

NOVEMBER 29, 2021

## IPO Note

## TEGA INDUSTRIES LTD (TIL)

NOT RATED

(Note: All the information in this note is taken from RHP)

(For private circulation only)

## Offer Details

The offer consists of offer for sale of 1,36,69,478 by the Selling Shareholders. The price band is in the range of Rs.443-453/share.

## Offer details

Particulars	Details
Price Band	Rs.443 to Rs.453 per equity share
Face Value	Rs10/share
Opening Date <sup>^</sup>	1-Dec-21
Closing Date	3-Dec-21
No. of shares pre-issue (nos. crs)	6.63
Fresh Issue (nos. crs)	0.0
Offer for sale (nos. crs)	1.4
No. of shares post-issue (nos. crs)	6.63
Issue size (Rs Cr) (OFS)*	619
Bid Lot size	33 Equity share and in multiple of 33 equity share thereafter.
Book building	
QIB: (including Anchor)	50%
Non-Institutional	15%
Retail	35%
Listing	BSE & NSE
BRLM	Axis Capital Limited/ JM Financial Limited.
Registrar to the issue	Link Intime India Private Limited.

Source: Company's RHP; <sup>^</sup>The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date Tuesday 30th November 2021, \*At upper price band

## Objects of the offer

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. The company will not receive any proceeds from the Offer for Sale. The company expects that listing of the Equity Shares will enhance its visibility and brand and provide liquidity to its existing Shareholders.

## Share Holding Pattern

Particulars	Pre-offer	Post-offer*
Promoter & Promoter Group	85.17%	79.20%
Public	14.83%	20.83%
Total	100.00%	100.00%

Source: Company RHP, \* At upper price band & Subject to finalisation of basis of allotment

## Details of selling shareholders

Name	Total shares offered (Nos)
<b>Promoter Selling Shareholders</b>	
Madan Mohan Mohanka	3,314,657
Manish Mohanka	662,931
<b>Investor Selling Shareholder</b>	
Wagner Limited	9,691,890
<b>Total</b>	<b>13,669,478</b>

Source: Company RHP

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## Business Overview

Tega Industries Ltd (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 (Source: F&S Report). Globally, it is the second largest producers of polymer-based mill liners, on the basis of revenues as of June 30, 2021.

The company 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. TIL's engineering capability, which has evolved over decades, has enabled to consistently offer its 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 commenced operations in 1978 in India, with a foreign collaboration with Skega AB, Sweden. Madan Mohan Mohanka acquired the entire equity stake of Skega AB in the company in 2001. TIL's individual Promoters are Madan Mohan Mohanka, Manju Mohanka, Manish Mohanka and Mehul Mohanka. Its MD and CEO, Mehul Mohanka, has been involved in the company's business for the last 18 years, and has led its business as Managing Director and Group CEO for the last 5 years. In 2011, the company received funding from Wagner Ltd., an entity affiliated with TA Associates, a global private equity firm.

TIL's product portfolio comprises more than 55 mineral processing and material handling products. As an average of the last three Fiscals i.e., FY21, FY20 and FY19, 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

The company's 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. TIL's mineral processing and material handling products offering covers a wide range of solutions in the mining equipment, aggregates equipment and the mineral consumables industry. TIL's products offering include consumables required in the mines and mineral processing industry.

Revenue from operation from outside India constituted 84.48%, 86.42%, 85.92% and 85.83% of its revenue from operations in the three months period ended June 30, 2021 and FY21, FY20 and FY19, respectively.

