PAT	36.26	60.01	53.42	25.14
PAT Margins	11.62%	10.92%	10.68%	10.41%
D/E Ratio	0.39	0.32	0.53	1.01
ROCE		20.74%	47.56%	54.89%
CFOA	-19.33	-65.02	1.75	-7.14



## Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Standard Glass Lining Technology (FY 2024)	543.66 Cr.	18.36%	10.92%	0.32	2,792.88 Cr.	46.54
GMM Pfaudler (TTM)	3,187 Cr.	12%	3.07%	0.91	5,404 Cr.	55.30
HLE Glascoat (TTM)	1,009 Cr.	12%	4.06%	0.83	2,464 Cr.	82.50
Thermax (TTM)	9,884 Cr.	9%	7.40%	0.32	49,565 Cr.	78.1
Praj Industries (TTM)	3,363 Cr.	12%	8.92%	0.13	14,972 Cr.	53.80

SGL's listed peers in India include GMM Pfaudler Ltd, HLE Glascoat Ltd, Thermax Ltd, and Praj Industries. While these companies offer similar services, they may differ in scale, business models, product focus, and geographic reach.

*Direct comparison may be challenging due to these variations.*

## Positive and Negative Points

### Positive

- ✦ **Strong Financial Performance:** Consistent revenue growth and profitability.
- ✦ **Experienced Management Team:** Seasoned leadership with industry expertise.
- ✦ **Growing Industry:** Favorable market dynamics and future growth potential.
- ✦ **Diverse Product Portfolio:** Catering to various needs in the pharmaceutical and chemical sectors.
- ✦ **Focus on Innovation:** Commitment to research and development.
- ✦ **Stable EBITDA and PAT Margins.**

### Negative

- ✦ **Small Market Share:** Currently holds a small portion of the market.
- ✦ **Competition:** Faces competition from established players.
- ✦ **Reliance on Key Customers:** Dependence on a limited number of clients.
- ✦ **Negative Operating Cash Flows**





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