IPO Note

November 30, 2021

Tega Industries Limited

Tega Industries Limited

Issue Snapshot:

Issue Open: Dec 01 – Dec 03 2021

Price Band: Rs. 443 – 453

*Issue Size: Rs 619.23 cr (Entirely Offer for sale of Rs 13,669,478 eq sh)

Reservation for:

QIB	Upto	6,834,738 eq sh
Non Institutional	atleast	2,050,422 eq sh
Retail	atleast	4,784,318 eq sh

Face Value: Rs 10

Book value: Rs 108.06 (Jun 30, 2021)

Bid size: - 33 equity shares and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity:	Rs.	66.29 cr
*Post issue Equity:	Rs.	66.29 cr

Listing: BSE & NSE

Book Running Lead Managers: Axis Capital Ltd, JM Financial Ltd

Registrar to issue Link Intime India Private Ltd

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	85.2	79.2
Public	14.8	20.8
Total	100.0	100.0

*=assuming issue subscribed at higher band
Source for this Note: RHP

Background & Operations:

Tega Industries Limited (TIL) is a leading manufacturer and distributor of specialized 'critical to operate' and recurring consumable products for the global mineral beneficiation, mining and bulk solids handling industry, on the basis of sales as of June 30, 2021. Globally, it is the second largest producers of polymer-based mill liners, on the basis of revenues as of June 30, 2021. It offers comprehensive solutions to marquee global clients in the mineral beneficiation, mining and bulk solids handling industry, through its wide product portfolio of specialized abrasion and wear-resistant rubber, polyurethane, steel and ceramic based lining components, used by its customers across different stages of mining and mineral processing, screening, grinding and material handling, including after-market spends on wear, spare parts, grinding media and power, which are regular operating expenses for its customers. Its engineering capability, which has evolved over decades, has enabled it to consistently offer quality, complex manufactured products within stipulated timelines, allowing it to reduce downtime and maximize operational efficiency for its customers, and forge robust relationships with its customers leading to high recurring revenues.

TIL's product portfolio comprises more than 55 mineral processing and material handling products. As an average of the last three Fiscals i.e., 2021, 2020 and 2019, sale of products constitutes 95.08% of its revenue from operations, while its sale of services and other operating revenue constitutes 2.15% and 2.77%, respectively of its revenue from operations. For the three months' period ended June 30, 2021, the sale of products constitutes 94.56% of its revenue from operations, while the sale of services and other operating revenue constitutes 3.33% and 2.11%, respectively of its revenue from operations. Its mineral processing and material handling products offering covers a wide range of solutions in the mining equipment, aggregates equipment and the mineral consumables industry. Its products offering include consumables required in the mines and mineral processing industry. In the sequence of their usage in the mineral processing value chain, after blasting to floatation, its products include chutes and its liners, grinding mill liners, trommels and screens, hydrocyclones, pumps and flotation parts and conveyor products. Its product range is engineered with a combination of mineral processing engineering, mechanical engineering and material sciences, while utilising its expertise in tribology.

TIL has six manufacturing sites, including three in India, at Dahej in Gujarat and at Samali and Kalyani in West Bengal, and three sites in major mining hubs of Chile, South Africa and Australia, with a total built-up area of 74,255 Sq. mts. Its facilities in India caters to the domestic and overseas markets across mineral processing and materials handling industries, while its facilities in Chile, South Africa and Australia caters to their respective local and regional mineral processing and materials handling industries. Additionally, its joint venture in India with U.K. branch of Hosch Group, Germany is engaged in precision conveyer belt cleaning and caters to various industries in India. The Company also has 18 global and 14 domestic sales offices located close to its key customers and mining sites.

With on-ground presence in all major mining locations, it is well positioned to cater to its customers across the world which comprise large global mining companies as well as small and medium size companies in the mining and mineral beneficiation industry in developed countries as well as in emerging regions. In order to expand its operations globally, TIL acquired Tega Industries Africa (Pty) Ltd. (formerly, Beruc Equipment (Proprietary) Limited) ("Tega Africa") in FY 2007 which is a South Africa based manufacturer and distributor of grinding mill liners and screen media, amongst others and this gave access to manufacturing capabilities and customers in Africa's mining and industrial markets. TIL's facilities in South Africa also gives access to the member countries of the Southern

African Development Community (SADC). It continued its expansion and acquired Chile based Tega Industries Chile SpA (formerly Acotec SA) ("Tega Chile") in FY 2011 which is involved in the manufacture of pumps, screen media and wear products.

Objects of Issue:

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer for Sale of up to 13,669,478 Equity Shares. TIL expects that listing of the Equity Shares will enhance its visibility and brand and provide liquidity to its existing Shareholders. Listing will also provide a public market for the Equity Shares in India. The Company will not receive any proceeds from the Offer. All proceeds from the Offer will go to the Selling Shareholders, in proportion to the Equity Shares offered by them in the Offer for Sale.

Competitive Strengths

A leading producer of specialized and "critical to operate" products, with high barriers to replacement or substitution: Globally, TIL is the second largest producers of polymer-based mill liners in terms of revenues as of June 30, 2021, in a near oligopolistic market structure. It is present across the value chain of a mineral processing site, providing a wide range of products and solutions for processing across different stages of mineral processing. Its products are critical to the overall productivity of a mineral processing site. They are a relatively low cost component in a unit's operations, however, they play a critical role in determining a unit's productivity, in terms of throughput, lower grinding media consumption, lower energy consumption and lower downtime, leading to lower operating costs for its customers. In TIL's experience, mineral processing sites do not tend to switch to a substitute supplier, even if the product offered by a new entrant or established substitute supplier is comparatively cheaper. This is due to the high cost of initial planning involved, the lead time required for approval, degree of certainty of the products of an established supplier, the high cost of downtime or shutdown of a site and relatively lower percentage cost of its components in the total operating costs of a mineral processing site. Since mineral processing sites ordinarily refrain from switching and remain with an existing approved supplier, the company has the flexibility to maintain high margins throughout the period of its association with a mineral processing site. Additionally, globally the industry in which it operates has limited number of established competitors.

Insulated from mining capex cycles, as products cater to after-market spends, providing recurring revenues: TIL's products cater to the after-market spend of a mining processing unit. After-market spend is typically three times of the upfront capex spend over the lifecycle of a mill, and is a recurring cost for miners. After-market spend for a mining processing unit comprises regular operating expenses which include costs of wear and separation parts, grinding media, power consumption, liners and other regular operating expenses. As a result, 76.28%, 74.29%, 75.43% and 79.72% of its sale of products and services in three months' period ended June 30, 2021 and last three Fiscals 2021, 2020 and 2019 resulted from repeat orders of spares. Gold and copper mill sites require superior quality of consumables and has higher beneficiation requirements. Across copper mines, ore grades have declined by around less than 1% per ton over the last few years. Similarly, ore grades have also depleted in the gold mines over the last few years, which has led to disproportionate industry growth of around 5-7% for mining and mineral processing equipment at each customer site. Also, decreasing ore grades has led to a greater demand for larger-sized equipment, leading to an overall growth of 17% of the mill lining industry in Fiscal 2021. Despite some volatility in capital expenditure cycles for gold and copper mining sites, its business was not impacted, as a majority of its products were linked to the operating expenditure budget of a mining site and not capital expenditure.

High value add and technology intensive products, backed by strong R&D and focus on quality control: TIL's in-house R&D and manufacturing capabilities, including design, process engineering and manufacturing facilities, allows it to turn around customized designs in a short time frame, offer comprehensive solutions and better service standards to its customers and cross sell multiple products to its customers. It designs and customize its products uniquely for each customer site, taking into account multiple characteristics of the application including type of ore, ore size, tonnage, breakage rate, power or rotational speed, pH, temperature, humidity, size, distribution and trajectory, sound levels, health and safety standards. Its continuous design innovation makes TIL's products highly engineered "built-to-suit" rather than "off-the-shelf", with its products being unique for each customer site taking into account multiple characteristics of its application. This has contributed to attractive and sustainable margins, product innovation and optimum product design leading to its significant customer retention over the years.

TIL do not rely on outsourcing, which reduces its dependence on vendors, minimizes failure rates and facilitates its quality assurance. Its high-quality production and ability to match diverse customer specifications is due to its well-crafted manufacturing process. Its products which are sold to several major mining and mineral processing companies, which typically go through multiple stages of stringent selection and approval procedures, and has also been certified by various customers on quality assurance of its products. The Company has a track record of developing and commercializing a diverse and innovative product portfolio of 55 mineral processing and

material handling products over the years, including DynaPrime launched by it in 2018. This product is targeted towards large mineral processing units which historically or conventionally had relied on traditionally used steel liners. DynaPrime has unlocked a new addressable market for it. As of March 31, 2021, its order book for DynaPrime includes 23 target sites. As of June 30, 2021, the Compnay's order book for DynaPrime includes 28 target sites.

