

Tega Industries Ltd.
Sector Engineering

Issue Highlights

Issue Open	December 1, 2021
Issue Close	December 3, 2021
Issue Price	Rs. 443 - Rs. 453 Per Share
Total Issue Size	Rs. 619.2 Cr
<i>Of which</i>	
Offer for Sale	Rs. 619.2 Cr
Face Value	Rs. 10 Per share
Market Lot	33 Equity Shares
Issue Type	Book Built Issue

Offer Structure

QIB Category	50%
Retail category	35%
Non-Institutional	15%

Lead Book Running Managers

- Axis Capital Ltd.
- JM Financial Ltd.

Registrar To The Offer

- Link Intime India Pvt. Ltd.

About the Company

Tega Industries Ltd (Tega) 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 based on sales as of June 30, 2021. Also, they are the second-largest producer of polymer-based mill liners globally. Their product portfolio comprises more than 55 mineral processing and material handling products. They have six manufacturing sites including three in India- Dahej in Gujarat, Samali and Kalyani in West Bengal, and the other three sites are in major mining hubs of Chile, South Africa and Australia, with a total built-up area of 74,255 sq. mt. Additionally, their joint venture in India with the U.K. branch of Hosch Group, Germany is engaged in precision conveyor belt cleaning and caters to various industries in India. They also have 18 global and 14 domestic sales offices located close to their key customers and mining sites.

Objects of the Issue

- To achieve the benefits of listing the equity shares on the stock exchanges.

Valuation

The global crushing, screening, and mineral processing equipment market was growing at a CAGR of ~7% till 2019 and was estimated at USD 20bn in 2020. But, due to the COVID-19 pandemic, the overall industry witnessed a decline in demand. However, with the reopening of the global economy, the industry is likely to grow at a CAGR of 6.3% and reach USD 36.9bn by 2030. The growth of the mineral processing equipment industry will be driven by the demand for iron ore, copper, and other metals and minerals.

We believe that the company is well placed across the value chain of a mineral processing as it provides a wide range of products and solutions which are critical at different stages of mineral processing. Further, its leadership position, strong R&D, track record of developing innovative product portfolio and marquee global customers are key positives for the company. In the long term, the company intends to gain market share and increase penetration globally in North America, South America, Australia and South Africa. Besides, it has plans to expand its manufacturing unit in Chile, grow product offerings and explore opportunities for inorganic growth. On a financial front, the company's performance has been strong wherein revenue/PAT grew at a CAGR of 13%/104% between FY19-21 and the growth momentum is expected to continue going forward as well. From a long term perspective, we have a positive view on the company.

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Statements on ownership and material conflicts of interest , compensation– Research Analyst (RA)

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) below , are given separately]

S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

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Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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