PARTNERSHIPS IN PRACTICE

November 12, 2026

To,

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

National Stock Exchange of India Limited
The Listing Department
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

BSE Scrip Code: 543413

NSE Symbol: TEGA

Sub: Transcript of the Earnings Conference Call for the Quarter and Half Year ended September 30, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the Transcript of the Earnings Conference Call of Tega Industries Limited held on Thursday, November 05, 2026, at 6:00 PM (IST) for the Quarter and Half Year ended September 30, 2026. The same can also be accessed on the Company's website at https://www.tegaindustries.com/investor/#stock-exchange.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For **Tega Industries Limited**

Manjuree Rai
Digitally signed by Manjuree Rai
Date: 2026.11.12 11:49:48 +05'30'

Manjuree Rai
Company Secretary & Compliance Officer
Membership No. A12858

Enclosed: As stated above

“Tega Industries Limited

Q2 FY27 Earnings Conference Call”

November 05, 2026

MANAGEMENT: **MR. MEHUL MOHANKA – MANAGING DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER – TEGA INDUSTRIES LIMITED**
MR. RAVI NARAYAN JOSHI – CHIEF FINANCIAL OFFICER – TEGA INDUSTRIES LIMITED
MR. SOURAV SEN – CHIEF EXECUTIVE OFFICER – TEGA MCNALLY MINERALS LIMITED
MR. PRATIK BASU ROY – PRESIDENT — PRODUCT MANAGEMENT – TEGA INDUSTRIES LIMITED
MR. LANCE DAWBER – CHIEF OPERATING OFFICER – MOLYCOP
MR. PATRICK KOLEY – CHIEF FINANCIAL OFFICER – MOLYCOP

MODERATOR: **MS. SAKSHI MEHTA – MUFG INTIME**

Moderator: Ladies and gentlemen, good day and welcome to Tega Industries Limited Q2 FY27 Conference Call hosted by MUFG Intime. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Sakshi Mehta from MUFG Intime. Thank you and over to you, ma'am.

Sakshi Mehta: Good evening, everyone and welcome to the Q2 and H1 FY27 Earnings Conference Call of Tega Industries Limited. Today, we are joined by the senior management teams of Tega Industries and Molycop. Representing Tega Industries are Mr. Mehul Mohanka, Managing Director and Group CEO, Sourav Sen, CEO, Tega McNally, Mr. Pratik Basu Roy President, Product Management and Mr. Ravi Joshi, Chief Financial Officer. Representing Molycop are Mr. Lance Dawber, Chief Operating Officer and Mr. Patrick Koley, Chief Financial Officer. I would now like to hand over the call to Mr. Mehul Mohanka for his opening remarks. Thank you, and over to you, sir.

Mehul Mohanka: Thank you, Sakshi. Good evening and a warm welcome to all the participants on the call. Thank you for joining us today. It's a pleasure to connect with our valued investors, analysts, and stakeholders. I hope you and your families are keeping well. I'm pleased to share that the H1 of FY 2027 was a period of strong growth and transformation for the Tega Group.

Our core business delivered its highest-ever first-half revenue, with healthy double-digit growth in both revenue and EBITDA. The second quarter marked the first full quarter of Molycop's consolidation, significantly expanding the scale and global reach of the group. For the first half FY 2027, Tega Group on a consolidated basis delivered a revenue of INR59,775 million compared to INR7,614 million in H1 of FY 2026, reflecting the complete consolidation of Molycop from 1st of June 2026. EBITDA before one-time expenses was INR8,720 million, with an EBITDA margin of 14.4%. One-time expenses of INR2,576 million relate to the Molycop acquisition. In addition, an exceptional item of INR117 million reflects the inventory step-up charge pursuant to the purchase price allocation. These costs are non-recurring in nature.

For the first half of FY 2027, for the Tega legacy business of consumables and equipment, revenue from operations grew 20% to INR9,143 million from INR7,614 million in H1 of FY 2026, our highest-ever first-half revenue. EBITDA before one-time expenses grew 25% to INR1,949 million from INR1,561 million, with margins expanding by 70 basis points to 20.4% compared to the previous year of 19.7%, a clear demonstration of operating leverage.

Gross margins improved to 61% compared to 59% for the same period last year, supported by favorable product mix and pricing discipline. For our consumables business, revenue grew a robust 30% to INR8,117 million compared to the previous year period of INR6,264 million. EBITDA grew 42% to INR1,916 million compared to the same period previous year of INR1,346 million, with margins expanding by 190 basis points to 22.4%.

For our equipment business, revenue for the first half stood at INR973 million, reflecting the timing of project execution. Importantly, we saw a strong sequential recovery in quarter two, and our order book gives us a strong visibility of the second half.