TIL's strong in-house R&D has allowed it to register 8 global patents and several trademarks. With much of its capital expenditure having been incurred in prior years and its extensive sales and distribution network already set up, it is well positioned for future growth based on acceptance of its pipeline of new products across geographies.

Long standing market player with marquee global customer base and strong global manufacturing and sales capabilities: TIL commenced operations with a foreign collobaration with Skega AB, Sweden in 1978. Over time, it has diversified its capabilities by expanding its product portfolio and augmenting its technical capabilities. Starting from one manufacturing facility in 1978, it has now grown to operate six manufacturing facilities across the globe. The Company has a track-record of servicing leading global mining companies for a long period of time and in several cases, its relationships with key customers span more than 10 years, leading to high repeat revenues for it. Moreover, its deep relationships with some of the world's largest senior miners and a robust order book of Rs.3,161.36 million as of June 30, 2021 allow significant visibility to plan for future growth. TIL has Indian manufacturing operations at Dahej in Gujarat and at Samali and Kalyani in West Bengal, and its international manufacturing operations is in proximity to the world's major copper and gold mining locations in Chile, South Africa and Australia, with a total built-up area of 74255 Sq. mts. Its sales and distribution network is also inhouse, with 18 overseas and 14 domestic sales offices strategically located in all the key geographies close to key customers, supported by 155 member dedicated sales and servicing team with ability to assist pre sales and after sales services and in select geographies by commission agents from time to time.

TIL has an extensive global footprint across major global mining locations and supply its products across over 70 countries. Revenue from operations outside India constituted 84.48%, 86.42%, 85.92% and 85.83% of its total revenue from operations in the three months' period ended June 30, 2021 and Fiscals 2021, 2020 and 2019, respectively. Its key overseas markets include North America, South America, Africa, EMER (Europe, Middle East and Russia) and Asia Pacific (South East Asia and Australia). Its in-house sales and distribution network in all the key geographies helps it with consistently adding new sites, leading to diversification of revenue stream across multiple sites and low concentration. The recurring nature of its business is supported by its expertise and sales reach. The Company offers to its customers its expertise in R&D, planning and operations and maintain constant dialogue, which results in better demand forecasting, provides insight into new business expansion and helps it plan for future growth with its customers.

The industry in which TIL operate is concentrated and characterized by strong presence of multinational customers, which has operations globally. However, decision making with respect to local operations for most of its customer sites is decentralised, which benefits the Company since it has established relationship with the operational teams through its dedicated regional teams. Its customer-centric approach has been one of the key reasons for its growth and profitability, and helps it differentiate itself from its competitors in the industry.

Consistent growth, characterized by operational efficiency and high repeat business.: TIL's business operated with 60.42%, 59.80%, 60.02% and 59.39% material margins and 16.54%, 27.86%, 16.85% and 16.49% EBITDA margins in the three months' period ended June 30, 2021, Fiscals 2021, 2020 and 2019, respectively. Its strong market position and entry barriers helps it maintain high margins over time. Business is capital efficient, with sale of products being 4.57 times of the property, plant and equipment for the Fiscal 2021 and ROCE of 24.76% for Fiscal 2021. Further, it has successfully maintained this operational efficiency while completing and integrating acquisitions, joint ventures and strategic alliances, including its acquisitions in Chile, South Africa and Australia. TIL's repeat business from existing mineral processing sites accounted for 76.28%, 74.29%, 75.43% and 79.72% of its revenue from operations in the three months' period ended June 30, 2021, Fiscals 2021, 2020 and 2019, each year and it is able to consistently add new customers and sites, on account of its value added offering focused on reduction of cost per tonne of processing and reduction of the downtime cost. With the launch of Dyna Prime, a composite liner of rubber and steel, TIL has expanded its addressable market to include larger sized equipment, offering greater productivity gains and cost savings to existing users of steel liners. As a result, its revenue from operation year on year increased by 15.52%, 8.06% and 17.62% in Fiscals 2019, 2020 and 2021 at a CAGR 12.74%, from Fiscal 2019 to Fiscal 2021. As of June 30, 2021, TIL has an order book of Rs. 3,161.36 million.

Experienced management team supported by large, diverse and skilled work force: TIL's Promoter, Founder and Chairman, Madan Mohan Mohanka, is a civil engineer and first-generation entrepreneur with over 44 years of industry experience, and strong

relationships with several key industry organizations. It's Promoter and Managing Director, Mehul Mohanka, who has been with the Company for over 18 years and is responsible for its overall corporate strategy, has a track record of successfully integrating multiple acquisitions across geographies, including Chile, South Africa and Australia. Mehul Mohanka is also serving or has served as chairpersons of key industry organizations, which strengthen it's connect with current and prospective customers. The Company has an experienced Board, with an optimal mix of whole-time directors, independent directors and a nominee director of Wagner Ltd, each with several years of relevant experience. Its Board is supported by strong management and technical teams, which include individuals with specialized training and/or substantial experience, including in operations, business development, quality assurance, customer relationships, finance and human resource management.

TIL has a team of experienced employees located in various parts of the world. Each of the global business units at Chile, South Africa and Australia are led by business heads in respective geographies, which provides a focused approach to each respective region. It also has a strong focus on training and retention of its employees and has implemented several training programs to improve employee engagement and productivity, including special training programs for shop floor level employees to prepare them for taking up large roles within the Company.

Business Strategy:

Gain market share and customer wallet share across high growth markets: TIL is currently the second largest producer of polymer-based mill liners in the world, on the basis of revenues for calendar year 2020. Across copper mines, ore grades have declined by around less than 1% per ton over the last few years. Similarly, ore grades have also depleted in the gold mines over the last few years, which has led to disproportionate industry growth of around 5-7% for mining and mineral processing equipment. Also, decreasing ore grades has led to a greater demand for larger-sized equipment, leading to an overall growth of 17% of the mineral processing consumables industry in Fiscal 2021. TIL intends to leverage this position to create opportunities in increasing its penetration and market share in North America, South America, Australia and South Africa. For the period April to June 2021, it's Indian and overseas customer base included 212 installation sites. In Fiscals 2021, 2020 and 2019, its India and overseas customer base included 513, 498 and 479 installation sites, respectively. It seeks to capitalize on its track record of adding new customers and mining sites across geographies.

TIL also intends to leverage its strong product development, design, engineering and manufacturing capabilities along with its customer relationships to grow its share of customer wallets and improve its market penetration by cross-selling within its existing customer base. It also aims to strengthen its relationships with its existing customers by continuing its focus on high quality products and solutions which has recurring demand, leading to high repeat revenues. Furthermore, the scale of its operations across the mining and emerging industrial markets and materials handling industries allows it to offers a competitive cost structure and it intends to continue to leverage this advantage across the markets it serve.

Leverage in-house R&D capabilities to grow product offerings and capitalize on future trends: TIL plans to continue expanding its R&D capabilities in order to capture future growth trends. Its in-house R&D team comprising 36 personnel focuses on upgrading its existing products, developing product variants such as locking ceramic liner and thin flexible ceramic liner; development of new products such as Combi liner and wear resistant liners; and developing cutting edge new technologies, using customised softwares for structural analysis, flow analysis, 3D modelling and product selection. Further, TIL seeks to continue to focus on its ability to customize its product offerings according to the specific requirements of the customers through innovation and focusing on sustainable solutions. The Company continuously seeks to improve on its products to make them more effective for its customers and their applications and processes. It aims to innovate, manufacture and supply consumable products which will make the processes followed by its customers more efficient, more sustainable as well as more cost efficient. It also seeks to continue to promote and strengthen its "plant audit" expertise, which is led by its R&D team.

TIL also continue to discern emerging trends and proactively identify new products with the use of its in-house software programs, leveraging its recent experience in launching products such as DynaPrime, Rapido and Combi-screen. Its integrated capabilities enable it to capitalize on the growing opportunities and emerging trends in its industry, particularly in its wear products business, where its focus is on its flagship product, DynaPrime, which has unlocked a new addressable market for it in the last three Fiscals. Going forward, with DynaPrime, TIL seeks to benefit from the key trend in the mill lining industry, which is moving towards the rubber-metal composite mill liners as against traditionally used steel liners.

Expand manufacturing capabilities to achieve better economies of scale*:* TIL plans to continue expanding its manufacturing capabilities in order to capture future growth trends. In order to enhance its existing capabilities, it plans to expand its manufacturing capacity and capabilities, both in India and overseas. It is planning to expand its existing capacity at its Dahej and Samali facilities in India. In addition, it plans to expand into life cycle management for its customers, with focus on capital equipment having high

requirement of bespoke critical spares and services offered by it to increase its customer's production efficiency and deliver sustained performance improvements.

