

SME IPO: SEALMATIC INDIA ISSUE OPENS FRIDAY, PRICE BAND FIXED AT RS 220-225

Synopsis

Sealmatic mechanical seals are supplied to industry leaders in oil & gas, refinery, petrochemical, chemical, pharmaceutical, fertiliser, power, mining, pulp & paper, aerospace, marine, and other industries

The Rs 56-crore initial public offering (IPO) of Sealmatic India will open for subscription from Friday, February 17 and close on February 21. The company is selling shares in the range of Rs 220-225 apiece.

Sealmatic India is engaged in designing and manufacturing mechanical seals and associated products.

According to the prospectus filed with BSE SME, 24,99,600 equity shares are offered at a price band of Rs 220 to Rs 225 per share. The Rs 56 crore-issue would comprise a fresh issue of up to 18,50,00 equity shares, aggregating to Rs 41.62 crore, to fund the expansion plan and an offer for sale (OFS) of up to 6,49,600 equity shares, aggregating to Rs 14.61 crore.

The gross proceeds of the issue will be employed for the purchase of plant and machinery, product and sales development, and other corporate purposes.

On a proportionate basis, not more than 40% of the net issue will be allocated to qualified institutional buyers (QIBs), including the anchor. Similarly, not less than 18% of the net offer will be available for allocation to non-institutional investors, and not less than 42% of the net offer will be available for retail individual investors. Retail investors would be required to subscribe to a minimum of 1 lot of 600 shares.

ISK Advisors is the book-running lead manager of the SME IPO.

Incorporated in 2009, Sealmatic is a manufacturer of mechanical seals with domestic and international customers in over 45 countries. Sealmatic mechanical seals are supplied to industry leaders in oil & gas, refinery, petrochemical, chemical, pharmaceutical, fertiliser, power, mining, pulp & paper, aerospace, marine, and other industries.

"India is one of the major markets for mechanical seals. An increase in the adoption of mechanical seals by various industries is anticipated to drive the market. Sealmatic certainly has the advantage of sustainable growth in the coming years," Umar Balwa, Managing Director, Sealmatic India, said.