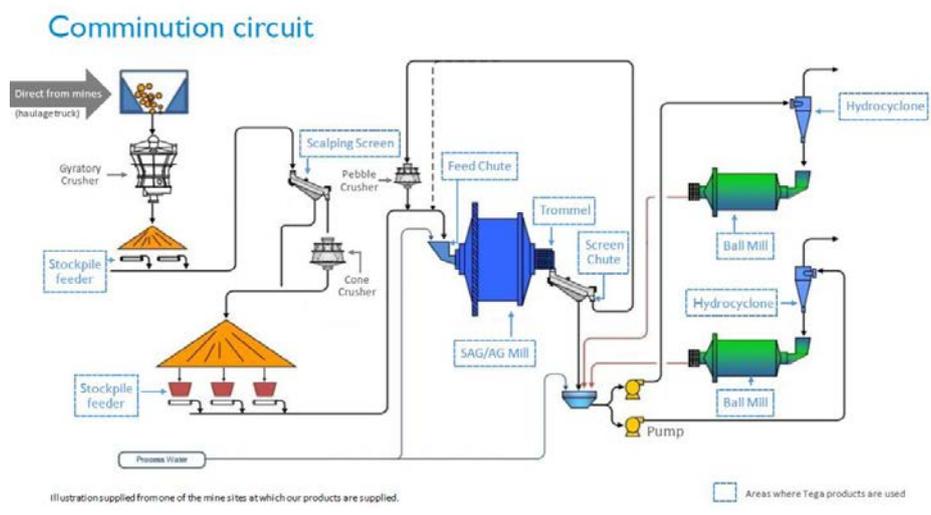
TIL has six manufacturing sites, including three in India, at Dahej in Gujarat and at Samali and Kalyani in West Bengal, and three sites in major mining hubs of Chile, South Africa and Australia, with a total built-up area of 74,255 Sq. mts. Its facilities in India caters to the domestic and overseas 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, TIL's 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, TIL 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.

The company's EBITDA Margin (EBITDA as a percentage of total income) was 16.54%, 27.86%, 16.85% and 16.49%, respectively, in the same periods, having increased at a CAGR of 29.99%, from FY19 to FY21. For FY21, FY20 and FY19, its Return on Capital Employed ("ROCE") was 24.76%, 11.17% and 11.12%. The company's Return on Equity ("ROE") was 22.23%, 14.16% and 8.14% for the FY21, FY20 and FY19, respectively.

**Company's product range used in the mineral processing and material handling industry value chain**



Source: Company RHP

**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. (Source: F&S Report) 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. The company's 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. Downtime can be expensive for its customers at the mining sites, which leads to substantial losses to them. 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. Additionally, globally the industry in which the company operates has limited number of established competitors.

**Some of the established competitors for TIL's certain products.**

Products	Competitors
Mill liners	Metso-Outotec, Mc Elecmetal, Bradken, FL Smidth and Weir
Hydrocyclones	Weir, FL Smidth, Metso-Outotec, Schlumberger and Technip
Trommels and Screens	Multotec, Sandvik, FL Smidth and Metso-Outotec
Mineral processing equipment	Metso-Outotec, FL Smidth, Weir and Trelleborg AB

Source: Company RHP

**Insulated from mining capex cycles, as its 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 FY21, FY20 and FY19 resulted from repeat orders of spares.

TIL's focus end-customers are mineral processing sites involved in gold and copper ore beneficiation accounting for 34.92% and 27.25% respectively, of its revenue from sale of products, as an average of the last three Fiscals and 45.48% and 20.76% respectively of its sale of products for the three months period ended June 30, 2021.

**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, allow the company to turn around customized designs in a short time frame, offer comprehensive solutions and better service standards to its customers and cross sells multiple products to its customers. TIL does not rely on outsourcing, which reduces its dependence on vendors, minimizes failure rates and facilitates its quality assurance. TIL believes its high-quality production and ability to match diverse customer specifications is due to its well-crafted manufacturing process.

TIL's strong in-house R&D has allowed the company 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, the company 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:** The company 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, the company 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 the company. Moreover, its deep relationships with some of the world's largest senior miners and a robust order book of Rs316.14 cr as of June 30, 2021 allow significant visibility to plan for future growth.

The company 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.

#### Details of TIL's customer base

Customer base	FY19	FY20	FY21	3MFY22
Domestic	215	239	255	98
Overseas	264	259	258	114
Total	479	498	513	212

Source: Company RHP

Revenue from operations outside India constituted 84.48%, 86.42%, 85.92% and 85.83% of TIL's total revenue from operations in the three months period ended June 30, 2021 and Fiscals FY21, FY20 and FY19, respectively. TIL's key overseas markets include North America, South America, Africa, EMER (Europe, Middle East and Russia) and Asia Pacific (South East Asia and Australia). As an average of the last three Fiscals, its top 10 customers accounted for only 29.19% of its revenue from operations in that period, while its top 20 and top 50 customers accounted for 42.11% and 65.30% of its revenue from sale of products and services in that period, respectively and 34.19%, 52.75% and 78.08%, respectively for the three months period ended June 30, 2021.