Explore opportunities for inorganic growth: TIL intends to continue to actively pursue acquisitive opportunities and strategic alliances with targets that are complementary to its business. In particular, it will seek to make acquisitions that provide it with access to new technologies, or new customers, or new geographies. It has a track record of successfully completing and integrating acquisitions and benefiting from its participation in joint ventures and strategic alliances, including its acquisitions in Chile, South Africa and Australia. TIL's acquisition agreements and joint ventures with strategically identified partners has allowed to gain access to new customers and geographies and remain abreast with modern manufacturing techniques and equipment. It seeks to leverage its free cash flows to selectively evaluate complementary targets for strategic acquisitions, and continue exploring synergies that may arise from strategic alliances, partnerships or initiatives.

Operational efficiencies and margin expansion: TIL intends to continue enhancing its operational efficiencies, to increase economies of scale, better absorb its fixed costs, reduce other operating costs and strengthen its competitive position. It has, in the past and intends to in the future, continue using a variety of other manufacturing strategies and cost reduction strategies to continue to improve its operational efficiencies. In addition, it shall also focus on cycle time reduction by adopting advanced technologies that will also result in process optimisation, thereby increasing its capacity to undertake more number of projects. TIL avail of its fund-based and non-fund based facilities in the ordinary course of business from various banks and financial institutions. As part of its strategy, it intends to prepay/ repay, in full or part, of certain of its outstanding indebtedness. This will help reduce its outstanding indebtedness and debt servicing costs, assist it in maintaining a favourable low leverage and healthy capitalization metrics and enable utilisation of its internal accruals for further investment in business growth and expansion.

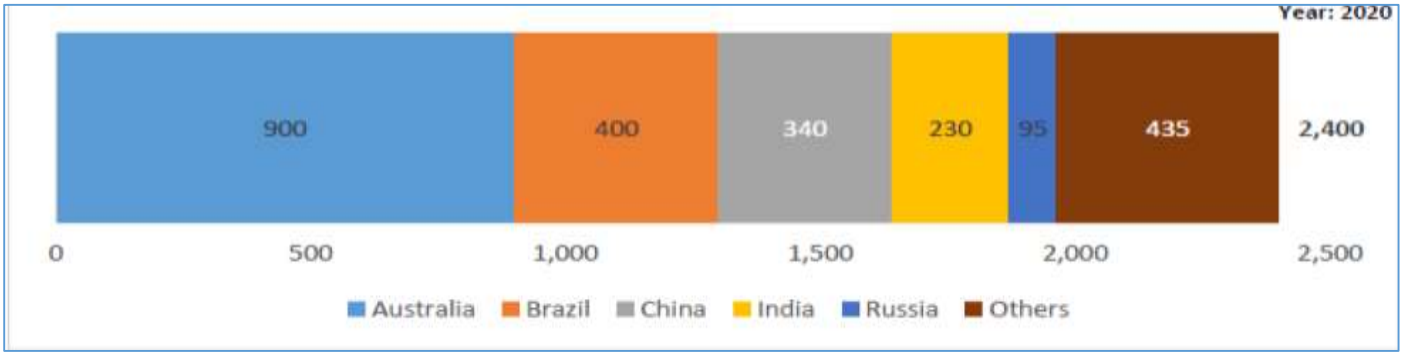
Industry:

OVERVIEW OF THE MINING INDUSTRY

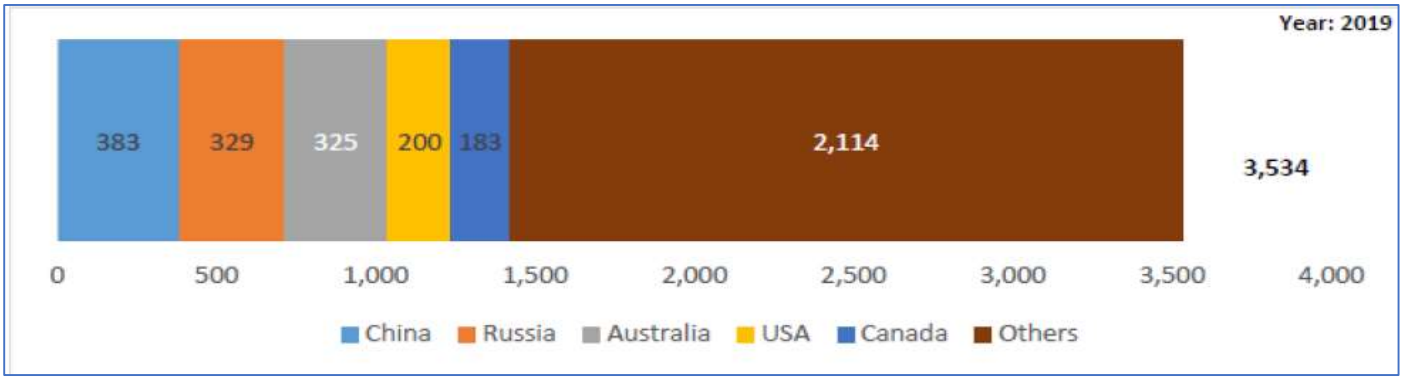
Global Mining Industry

In 2020, Asia-Pacific accounted for 71% of the global mining industry, followed by North America with 9%. The mining market consists of companies (organizations, sole dealers, and partnerships) that harvest rocks, commodities, and other useful resources (ferrous and nonferrous metals, sand and gravel, coal, and so on) from the Earth's crust. BHP Billiton Ltd, Glencore Plc, Vale SA, Rio Tinto Group, and CRH Plc are the leading participants in the mining industry. Global commodity mineral production during 2020 was 10.2 billion tons, with coal and Iron (2 largest minerals mined worldwide) accounting 96% of total production. Silver is the most mined precious metal accounting for 86% of total precious metal mined and is found close to Zinc deposits, while Gold is found mostly near copper mines.

Global Iron Ore Production by Country (Million Tons)



Global Gold Production by Country (Tons)

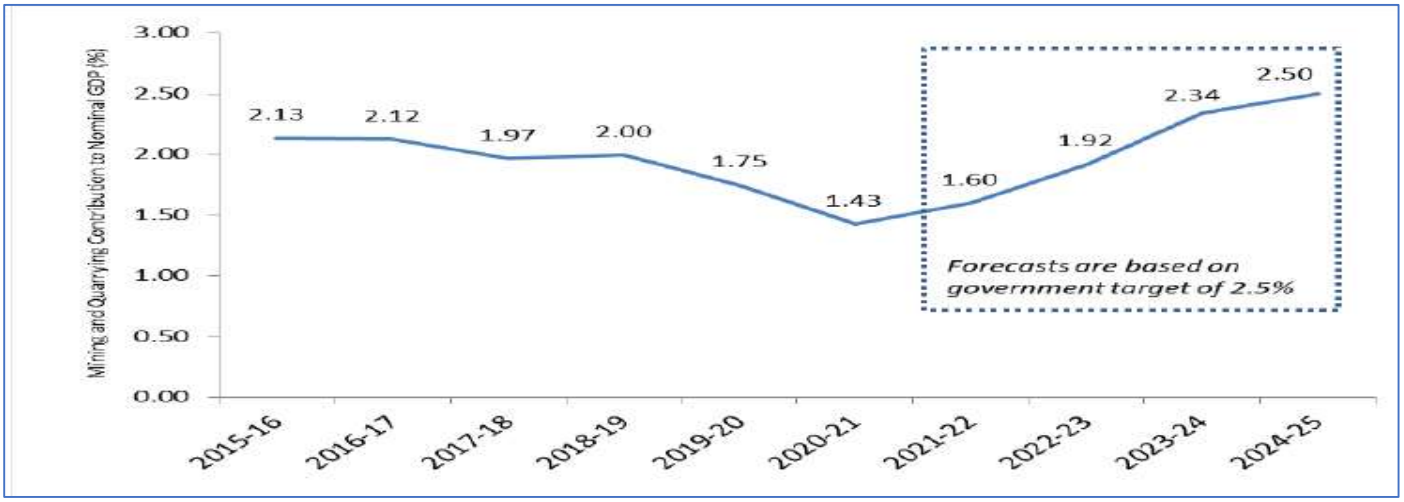


Indian Mining Industry

GDP Contribution

The GDP contribution of the mining and quarrying sector, both in terms of nominal and real GDP, has declined over the last decade. In regards to nominal GDP, as can be seen from the chart below, the share of mining and quarrying declined from 2.13% in 2015–2016 to 1.75% by 2019–2020; the goal of the government is to raise the share from 1.75% to 2.50% *(The Hindu; Financial Express; India Today)*. A timeline for this 2.5% commitment, however, is not clear, with 2024–2025 assumed as the timeline, in line with the government's 2024–2025 vision of becoming a $5 trillion economy. For a global comparison of mining shares, Australia's mining sector, for example, accounted for 11.1% of the country's nominal gross value-add for 2019–2020. In South Africa, the mining sector accounted for 7.2% of the country's 2019 real GDP *(Australian Bureau of Statistics; Statistics South Africa)*. These figures are reflective of a larger mining sector contribution in these two economies.