For the second quarter of FY 2027, for the Tega legacy business of equipment and consumables, revenue from operations grew 19% to INR4,825 million. Our highest-ever second-quarter revenue, and grew 11% sequentially over quarter one. EBITDA before one-time expenses grew 11% to INR937 million, with an EBITDA margin of 18.8%. Consumables revenue grew 26% to INR4,209 million, with EBITDA up 28% to INR905 million and margins improving to 20.8%. Equipment revenue grew 72% sequentially to INR615 million from INR358 million in quarter one, returning to positive EBITDA. Gross margins remain healthy at 60%.

For our grinding media business, the second quarter of FY 2027, which is our first full quarter, revenue was INR37,716 million, which is equivalent to about US$396 million, and EBITDA of INR5,144 million, which is approximately US$54 million, at a margin of 14%.

For first half of FY 2027, for our grinding media business, which is June through September, a period of four months, revenue stood at about INR50,632 million and an EBITDA of INR6,772 million. Transaction-related to one-time costs have tapered meaningfully from INR1,853 million in quarter one to INR650 million in quarter two, with the bulk of these costs now behind us.

For the second quarter of FY 2027, Tega Group consolidated revenue from operations stood at INR42,540 million and EBITDA before one-time expenses of INR6,081 million, at a margin of 14.2%. Our order book as of 30th September 2026, excluding our grinding media business, stands at INR13,976 million, up 14% from INR12,313 million at the end of quarter one, with INR11,576 million executable within the next 12 months.

This provides strong visibility and confidence in our growth trajectory. Within just a few months of coming together, both Tega and Molycop teams have been working hard to deliver cross-selling synergies, and we have initiated the journey towards realizing commercial synergies.

I am pleased to share that we have made a trial supply of Molycop's grinding media to one of Tega's existing customers, starting with an initial volume of 500 tons. This trial creates an opportunity for annualized supplies of over 30,000 tons. It is an early proof of our cross-selling strategy, offering our combined portfolio to customers who already trust the Molycop and Tega brands.

I want to thank our employees for their unwavering commitment, our customers for their trust, and you, our investors, for your continued support. We are committed to delivering sustainable value and transparent communication. I would now like to hand over to Ravi, who will walk you through the consolidated financial performance, and subsequently to Lance and Patrick to take you through the market update and financial performance of the Molycop business. Thank you.

Ravi Joshi: Thanks, Mehul, and good evening, everyone. You have heard about the operating performance and the Molycop business. Now I would like to take you through the shape of the balance sheet after the acquisition and the working capital. This will help the audience to appreciate our consolidated results better.

Unless I say otherwise, the figures I refer are consolidated and INR in million. Let me begin with the consolidated results. This is the first half of the Molycop consolidation, starting from June 1, 2026, and the reported number therefore carries several acquisition-related items, most of which are either one-time or non-cash in nature.

The group reported a loss after tax of INR1,670 million for this half. However, excluding one-time items, our adjusted PAT is positive by INR452 million. The largest of these items are transaction costs, which is INR2,576 million related to the acquisition, which have expensed during this period as required under IndAS.

As earlier mentioned by Mehul, these are tapering quickly, just to reiterate, from INR1,910 million in Q1 to INR666 million in Q2. In addition, under the purchase price allocation, we have recorded a one-time inventory step-up charge of INR117 million, which is non-cash in nature.

I would also like to draw your attention to the finance cost. The finance cost of INR4,086 million reported for this half is including of dividend on redeemable preference share at the Molycop in accordance with the Ind AS. Similarly, you have noticed the tax expense of INR1,235 million, which we expect that effective tax rate to normalize over the coming quarters.

Turning to the balance sheet, the acquisition has brought up a step change in the scale. Our overall assets stood at INR227,066 million as on September 30, 2026, compared with INR43,145 million in March 2026. Molycop has added about INR204,042 million of assets and INR167,895 million of liabilities.

The purchase consideration of Molycop was INR42,422 million or equivalent US$442.7 million. On a provisional basis, we had recognized identifiable intangible assets of INR34,718 million and a goodwill of INR50,571 million and the allocation will be finalized within the 12 months measurement period as permitted under IndAS 103.

Moving to the debt and liquidity, our gross borrowing stand at INR114,923 million, of which INR110,346 million, almost 96%, is long term. The cash flow from the operations will be adequate to cover any immediate debt repayment, hence leading to no potential refinancing requirements.

With cash, bank balances and liquid investments of about INR10,311 million, our net debt stands at about INR104,612 million. Just to mention, after the balance sheet date during the October, at Tega Industries, we had prepaid INR1,000 million of term loan from the proceeds of the preferential issue.