**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 (calculated as revenue from operations less cost of material consumed and change in inventories of finished goods and work-in-progress divided by revenue from operations x 100) and 16.54%, 27.86%, 16.85% and 16.49% EBITDA margins in the three months period ended June 30, 2021, Fiscals FY21, FY20 and FY19, respectively.

Its strong market position and entry barriers helps maintain high margins over time. The company's business is capital efficient, with sale of products being 4.57 times of the property, plant and equipment (sale of products divided by net carrying value of property plant and equipment) for the Fiscal 2021 and ROCE of 24.76% for Fiscal 2021. Further, the company 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. The company'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 FY21, FY20 and FY19, respectively.

**Experienced management team supported by large, diverse and skilled work force:** The company'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. The company's Promoter and Managing Director, Mehul Mohanka, who has been with the Company for over 18 years and is responsible for 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 its connect with its 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.

### Brief profiles of Directors

Name	Background
Madan Mohan Mohanka	He is one of the Promoters of the Company, and the Chairman and Executive Director of the Company. He holds a bachelor's degree in science (engineering) from Ranchi University and a post graduate diploma in business administration from Indian Institute of Management, Ahmedabad. He has been associated with the Company since its incorporation.
Mehul Mohanka	He is one of the Promoters of the Company, and the Managing Director and Group CEO of the Company. He holds a bachelor's degree in commerce from University of Calcutta. He also holds a master's degree in business administration from the University of Pittsburgh. Further, he has completed an advanced management program from Harvard Business School. He has been associated with the Company since almost two decades and has been instrumental in diverse functions of the Company, such as sales and operations.
Syed Yaver Imam	He is Executive Director of the Company and has been designated as the Director – Global Product Group, pursuant to an agreement dated May 31, 2019 entered into between the Company and Syed Yaver Imam. He holds a bachelor's degree in civil engineering from the Jadavpur University and has completed a short-term course in mineral processing from Indian School of Mines, Dhanbad. He has been associated with the Company since 2005.
Hemant Madhusudan Nerurkar	He is an Independent Director of the Company. He has completed a degree course in metallurgy engineering from the University of Poona. He has been associated with the Company since 2014.
Jagdishwar Prasad Sinha	He is an Independent Director of the Company. He holds a bachelor's degree in technology (mechanical engineering) from Banaras Hindu University and a master's degree in business administration from the University of Pittsburgh. He was previously associated with companies located in India and abroad, including, The Tata Iron and Steel Company Limited, Tata Timken Limited, Timken India Limited, Schaeffler Technologies AG & Co., etc.
Madhu Dubhashi	She is an Independent Director of the Company. She holds a bachelor's degree in arts from the University of Delhi and a post graduate diploma in business administration from the Indian Institute of Management, Ahmedabad. She was previously associated with Global Data Services of India Ltd.
Rudolph Michael Edge	He is an Independent Director of the Company. He holds a bachelor's degree in technology (chemical engineering) from Nagpur University. He was previously associated with FLSmith Private Limited as an executive vice chairman.

Source: Company RHP

## Strategies

**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. (Source: F&S Report). 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. The company intends to leverage this position to create opportunities in increasing its penetration and market share in North America, South America, Australia and South Africa. The company seeks to capitalize on its track record of adding new customers and mining sites across geographies.

The company 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. For instance, TIL has a focus not only on upgrading existing products, but also on developing product variants such as locking ceramic liner for medium impact and high wear resistant duty conditions and thin flexible ceramic liner application where the surface to be lined has a curved shape. The company also aims to strengthen its relationships with its existing customers by continuing its focus on high quality products and solutions which have 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 the company to offer a competitive cost structure and it intends to continue to leverage this advantage across the markets it serves.

**Leverage in-house R&D capabilities to grow its product offerings and capitalize on future trends:** The company 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 its customised softwares for structural analysis, flow analysis, 3D modelling and product selection. Further, the company seeks to continue to focus on its ability to customize its product offerings according to the specific requirements of its customers through innovation and focusing on sustainable solutions.

**Expand its manufacturing capabilities to achieve better economies of scale:** The company plans to continue expanding its manufacturing capabilities in order to capture future growth trends. In order to enhance its existing capabilities, the company plans to expand its manufacturing capacity and capabilities, both in India and overseas. The company is planning to expand its existing capacity at its Dahej and Samali facilities in India. Further, as per the F&S Report, evaluating the growth trajectory in South America (which contribute 40% of the global copper production and 8% of the global gold production output), and to extend its access to and penetration with customers across Chile, Peru and Bolivia, it plans to set up a new manufacturing facility in Chile.