Mining and Quarrying Contribution to Nominal GDP, India, 2015–2025



Key Trends in The Mining Industry

Global Macroeconomic Trends & Developments related to copper and gold mining industries

Demand-side Drivers

Growing Global Shift toward Renewables to Drive Demand: While the shift toward renewables has been gaining momentum over the last few years, efforts to reduce emissions appear to have gathered pace following the outbreak of the pandemic. Even in an oil-reliant nation such as Saudi Arabia, the government's goal is to generate 50% of power from renewables by 2030. This growing shift toward renewables will boost the global demand for copper.

US Electric Vehicle Policies to Drive Copper Demand: President Joe Biden's push toward higher electric vehicle (EV) production will boost the demand for metals used in EVs, primarily copper. Mines that yield EV metals may not be subject to the strict standards applicable to other mines.

South Africa Gold Mining Industry Benefitting from Safe-Haven Demand, Higher Metal Prices: Gold mining in South Africa, after a long period of decline, has benefitted from the pandemic-driven increase in gold prices. The demand for gold, a safe-haven investment amidst global turmoil, helped lift prices.

Supply-side Drivers

Long-term Gold Price Rise Driven by Production Shortages; Near-Term Copper Price Rise: Frost & Sullivan expects gold prices to rise to $2,500 to $2,800 by 2030, with expected deficiencies in production. Reduced production from South Africa, in particular, will be a key contributor to the forecast period price rise. Copper prices are expected see growth in post-pandemic 2021 and 2022 with expected stabilization thereafter.

Declining Ore Grades: Miners have to engage in mining activities to locate concentrates, as ore grades are declining, particularly copper. Lower ore grades are expected to drive higher CapEx investments within the industry.

Extension of the Decline in Chilean Copper Production into Q1 2021: Amidst the pandemic, Chile, the world's largest copper producer, witnessed a decline in copper production for the 10th straight month in March 2021. Maintenance activities and weaker ore grades also contributed to the decline.

Proposed Royalty on Chile Copper and Lithium Sales: The Congress in Chile had been discussing a proposed flat 3% royalty on copper and lithium sales, with eventual discussions on additional marginal tax rates of 15%–75%, depending on higher copper prices and associated additional sales (*BNamericas; Financial Times*).

Macroeconomic Trends & Developments in India

Indian Mining Structural Reforms 2021: The 2021 approval of the Mines and Minerals (Development and Regulation) Amendment Bill should help pave the way for increased domestic production and curtailed imports, increased private sector participation, and higher mining employment. The bill, for example, facilitates the reallotment of mining blocks facing legacy cases through means of auctions. Another reform is in regard to captive mines for which end use was previously restricted to the mine leaseholder. The provision now opens up the sale of 50% of the mineral production to the open market, with 50% of the production to be used in the company plant.

Opening Up for Commercial Coal Mining: In 2020, the government fully allowed for commercial coal mining, essentially allowing private players to enter into coal mining and sales. No restrictions were placed on the end use of the coal (that is, the coal could be used in plants or sold in markets). 19 coal mines were awarded through auctions in 2020, with another 67 coal mines put up for auction in March 2021 *(Financial Express; The Hindu Business Line)*. The government views coal as a pivotal contributor to the vision of becoming a $5 trillion economy.

Targeted Tripling of Gold Production: The goal of Hutti Gold Mines Limited, India's sole gold producer and owned by the state government of Karnataka, is to nearly triple gold production from 1,700 kilograms/annum in Q1 2021 to 5,000 kilograms/annum by mid–2021 *(Financial Express)*. In tandem with the targeted production increase, the Karnataka government is looking to establish jewelry stores with the support of private sector tieups, which should help drive gold demand.

Government Spending Plans

The government's priority spending plans for the next five years have been detailed below.

$1.5 Trillion (Rs.111 Lakh Crore) under National Infrastructure Pipeline: Infrastructure is set to help India become a $5 trillion economy by the fiscal year 2024–25 (*Financial Express)*. The National Infrastructure Pipeline entails $1.5 trillion in infrastructure expenditure (fiscal year 2020–2025), with the central and state governments undertaking 79% of the capital expenditure (the remaining being private expenditure) *(Task Force on National Infrastructure Pipeline)*. Energy and roads account for 24% and 18% of CapEx, respectively *(Task Force on National Infrastructure Pipeline)*. As of December 2020, 40% of the projects under the National Infrastructure Pipeline were reported to have been under implementation *(Task Force on National Infrastructure Pipeline)*.

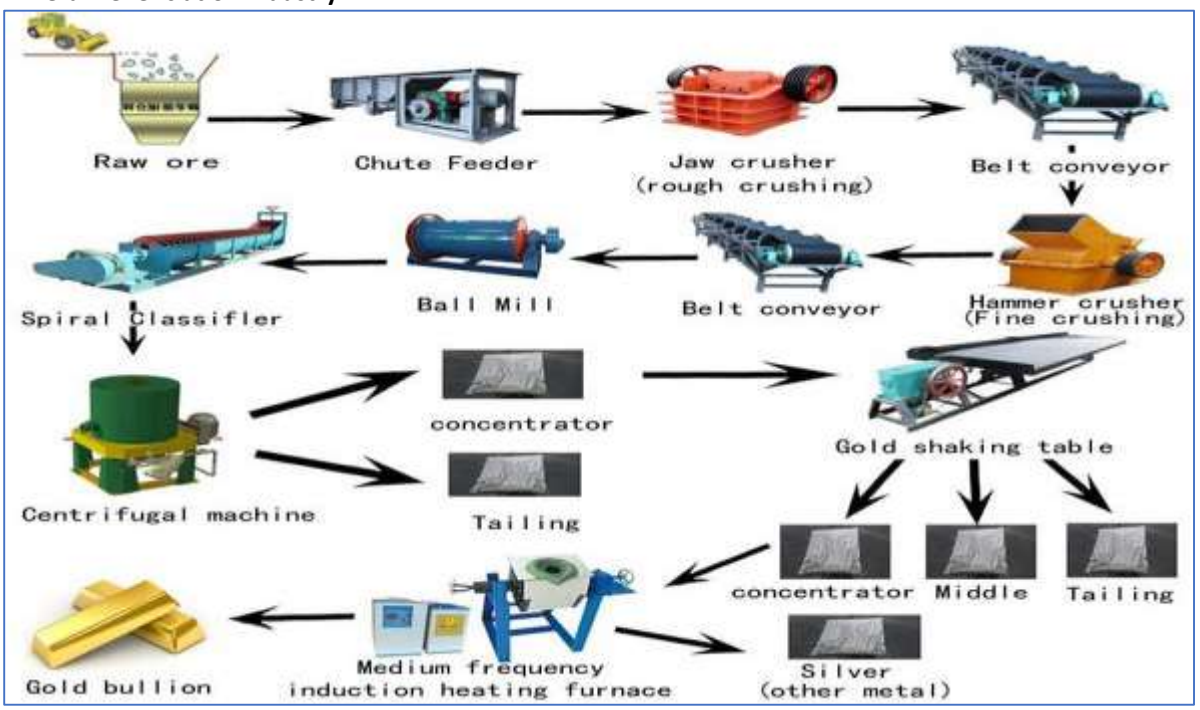
Target of Raising Public Healthcare Spending Share to 2.5% of GDP: The Indian government's expenditure on health was 1.6% of GDP during the 2019–2020 period and similar to the preceding years. In contrast, the figure for the European Union was 7.0% of GDP for 2019 *(Press Information Bureau, Government of India; Eurostat).*

$26.9 Billion (Rs.1.97 Lakh Crore) on Production-Linked Incentive (PLI) Schemes: Introduced in 2020, the PLI schemes entail an incentive tied to incremental sales from domestic manufacturing. The scheme is expected to be a major driver in attracting global supply-chains and fortifying India's manufacturing position over the next five years (2021-2025). The government expects to generate $520 billion in new manufacturing from PLI over the next five years *(The Economic Times).*

Review and Outlook Of The Mineral Processing Industry

The ore occur in large lumps which is broken on desired size using crushers, screens and other mineral processing equipment. The mineral processing value chain after mining the ore to floatation requires various mineral processing equipment such as chutes, grinding mills, trommels and screens, hydrocylones, pumps, floatation parts and conveyors. The surface of these equipment is subjected to high impact, sliding abrasion and corrosion. To protect these equipment, have a longer service life, reduce the downtime and reduce the noise levels during the operation it is very critical to install reliable products called liners in these equipment which can withstand the sliding abrasion. The science and engineering of these interacting surfaces in relative motion called "Tribology". The combination of mineral processing engineering, mechanical engineering and material science provide products that extends the service life of the equipment in use, reduce the down time as well as the operating expense.

