businesswire

Wednesday, January 11, 2023 4:40PM IST (11:10AM GMT)

(BSE:543782)

Sealmatic Files DRHP with BSE SME: Umar AK Balwa, Managing Director, Sealmatic India Ltd

Thane, Maharashtra, India

Strong performance of past SME IPOs has spurred investors' interest, with 87 small and medium enterprises (SMEs) garnering Rs 1,460 crore through initial share sales in the first nine months of the year 2022.

This was way higher than 56 companies that had raised Rs 783 crore through initial public offering (IPO) in the entire 2021, the industry data showed.

"SME segment is not impacted by the bearishness in the market and investors are looking forward to the healthy pipeline of IPOs going forward, many companies have filed or planning to file their documents for listing on the BSE SME and NSE Emerge platforms," **says Umar AK Balwa, Managing Director at Sealmatic India Ltd.** The company filed their DRHP on January 05th 2023 with the BSE SME platform. Some interesting facts:

Why Sealmatic is considering going public through the BSE SME platform
Sealmatic India Ltd filed its DRHP with the BSE SME platform on the 5th of January 2023, subject to regulatory approvals, it may decide to go public in the near future. The SMEs benefit by greater credibility and enhanced financial status leading to demand in the company's shares and Price Discovery/valuation of the company. Equity financing provides growth opportunities like expansion, mergers and acquisitions thus being a cost-effective and tax-efficient mode.

How Sealmatic feels about the SME listings that have gained tremendous success in the recent past
To its experience and understanding this is just the beginning of the history being written about the pivotal role the SME segment is going to play in the success of the country in becoming a global manufacturing hub. There are about 15000 high-quality SMEs located across the length and breadth of the country, engaged in high-end manufacturing in every field possible. There is going to be an industrial revolution in our country in the coming years, making India a powerhouse like Germany, Japan and South Korea.

There are about 394 companies listed on BSE SME Platform, which have raised Rs. 4,263 crores from the market and total market capitalization of 394 companies as on October 07, 2022 is about Rs. 60,000 Crores. This says it all.

Sealmatic's view of the future of SME sector in India
The SME sector is the backbone of India, but before that it would be pertinent to mention about the SME industry of Germany, which is known as the Mittelstand.

The Mittelstand is often described as **the heart of Germany's economy** – and rightly so, given that mid-sized companies in Germany account for the largest share of the country's economic output, employ about 60 percent of all workers, provide crucial training, and contribute significantly to corporate tax revenues in Germany.

Similarly in India, the Small, and Medium Enterprises (SMEs) sector is a significant stakeholder in the Prime minister's vision of Atmanirbhar Bharat towards building a $5 Trillion economy.

Recently we have seen growth in the SME sector because of various initiatives taken by the Government of India and the Reserve Bank of India (RBI).

SMEs are the foundation of India's economic growth and account for at least 30 percent of the country's GDP.

Furthermore, the sector employs nearly 100 million people, making it the second largest source of employment in the country after agriculture. Thus, the development of this sector is critical to India's future.

Capacity utilization in the current operational manufacturing unit of Sealmatic
The current capacity utilization is about 85%. In the financial year 2021 – 2022, the company clocked a revenue of about Rs 43 crores and it can scale it up to Rs 55 crores from the current unit. It is in the process of setting up a second unit to add an additional capacity of 60%, for which it has already entered into a lease agreement and the unit will be operational by middle of the next financial year.

Total funds required is about Rs 40 crores for plant & machinery, research & development, marketing and sales activities in India, Middle East, Europe and USA, working capital and other corporate expenses, which are specifically mentioned in our DRHP, subject to regulatory approvals. It is in process of complying with the statutory process to get the approvals as per the guidelines of the capital market regulator.

Major factors that set Sealmatic apart from other players in this segment
Mechanical seal industry is highly competitive, it requires huge amount of time, money and energy to reach a certain level. Generally, a period of 10 years is needed to attain maturity in this industry.

When Sealmatic started out in 2011 after ending our joint venture of 17 years (2007) with Feodor Burgmann of Germany, it consciously made efforts to set up its plant to match international standards and specifications.

Not only in terms of employing hardware and software, but also implementing very high international standards and a highly trained team, it is proud to state that is has had more than 100 visits from international customers to its premises and all of them have said simply one thing – "state of the art international facility".

It is the only Indian company which has the distinction of API Q1, ATEX & EU FDA certification for mechanical seals.

Sealmatic market share projections for the near future
Sealmatic is well placed with its infrastructure to fulfil its goals of becoming one of the top three mechanical seal company in India, it is aiming to achieve 15% market share in the coming years. The current market size for mechanical seals in India is Rs 1900 crores and is expected to grow to Rs 2800 crores by 2028. Similarly, the global market size for mechanical seals is USD 4.5 billion and is expected to grow at CAGR of 5% in the coming years.

www.sealmaticindia.com

Sealmatic India Ltd
A, Indiplex IV, Survey No-12,
Hissa No-9A, Village Ghodbunder,
Shanti Vidya Nagri Road, Mira Road (E).
Thane - 401107. India.

Disclaimer
This Is a Public Announcement for Information Purposes Only. This Is Not a Prospectus Announcement and Does Not Constitute an Invitation or Offer to Acquire, Purchase or Subscribe for Units or Securities.