**Explore opportunities for inorganic growth:** The company intends to continue to actively pursue acquisitive opportunities and strategic alliances with targets that are complementary to its business. In particular, the company 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. The company 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:** The company intends to continue enhancing its operational efficiencies, to increase economies of scale, better absorb its fixed costs, reduce its other operating costs and strengthen its competitive position. To meet the growing demand from its customers, the company has invested in its infrastructure, machines, equipment and technology to allow to offer a diverse product suite, reduce operating costs and drive productivity and scale of its business without incurring significant incremental costs in the future. In addition, TIL 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.

## Financials

### Restated Consolidated Statement of Assets and Liabilities (Rs cr)

Particulars	FY19	FY20	FY21	3MFY22
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	185.3	169.1	169.2	169.3
Right-of-Use Assets	38.6	40.6	59.1	60.8
Capital work in progress	1.6	6.2	6.9	7.1
Investment property	3.7	3.3	3.8	4.1
Goodwill	55.7	52.4	63.3	63.4
Other intangible assets	0.7	0.5	0.7	1.8
Intangible assets under development	2.4	2.4	-	-
Investments accounted for using the equity method	23.5	24.5	26.9	27.5
Financial assets				
(i) Investments	15.1	16.7	18.2	-
(ii) Other financial assets	5.9	12.7	10.3	10.0
Non-current tax assets (net)	8.5	8.0	10.2	10.5
Deferred tax assets (net)	9.0	30.8	25.6	27.0
Other non-current assets	2.3	0.9	1.4	2.4
<b>Total non-current assets</b>	<b>352.4</b>	<b>368.1</b>	<b>395.6</b>	<b>383.9</b>
<b>Current assets</b>				
Inventories	121.1	132.6	158.6	207.9
Financial assets				
(i) Investments	38.2	116.7	156.2	187.9
(ii) Trade receivables and contract assets	210.3	185.2	220.9	169.8
(iii) Cash and cash equivalents	19.3	36.9	47.9	64.6
(iv) Other bank balances	0.4	0.0	0.5	1.0
(v) Other financial assets	4.5	3.1	4.2	5.2
Current tax assets (net)	1.3	3.1	1.5	0.7
Other current assets	42.8	41.7	32.8	35.2
<b>Total current assets</b>	<b>437.9</b>	<b>519.3</b>	<b>622.7</b>	<b>672.2</b>
<b>Total assets</b>	<b>790.3</b>	<b>887.3</b>	<b>1,018.3</b>	<b>1,056.2</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	57.6	57.6	57.6	57.6
Preference share capital	8.7	8.7	8.7	8.7
Other equity	334.8	396.2	547.4	564.9
Equity attributable to the owners of the company	401.1	462.5	613.7	631.2
Equity attributable to the owners of the non controlling interest	0.00 <sup>^</sup>	0.00 <sup>^</sup>	0.00 <sup>^</sup>	0.00 <sup>^</sup>
<b>Total equity</b>	<b>401.1</b>	<b>462.5</b>	<b>613.7</b>	<b>631.2</b>
<sup>^</sup> Amount is below the rounding off norm adopted by the Group				
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	59.7	95.1	86.2	81.7
(ii) Lease Liabilities	24.4	24.8	23.8	26.2
(iii) Other financial liabilities	3.4	13.3	8.9	8.3
Deferred tax liabilities (net)	5.1	6.7	8.8	7.5
<b>Total non-current liabilities</b>	<b>92.6</b>	<b>139.9</b>	<b>127.7</b>	<b>123.6</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	153.0	148.8	101.6	102.6
(ii) Lease Liabilities	6.5	9.3	8.1	7.6
(iii) Trade payables				
(a) Total outstanding dues of micro and small enterprises	3.4	3.2	4.2	3.8
(b) Total outstanding dues of creditors other than micro and small enterprises	77.3	62.1	94.5	113.6
(iv) Other financial liabilities	12.8	15.6	12.6	12.2
Provisions	11.9	10.9	14.6	16.9
Current tax liabilities (net)	4.4	1.5	9.7	11.0
Other current liabilities	27.4	33.5	31.6	33.7
<b>Total current liabilities</b>	<b>296.6</b>	<b>284.9</b>	<b>276.9</b>	<b>301.4</b>
<b>Total liabilities</b>	<b>389.2</b>	<b>424.8</b>	<b>404.6</b>	<b>425.0</b>
<b>Total equity and liabilities</b>	<b>790.3</b>	<b>887.3</b>	<b>1018.3</b>	<b>1056.2</b>