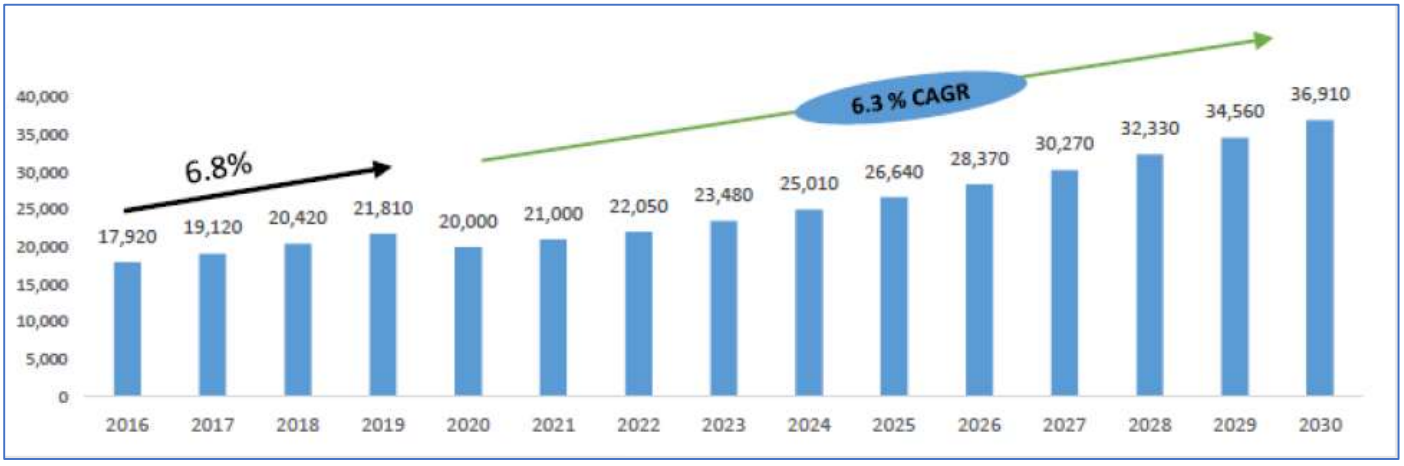
Mineral Beneficiation Industry



Overview of the Global Mineral Processing Industry

Global crushing, screening, and mineral processing equipment market size was estimated at $20 billion in 2020. The market was growing at a CAGR of about 7% until 2019 but due to the COVID-19 pandemic, the overall demand declined in 2020. The industry is likely to recover in 2022 and is forecast to reach $36.9 billion by 2030, growing at a CAGR of 6.3%.

Global Mineral Processing Industry Market Size (Million Tons)



The demand for iron ore, copper, and other metals and minerals will drive the growth of the mineral processing equipment industry, while electric vehicle manufacturing will be the top demand driver for copper, aluminum, and other metals. Owing to ore grade depletion, miners are required to process more ore to get the desired yield, which will boost the demand for mineral processing equipment.

Global Mining CapEx Overview

Global Overview

CapEx spending for metal ores, such as copper, gold, iron ore, coal, nickel, zinc and others during 2019 was estimated to be $85 billion. CapEx spending of copper and gold was $50–$55 billion; this accounted for more than 60% of the global mining CapEx spending. Copper individually accounted for $30–35 billion and gold reported spending of $20–$25 billion. Iron ore mining is a more mature industry, and CapEx spending has reduced over the last 4 or 5 years; the iron ore industry is now further impacted by scrap recycling which is gaining traction in the global market globally. Similarly coal is also a mature industry, and countries are cutting down on coal consumption,

especially in power sector, and the focus has shifted toward clean fuel consumption, such as nuclear and renewable resources. As nickel and zinc are rare metals, their CapEx spending was low (*CAPEX S&P Global).*

COVID-19 Impact in Mining CapEx

Due to the COVID-19 pandemic the mining CapEx dropped significantly in 2020. Frost & Sullivan expects recovery in CapEx spends in copper and gold during 2021 and also in the near term (4–5 years) COVID-19-related closures had a dual impact on the mining industry. The first was around temporary mine closures and a limited workforce operating in the mines, which led to lower CapEx spending. The second was the operational challenge related to lower utilization postponement/delay in mining activities.

Future Impact

Demand for copper is expected to grow in future with the higher EV production and industry automation (Industry 4.0) worldwide. Electronics and consumer durables will continue to be key contributors to copper demand. Production of gold is also expected to grow as Russia increases its mining capacity and overtakes China in the near future.

Global Copper Mining Industry Overview

The world's copper metal reserves are estimated to be 870 million tons of copper content. Chile has the highest share, accounting for about 23% of global assets, led by Australia and Peru with 10% each; Russia, 7%; Mexico and the United States, 6% each; and Indonesia and China, 3% each. Owing to the COVID-19 pandemic, global mine supply of copper fell marginally to an estimated 20 million tons in 2020, down from 20.4 million tons in 2019.

Overview of Top Global Copper Producers

Chile: Chile is the most powerful player in the copper mining industry in many ways, as it has the highest deposits in the word, and copper production constitutes 90% of the country's exports. Chile's copper mine production was projected to be 5.79 million metric tons of metal content, accounting for 28% of the global output.

Peru: Peru is the second largest and one of the most lucrative mining countries in South America. Peru's copper supply increased more than 97%, between 2008 and 2019. Peru's government had set a target to double copper production by 2016 to reclaim its status as the world's second-largest copper producer after Chile.

China: China is the world's largest copper-consuming economy. Though the country's small copper ore deposits are mined, it is imports that meet more than 60% of the domestic demand. Copper mine Concentrate production increased marginally from 1.56 million metric tons in 2018 to 1.68 million tons in 2020.

Congo: The large high-grade copper deposits in this nation are remarkable; some mines are expected to have grades above 3%, considerably higher than the global average of 0.6% to 0.8%, but there are also significant political and security challenges exacerbated by the shortage of robust infrastructure.

US: In 2020, recoverable copper mine production in the United States was 1.2 million tons. Arizona was the leading copper-producing state, accounting for roughly 74% of domestic output. Copper was recovered or refined (18 of which accounted for 99 percent of mine production) at 25 mines.

India: Copper reserves are estimated to be 207.77 million tons (13.8%) while 1.30 billion tons (86.2%) are categorized under remaining resources. Rajasthan has the most copper ore reserves/resources, accounting for 53.8% (or 813 million tons), followed by Jharkhand, 19.5%; and Madhya Pradesh, 18.8%. Vedanta and Hindalco import copper concentrates, while Hindustan Copper Limited (HCL) is India's sole copper mining business. In 2018–2019, copper ore output increased by 12% to 4.13 million tons, up from 4.12 million tons the previous year. Singhbhum Copper Belt, Malanjkhand Copper Belt, and Khetri Copper Belt are the three regions where Hindustan Copper Ltd operates mines. With a capital investment of (Rs.5,500 crore), HCL has formulated a plan to increase mine capacity ranging from 3.8 to 20.0 million tons per annum over the next six years. Copper demand in India is expected to rise at the rate of 6–7% due to the government's increased focus on "Make in India" and "Smart City" initiatives.

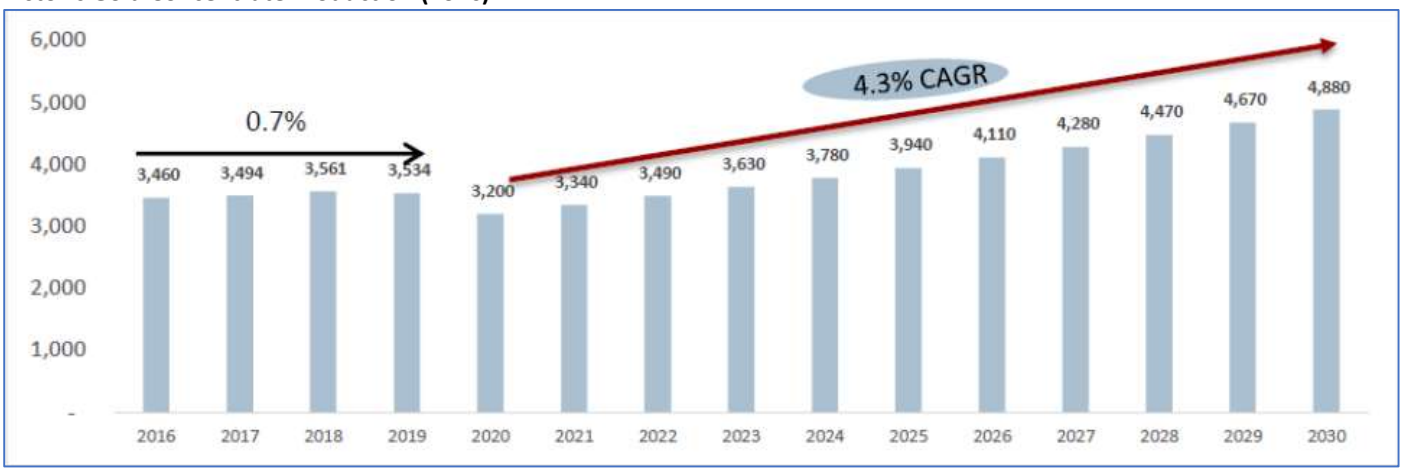
In 2017, India's per capita copper intake was 0.6 kg, which is very poor when compared to countries, such as Russia, 3.3 kg; China, 5.4 kg; the United States, 5.5 kg; Italy, 8.9 kg; and Germany, 13.6 kg. According to the International Copper Study Group (ICSG), the electrical and telecommunication industry accounts for 56% percent of overall demand, followed by transportation, 8%; consumer durables, 7%; building and construction, 7%; general engineering products, 6%; and other sectors such as process industries, 16%.

Global Gold Mining Industry

The world's gold reserves are believed to be about 50,000 tons of metal content. Australia, Russia, South Africa, the United States, Indonesia, Brazil, and Peru have significant gold deposits. Global gold mine output is 3,200 tons, 3% lower in 2020 than it was in 2019. In comparison to the previous year, mine production in Argentina, China, Mali, and Sudan remained stable, although it was marginally lower in Australia, Canada, Ghana, and Russia. The top 5 countries account for 40% of global production, while Indian mines support about 0.02% of it.

Global Historic Gold Concentrate Production

Historic Gold Concentrate Production (Tons)



Gold concentrate production has been growing due to increased Chinese and Russian mining activities in recent years. However, Australia has the largest gold reserves worldwide, followed by Russia. For decades, South Africa's gold concentrate production has been diminishing. The country's gold production dropped to 90 tons in 2020 from a high of about 1,000 tons in 1970. Gold concentrate production had been growing at a CAGR of 2.6% from 2010 to 2019. A major drop is expected during 2020, primarily due to the impact of the COVID-19 pandemic.

Overview of Top Global Gold Producers

China: China has been the world's leading producer of gold for the last 11 years, surpassing South Africa in 2007. In 2020, China produced 380 tons of gold, accounting for just over 12% of the global demand.

Australia: Australia has the world's highest share of economic gold deposits and is also a significant gold exporter. After China, Australia is the world's second-largest gold producer. Western Australia is home to approximately 43% of the world's gold economic wealth. Western Australia produced about 68% of Australia's gold, with New South Wales coming in second at 12%.

Russia: Russia is a big participant in foreign markets, producing more than 80% of all European gold. Russia has about 8,000 tons of recoverable gold deposits. To expand its global production share, Russia is investing heavily in exploration and mining activities. In January 2020, trans-Siberian gold found a new zone in the Asacha gold mine, an underground operation in Kamchatka. Growing at a CAGR of 3.7%, Russia is estimated to surpass Chinese production by 2029.

US: In 2020, gold mine output in the United States is expected to be about 190 tons, down 5% from 2019, with a value of about $11 billion. Gold was mined in 11 different states, with Nevada, Colorado, and Alaska being the most productive. Nevada produces about 78% of the gold extracted in the United States. Nearly 7% of domestic gold was recovered as a byproduct of refining domestic base-metal ores (mostly copper ore).

India: India produced 1.6 tons of gold in 2020, and its gold reserve is estimated to be 654.74 tons. 70.09 tons were classified as reserves, while 584.65 tons were classified as remaining resources. By states, the largest resources in terms of gold ore (primary) are in Bihar, 44%; followed by Rajasthan, 25%; Karnataka, 21%; and rest of India, 10% (West Bengal, Andhra Pradesh, Jharkhand, Chhattisgarh, Madhya Pradesh, Kerala Maharashtra, and Tamil Nadu). HGML is the only public sector company in the country producing gold in the Raichur district of Karnataka. HGML runs mines at Hutti and Hira- Buddini.

Demand Drivers for Gold

Purchasing of gold is considered 'safe' from economic failures. Gold used in jewelry accounts for roughly 80% of the demand; the rest is produced as blocks and coins. The electronics industry has contributed to the recent rise in demand for gold because of its high

conductivity. As the global demand-supply gap for gold widens and the production from South Africa decline, Frost & Sullivan expects prices to rise by about $2,500 to $2,800 by 2030.

REVIEW AND OUTLOOK OF THE GLOBAL MILL LINER INDUSTRY

Overview

A mill is a machine that grinds, cuts, and crushes solid materials into useable sizes for further processing. Crushed ore is fed into mills where it is ground down to a desired particle size; mills are used widely to processes raw materials in a variety of sectors. Mill liners fundamentally protect mills from the wear that comes with grinding harsh raw materials. Mill liners are used to improve a mill's performance, efficiency, and longevity; however, not all mill liners are made equal, even though they all serve the same purpose. Mill liners can be metallic, rubber or composite materials. The type of grinding media as well as the desired output of media is an important consideration in selecting the type of mill liners.

Mill liners are widely used in copper, gold, iron ore (in that order); other mill liners are classified under cement/aggregates and occupy a small share of the market. Copper and gold are key consumers of mill liners, as the mined material is very abrasive; in addition, the yield per ton of ore mined in these two segments is declining due to ore degradation and excess mining in past. Mill liners primarily have a life of 6 months to 2 years, depending on the hardness of the ore to be refined. Global mill liner market was estimated at $1.73 billion in 2020 and was largely driven by ore beneficiation in gold and copper worldwide and iron ore in Brazil and China.

Grinding Mills

A ball mill is used for fine grinding in the horizontal and vertical positions. The mill is filled with steel balls, manganese balls, or ceramic balls. Highly suitable for dry grinding, this machine is used to crush aggregates in the cement industry.

Autogenous Mill (AG) and Semi-autogenous (SAG) mill combine two processes, crushing and grinding; the mills use materials themselves as grinding medium; the mutual contact progressively reduces material sizes. AG and SAG are used in both dry and wet grinding applications in either mineral processing or ore beneficiation process.

Mill Liner Industry Value Chain

After-market spend for a mining mill comprises regular operating expenses which include costs of wear and separation parts, grinding media, power consumption, liners and other regular operating expenses. Ore beneficiation companies procure customized grinding mills and mill liners from OEMs. Once the mill liners are ready for replacement, ore beneficiation companies have the choice to source either directly from OEMs or from stand-alone mill liner suppliers Though the mill liners are a low cost component in mill's operations, constituting about 3% -15% of mill's operating cost, as per one of the past study, based on Morila Gold Mine located in Mali, in which the average yield of gold was 9gms/ton and the average mill tonnage 293 tons per hour. With the price of gold at $66 per gram the overall opportunity cost per hour of downtime cost per hour could go upto as high as $174,042. To avoid such a high down time the quality of mill liners is very important.

Global Mill Liner Industry

Copper and gold together accounted for 75% of mill liner market share during 2020, followed by iron ore and other (cement and aggregates) with 25%. The global mill liner market was estimated at $1.73 billion in 2020. The market was oligopolistic in nature with top 5 producers capturing a global market share of 49% namely Metso- Outotec, Me Elecmetal, Bradken, PT Growth and Tega

Industries. Demand is primarily driven by Latin American countries which account for 40% of the global copper production and 8% of global gold production, largely due to the presence of large copper and iron ore mines in the region. China accounts for 10%. Tega has been servicing most of the regional mines of the major market participants as showcased in exhibit 17 and exhibit 23. The mill liner market has declined continuously in the last two years due to industry slowdown (a negative YoY growth of 3%) in 2019 and with COVID-19 (a negative 4% YoY) in the 2020. Pent-up demand is likely to ensure a rebound (at 17% YoY) in 2021 and reach $2.03 billion. The demand for mill liner is repeating in nature largely due to wear of mill liners. Demand of mill liners is higher in replacement against newly installed grinding machine with mill liner in a year. The ratio is expected to be about 70% to 80% from replacement and 20% - 30% are in the new installed machines. Ratio of replacement varies with amount CapEx spent in a particular year.

Global Mill Liner Market Size by Type

The demand for metallic mill liners is highest, as they are readily available. In metallic mill liners steel mill liners are primarily alloyed, as manganese steel makes them more durable than non-alloyed steel. Steel mill liners are of better quality and available worldwide; this reduces lead time and cost. Steel mill liners are preferred in large grinding mills, unlike rubber mill liners which are best suited to small and medium-sized mills with diameter up to 6.5-meters.

Rubber abrasion mill liners are solely manufactured by rubber, it is light in weight and offers quick installation. Rubber lines, often available in ball mills less than 3.8 meters in diameter, are most usually employed in smaller operations. These rubber liners are usually used in all secondary and tertiary applications in which the load in the mill is not too high. Rubber mill liners may be developed to meet most applications as a reliable standard solution. Due to its lesser weight it is more energy efficient and offers less downtime over conventional metallic mill liner. Composite mill liners are made with a combination of the various steel alloys and rubber compounds. It is understood that steel mill liners are around 40% more heavy than these liners. There are two components lifters and plate liners that are installed from the inside of the mill using mechanical fastening. These mill liners have large demand from primary ball and SAG mill. Over the past few years mining companies have been more attracted towards composite over conventional metallic and rubber mills. The combined design of rubber and steel makes it distinctive, as it is capable of absorbing heavy impacts and preventing rolling cracks. The presence of the rubber contributes to load damping. The profile maintains for a longer period of time and increases grinding efficacy, which is a key demand of the industry, because of its increased wear resistance properties.