Source: Company RHP

**Restated Consolidated Statement of Profit and Loss (Rs cr)**

Particulars	FY19	FY20	FY21	3MFY22
Revenue from operations	633.8	684.8	805.5	173.2
Other income	9.3	10.7	51.2	6.2
<b>Total income</b>	<b>643.0</b>	<b>695.5</b>	<b>856.7</b>	<b>179.4</b>
<b>Expenses</b>				
Cost of materials consumed	265.0	284.7	328.2	76.4
Changes in inventories of finished goods and work-in-progress	-7.6	-10.9	-4.4	-7.9
Employee benefits expense	111.4	115.3	122.7	35.0
Finance costs	23.6	21.4	17.3	3.6
Depreciation and amortisation expenses	37.8	38.4	40.2	10.5
Other expenses	168.2	189.1	171.6	46.1
<b>Total expenses</b>	<b>598.4</b>	<b>638.1</b>	<b>675.5</b>	<b>163.8</b>
Restated profit before share of restated net profit of joint venture accounted for using equity method and tax	44.6	57.4	181.2	15.6
Share of restated net profit of joint venture accounted for using the equity method	1.8	1.8	2.7	0.6
<b>Restated profit before tax</b>	<b>46.5</b>	<b>59.2</b>	<b>183.9</b>	<b>16.2</b>
Income tax expense				
- Current tax	15.6	15.5	37.3	7.0
- Deferred tax	-1.8	-21.8	10.2	-2.7
Total tax expense/ (credit)	13.8	-6.3	47.5	4.3
<b>Restated total profit for the period/ year (A)</b>	<b>32.7</b>	<b>65.5</b>	<b>136.4</b>	<b>11.9</b>
Restated other comprehensive income/ (loss)				
Items that will not be reclassified to profit or loss				
(a) Remeasurement gain/ (loss) on post employment defined benefit plans	-0.5	-0.6	0.3	-0.2
(b) Income tax related to above	0.2	0.2	-0.1	0.1
(c) Share of restated other comprehensive income/ (loss) of joint venture accounted using the equity method	-0.1	0.0	0.0	0.0
Items that will be reclassified to profit or loss				
(a) Exchange differences on translation of foreign operations	-8.4	-4.5	13.8	5.7
Restated other comprehensive income/ (loss) for the period/ year, net of tax (B)	-8.8	-4.9	14.1	5.5
<b>Restated total comprehensive income for the period/ year (A+B)</b>	<b>23.8</b>	<b>60.6</b>	<b>150.5</b>	<b>17.4</b>
Restated earnings per equity share: [Nominal Value Per Share Rs10/-] (Rs)				
Basic	5.8	11.6	24.1	2.1
<b>Diluted</b>	<b>4.9</b>	<b>9.6</b>	<b>20.5</b>	<b>1.8</b>

Source: Company RHP

**Restated Consolidated Statement of Cash Flows (Rs cr)**

	FY19	FY20	FY21	3MFY22
Net cash generated from operating activities	68.7	128.4	170.2	49.2
Net cash (used in) investing activities	-13.4	-101.3	-79.7	-20.6
Net cash (used in) financing activities	-93.2	-9.2	-79.0	-11.9
Net increase in cash and cash equivalents	-38.0	17.9	11.5	16.8
Cash and cash equivalents at the beginning of the period/ year	57.7	19.3	36.9	47.9
Exchange differences on translation of foreign currency cash & cash equivalent	-0.5	-0.3	-0.5	-0.1
<b>Cash &amp; cash equivalents at the end of the period/ year</b>	<b>19.3</b>	<b>36.9</b>	<b>47.9</b>	<b>64.6</b>

Source: Company RHP

## RATING SCALE (PRIVATE CLIENT GROUP)

### Definitions of ratings

<b>BUY</b>	–	We expect the stock to deliver more than 15% returns over the next 12 months
<b>ADD</b>	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
<b>REDUCE</b>	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
<b>SELL</b>	–	We expect the stock to deliver < -5% returns over the next 12 months
<b>NR</b>	–	<b>Not Rated.</b> Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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