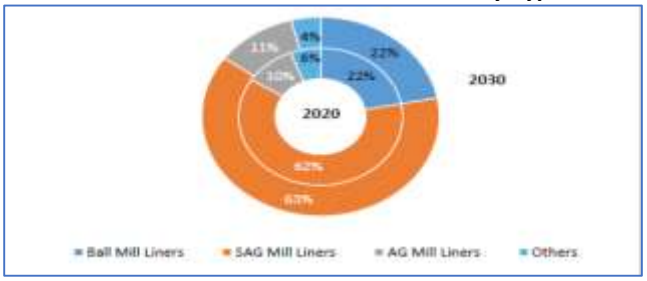
Global Mill Liner Market Size by Application

SAG mills shall see high demand, as they are the most preferred for both wet and dry grinding and are critical to separating metals in mines. The cement industry is the key consumer of ball mills which are primarily used for fine grinding. In 2020, market size of AG mills was $ 173 mn, SAG mills was $ 1,075 mn, Ball mills was $ 381 mn and Others (Pebbles & Rod) was $ 104 mn. SAG mills will dominate the market at a CAGR of 6% until 2030. AG mills, meanwhile, shall be the fastest growing mill segment at a CAGR of 6.8%. Driven by cement and aggregates, ball mills with grow at a CAGR of 5.8%. Demand for other mill types (pebble and rod mills) is set to grow marginally at a CAGR of 1.6%. The Metallic liner has relatively lower presence in smaller size mill, moderate presence in mid-size mill segments, and relatively higher presence in bigger size mills.

The Metallic liner has relatively lower presence in smaller size mill, moderate presence in mid-size mill segments, and relatively higher presence in bigger size mills. Tega, Metso-Outotec and Weir closely compete with each other in composite mill liners under SAG mill category. But Tega is the only company producing hybrid mill liner for SAG mill with diameter over 9.5 to 12.5-meter range. In ball mill Tega is one among the leading global competitors in Rubber and composite mill liners and is one of top manufacturers of hybrid type mill liners in the segment range of 5.5 to 8.5 meter competing with Metso-Outotec and Siom. Tega largely focuses and has high presence in large sized mill liners with Metallic segment for both Ball and SAG mill.

SAG Mills are very popular because they can grind both dry and wet materials, and they employ crushed material inside the cylinder as the grinding medium. Autogenous mills, which separate some precious metals such as gold and silver, are popular in the main processing unit for the major industrial grinding circuits in the mining industry. Ball mills are fine grinders that come in both horizontal and vertical mills, with cylinders partially filled with steel, manganese, or ceramic balls.

Global Mill Liner Market Share Breakdown by Type of Mill, 2020 & 2030



REVIEW AND OUTLOOK OF THE GLOBAL HYDROCYCLONE INDUSTRY

Overview

A hydrocyclone has no moving part but generates centrifugal force using fluid pressure and a flux pattern that can separate particulate matter and droplets from a fluid medium. To achieve separation, such particles or droplets must have an appropriate density, relative to the medium. The flow is cyclonic inside the hydrocyclone. These machines are primarily used for desliming and dewatering of minerals and construction materials.

Global Hydrocyclone Market Size

Gold, copper, and iron ore segments account for 60% of the demand for hydrocyclones. Coal and construction are the other key segments. The global hydrocyclone market was estimated to be $671 million in 2020. Weir, FL Smidth, Metso, Schlumberger and Technip are the top 5 suppliers, accounting for 43.1% of the market share. Owing to copper and iron ore mining activities, LATAM countries account for 35% of the global demand for hydrocyclones.

Global Hydrocyclone Market Size by Industry Sector

Hydrocyclones are primarily used in mineral slurry separation. As copper and gold ore concentration depletes, miners will have to excavate more for optimal yield. The demand for hydrocyclones in the copper industry is expected to grow at a CAGR of 7.6%. Similarly, the demand for hydrocyclone in the gold industry will grow at a CAGR of 7.0%due to the higher number of excavation and exploration projects already underway across the world. Beneficiation of iron ore is gaining popularity; China and Brazil are the top countries where demand is expected to grow at a CAGR of 5.3%. The focus on clean and sustainable fuel could dampen the demand for hydrocyclones in the oil and coal industries.

REVIEW AND OUTLOOK OF THE GLOBAL TROMMEL AND SCREEN MEDIA INDUSTRY

Overview

A trommel screen or a rotary screen is a mechanical screening machine that separates materials and finds application in mining, fertilizer, compost, aggregates, and so on. A trommel consists of a cylindrical machine fitted with curved screens, which screen and sort crushed ore by particle size. Trommel screen is divided into several sections, based on the requirement, and the mesh holes for each section are different. The global trommel screen market was estimated to be $0.94 billion in 2020. Multotec, Sandvik, FL Smidth, and Metso are the top companies, and they command about 85% of the global market share. Demand is primarily driven by copper and iron mines in Latin American countries which account for 35% of the global trommel screen revenue. China accounts for 10% of the global demand for trommel screens.

Global Trommel Screen industry

Iron mines accounted for 44% of the total demand/revenue for trommel screens due to the sheer volume of iron ore processing in 2020. Copper and gold are the top end-user industries, accounting for about 27% of the total trommel screen market in 2020. The global trommel screen market was estimated at $942 million in 2020. The trommel screen industry is highly fragmented, as there are many regional fabricators that cater to local demand. FL Smidth, Metso, Sandvik are the some of the top companies; they command about 50% global market share.

Key Concerns

- Global manufacturing facilities, sales and operations expose TIL to the risks of doing business in foreign countries, which may adversely affect the business, financial condition and results of operations.
- Any failure to expand or effectively manage sales and distribution network, both in India and overseas, could have an adverse effect on the business, financial condition and results of operations.
- Is dependent on third party logistic and support service providers for the delivery of raw materials and finished products and any disruptions in their services including transportation services or a decrease in the quality of their services may adversely affect the business, financial condition and results of operations.
- TIL has voluntarily approached the RBI in relation to certain delays in filing of Form FC-GPR and Form ESOP by the Company in the past and cannot be assured that these matters will be resolved in a timely manner.
- Any shortfall or delay in the supply of raw materials or an increase in raw material costs, may adversely affect the pricing and supply of the products and have an adverse effect on the business, results of operations and financial condition.

- TIL is dependent on a few key suppliers of certain raw materials and does not have long term contracts or exclusive arrangements with these key suppliers. Accordingly, the loss of, or a significant reduction in supply by, such suppliers could adversely affect the business, financial condition and results of operations.

- Depreciation of the Indian Rupee and exchange rate fluctuations in currencies in which TIL do business or have outstanding borrowings may materially and adversely impact the business, financial condition and results of operations.

- The Investor (Wagner) has certain put and buy back options under the Shareholders' Agreement dated April 29, 2011, as amended ("SHA").

- TIL, its Promoters and Directors are involved in certain legal proceedings, and an adverse outcome in any such proceedings may adversely affect the business, financial condition and growth strategy.

- There are outstanding actions by statutory or regulatory authorities against the Company and Promoters. Any adverse outcome in such proceedings may have an adverse impact on the business, financial condition, results of operations and cash flows.

- TIL exports its products to various countries, on account of which it may be subject to significant import duties or restrictions. Further, unavailability of fiscal benefits enjoyed by it or its inability to comply with related requirements may have an adverse effect on the business and results of operations.

- Depends on R&D efforts to improve existing products and/or introduce new products and if TIL's efforts do not succeed, its results of operations, growth and prospects may be adversely effected. Further, any failure to commercialize its new products may adversely impact the business, results of operations and future prospects.

- Inability to identify and adapt to evolving industry trends, technological advancements, consumer preferences may adversely affect the business, financial condition and results of operations.

- Certain of immovable properties and machinery in India and overseas are taken on lease by TIL. If it is unable to renew existing leases or relocate its operations on commercially reasonable terms, there may be an adverse effect.

- TIL earns repeat revenues from its customers, specially marquee customers, on the basis of the long-term relationships that it has established with them. The loss of any of its long-term marquee customers or significant reduction in repeat orders from such marquee customers may adversely affect the business, results of operations and financial condition.

- Activities involving TIL's manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of its manufacturing facilities may adversely affect the production schedules, costs, sales and ability to meet customer demand.

- TIL has significant power, water and fuel requirements and any disruption in supplies could increase its production costs and adversely affect the results of operations.

- Provides customised products and solutions to the customers and depends on its ability to identify and understand customers' preferences and requirements.

- The extent to which COVID-19 affects the business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted.

- TIL is entitled to certain tax benefits under the Special Economic Zones Act, 2005 ("SEZ Act") and other fiscal statutes. These tax benefits are available for a definite period of time, which, on expiry or if withdrawn prematurely, may adversely affect the business, financial condition, results of operations and prospects.

- TIL's efforts in obtaining and protecting its patents may be costly and unsuccessful, which may have an adverse effect on its business and results of operations.

- TIL is subject to risks associated with expansion into new geographic markets globally. Any inability to expand into new geographic markets may adversely affect its growth and future prospects.

- TIL does not have long-term agreements with a majority of its customers. Any changes or cancellations to its orders or inability to forecast demand for its products may adversely affect the business, results of operations and financial condition.

- TIL is subject to strict quality requirements and any failure by it to comply with quality standards or product defect may lead to the cancellation of existing and future orders, reputational risks and liability claims.

- TIL has undertaken a joint venture and strategic acquisitions in the past and seeks to continue its inorganic growth strategy in the future. Any such joint ventures, strategic acquisitions or investments may be difficult to integrate and manage and may expose it to uncertainties and risks, any of which could adversely affect its prospects, business, financial conditions and result of operations.

- TIL's Joint Venture may not perform its obligations satisfactorily and its interests may differ from TIL's, which could have an adverse effect on the business and results of operations.

- TIL may not be successful in managing the growth or implementing its strategies, such as increasing market penetration and share of customer wallets or growing product and service offerings, which may materially adversely affect the business, results of operations and future prospects.

- Certain of TIL's Subsidiaries have incurred losses in the past and may incur losses in the future which may have an adverse effect on its reputation, financial condition and results of operations.

- Business is capital intensive. TIL may not be able to obtain sufficient capital on terms favourable to TIL, or at all, which may hamper its business and its growth.

- Any failure to compete effectively in the mineral beneficiation and mining industry could have a material adverse effect on TIL's business, financial condition, results of operations and cash flows.

- Climate change and climate change related laws and regulations concerning the mining industry may adversely impact the operations and markets.

- TIL depend on its key management team, as well as its mid-to-senior management personnel and its success also depends on certain of its individual Promoters. If it is unable to attract or retain such persons, its operations may be adversely affected.

- TIL present engineering capabilities and sustained growth depends on its ability to attract and retain persons with technical training and expertise, and any failure to attract and retain such persons may adversely affect its product quality, business and financial condition.

- Failure to obtain or renew necessary regulatory approvals, licenses, permits in a timely manner, or at all, may adversely affect the business and financial condition.

- One of TIL's manufacturing facilities is operated on industrial land allotted to it by industrial development corporation of West Bengal. Failure to comply with the conditions of use of such land could result in an adverse impact on the business and financial condition.

- There are several restrictions on SEZs and underlying SEZ land in India, which may adversely affect the facility located in Dahej, Gujarat.

- TIL uses contract labour at its manufacturing facilities and for carrying out certain of its ancillary operations and any failure to meet its obligations in relation to such contract labour could have an adverse effect on the results of operations and financial condition.

- Operations at TIL's manufacturing facilities are labour intensive and certain of its employees are affiliated to trade unions. It may be adversely affected by work stoppages, strikes or other types of conflicts with its employees in the future which may adversely impact the business and financial condition.

- Growth depends upon reputation and market perception and any failure to maintain, protect and enhance TIL's reputation may have an adverse effect on its sales, profitability and the implementation of its growth strategy.

- The success of business and operations are dependent upon certain quality accreditations which are valid for a limited time period. An inability to renew such accreditations in a timely manner, or at all, may adversely affect the business and prospects.

- TIL is subject to risks arising from interest rate fluctuations, which could adversely affect the results of operations planned expenditures and cash flows.

- If inflation were to rise in India, TIL might not be able to increase the prices of its services at a proportional rate in order to pass costs on to its clients thereby reducing its margins.

Profit & Loss

Particulars (Rs in million)	Q1FY22	FY21	FY20	FY19
Revenue from Operations	1732.1	8055.2	6848.5	6337.6
Other income	61.8	511.6	107.0	92.6
Total Income	**1793.9**	**8566.8**	**6955.4**	**6430.1**
Total Expenditure	**1497.1**	**6180.4**	**5783.1**	**5370.1**
Cost of Materials Consumed	764.3	3282.4	2847.4	2650.3
Changes in inventories of finished goods and work-in-progress	-78.9	-44.5	-109.1	-76.5
Employee Benefits Expenses	350.3	1226.7	1153.3	1113.9
Other expenses	461.3	1715.8	1891.4	1682.4
PBIDT	**296.8**	**2386.4**	**1172.3**	**1060.0**
Interest	36.1	172.8	214.4	236.0
PBDT	**260.7**	**2213.6**	**957.9**	**824.0**
Depreciation and amortization	105.0	401.8	383.6	377.6
Share of restated profit / (loss) of associates / joint ventures	6.2	26.8	18.1	18.1
PBT	**161.8**	**1838.6**	**592.4**	**464.6**
Tax (incl. DT & FBT)	**43.0**	**474.6**	**-62.6**	**137.9**
Current tax	69.7	372.8	154.9	156.0
Deferred Tax	-26.7	101.8	-217.5	-18.1
PAT	**118.8**	**1364.1**	**655.0**	**326.7**
EPS (Rs.)	2.1	24.1	11.6	5.8
Face Value	10	10	10	10
OPM (%)	13.1	21.9	15.3	15.0
PATM (%)	6.6	15.9	9.4	5.1

Balance Sheet

Particulars (Rs in million) As at	Q1FY22	FY21	FY20	FY19
ASSETS				
Non-current assets				
Property, plant and equipment	1693.1	1692.0	1691.5	1852.6
Right of use assets	607.5	591.0	405.9	385.9
Capital Work-in-Progress	71.0	68.6	62.2	16.4
Goodwill	633.9	632.8	523.6	557.5
Investment property	40.6	38.5	33.0	37.2
Other intangible assets	18.1	7.1	5.3	7.4
Intangible assets under development	0.0	0.0	23.9	23.9
Investments accounted for using the equity method	275.3	269.2	244.7	234.6
Financial assets				
Investments	0.0	181.9	166.6	151.4
Other financial assets	100.4	103.0	127.3	59.2
Non-current tax assets (net)	105.4	101.8	79.8	85.0
Deferred tax assets (net)	269.7	256.3	307.8	90.2
Other non-current assets	24.3	14.1	8.9	22.6
Total non-current assets	**3839.4**	**3956.2**	**3680.6**	**3523.9**
Current assets				
Inventories	2078.7	1586.3	1326.3	1210.6
Financial assets				

Investments	1879.0	1561.9	1166.6	382.2
Trade receivables and contract assets	1697.8	2208.6	1852.2	2103.2
Cash and cash equivalents	645.8	478.7	368.6	192.6
Other bank balances	9.8	5.4	0.5	4.4
Other financial assets	52.1	42.3	31.0	44.7
Other current assets	352.0	328.4	416.8	428.0
Current tax assets (net)	7.3	15.5	30.5	13.1
Total current assets	**6722.3**	**6227.2**	**5192.6**	**4378.8**
TOTAL ASSETS	**10561.7**	**10183.4**	**8873.2**	**7902.7**
Equity and liabilities				
Equity				
Equity Share Capital	576.0	576.0	576.0	576.0
Preference share capital	86.9	86.9	86.9	86.9
Other equity	5648.6	5474.3	3962.0	3348.1
Non-controlling interest				
Total equity	**6311.5**	**6137.2**	**4624.9**	**4011.1**
Non-current liabilities				
Financial liabilities				
Borrowings	816.9	862.1	951.1	597.3
Lease liabilities	261.9	237.8	247.9	243.6
Other Financial Liabilities	82.7	89.2	133.1	33.7
Deferred tax liabilities	74.8	87.6	67.4	51.4
Total non-current liabilities	**1236.2**	**1276.8**	**1399.5**	**926.1**
Current liabilities				
Financial liabilities				
Borrowings	1025.5	1015.9	1488.3	1529.6
Lease liabilities	75.6	80.9	92.8	64.6
Trade payables				
Total Outstanding dues of micro and small enterprises	38.3	42.2	32.0	33.6
total outstanding dues of creditors other than micro enterprises and small enterprises	1136.2	944.9	621.0	773.3
Other Financial Liabilities	122.3	126.4	156.2	127.6
Provisions	169.4	146.4	108.7	119.5
Other current liabilities	336.9	316.2	334.5	273.8
Current tax liabilities (net)	109.8	96.5	15.4	43.7
Total current liabilities	**3014.0**	**2769.4**	**2848.8**	**2965.5**
Total liabilities	**4250.2**	**4046.2**	**4248.3**	**3891.6**
Total equity and liabilities	**10561.7**	**10183.4**	**8873.2**	**7902.7**

(Source: RHP)

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