Tega Industries continues to be rated at CRISIL A+ with a stable outlook for long term and CRISIL A1+ for short term. Let me be clear that steadily reducing leverage is our top financial priority and our endeavor to fund it through operating cash flows, working capital efficiencies, and integrations synergies. At Tega, excluding Molycop, our collection efforts are showing results. Trade receivables have come down by almost 15% since March, despite increase in our sales volumes, which is reflecting in the group level net trade working capital, which is INR 33,236 million or roughly 71 days of the if we extrapolate the Q2 revenue.

As we look ahead to the second half, our financial priorities are clear. We continue to deleverage from the internal accruals along with keeping short-term liquidity comfortable. We will work to release working capital, particularly inventory across the combined group. We will keep capital expenditure disciplined and focused on maintaining on high-return projects.

To sum up, our balance sheet has been transformed in a scale, large portion of our debt is long-dated, our business is generating strong operating cash, and our focus is now on deleveraging and converting this scale into returns for our shareholders. Thanks. Now I hand over to Lance.

Lance Dawber: Good evening, everyone, and thank you, Ravi. Copper prices have been breaking record historical highs over the past few months, reaching highs of over $14,800 per metric ton. The copper market remains strong, with current copper prices around $14,500 per metric ton. Copper prices reflect the favorable long-term market fundamentals that are driven by electrification, grid modernization, renewable energy investment, and the rapid expansion of infrastructure supporting AI.

While gold markets have remained strong after hitting highs over $5,000 per ounce earlier this year, with current gold prices trading in the range of $4,000-$4,100 per ounce. The gold market remains favorable, supported by strong bullion prices, central bank purchasing, and ongoing demand for safe haven assets.

At the same time, declining ore grades and constrained mine supply support elevated production activity at existing copper and gold operations. This typically drives higher throughput requirements and stronger demand for comminution consumables as our customer base continues to focus on maximizing throughput and recovery from existing operations.

During the quarter, steel and scrap markets moved higher compared to the prior year. The CRUspi Index averaged 216 during Q2 of FY 2027, an increase of 9% from the prior year average of 197, while the AMM HMS Scrap Index increased 13% to an average of $387 compared to 344 in Q2 of FY 2026.

The overall movements of the steel and scrap indices impacts our revenue per ton and reported top-line revenue. However, the effect of the changes to these indices do not necessarily have an impact to our net sales prices immediately due to the index used, the actual formulas applied to our contracts, and the lag in application of the index as per our contract specifications.

In industry news, Freeport Indonesia continued to advance the phase recovery of the Grasberg Block Cave operation following the September 2025 mud rush incident. During the quarter, their mill throughput averaged approximately 67% of the normalized run rates prior to the incident.

This reflects progress in restoring mining activities and reestablishing underground material handling infrastructure. Freeport has indicated that recovery efforts remain on schedule and expect to return to approximately 80% of capacity in mid-2027, with a return to near full operating capacity by the end of calendar year 2027.

At Cobre Panamá, on September 30th, the Interministerial Commission delivered its final report, recommending an assessment of the feasibility of a new agreement that could address

outstanding arbitration and provide for a potential restart of Cobre Panamá to support an orderly, self-financed closure, recognizing that the closure and rehabilitation will be a long-term undertaking extending over decades.

The authorized stockpile processing program at Cobre Panamá advanced materially during the quarter. There are sufficient stockpiles to support the processing program until mid-2027. I will now hand over the call to Patrick to discuss our financial results and the key financial metrics for the quarter.

Patrick Koley: Thanks, Lance. Our reporting entity has a fiscal year end of March 31, which aligns with the Tega Group reporting within which we are consolidated. As a result, with the June 1 transaction closing, we are presenting Molycop's results under new ownership for the interim period ending September 30, 2026.

Consistent with the June 1 transaction closing date, our reported FY 2027 results will include one month of operations for the first fiscal quarter and three months of operations in the second fiscal quarter. For the three months, adjusted EBITDA is $54.1 million that was driven by strong margin performance.

For reporting purposes, volumes were up 2.2% for the four-month period versus prior year period, and adjusted EBITDA was $71.2 million. There has been a significant increase in EBITDA, primarily due to higher margins and increase in shipped volumes compared to the prior year period.

Our net income results for the current quarter year include approximately $27.5 million of transaction-related costs. These costs have been excluded from our adjusted EBITDA to provide a more meaningful view of ongoing operating performance. Capital expenditures during the three months ended September 2026 were $5 million, and trailing 12-month capital expenditures of $28.9 million.

Molycop continues to target investments in key capital projects to support strategic growth initiatives. Working capital at September 30 was $312.6 million, or 21% of trailing 12-month sales. The working capital for September was higher than previous quarter, primarily due to the timing of bar purchases.

The refinancing of our senior secured debt with new equity from the June 1 transaction closing provided us with the opportunity to meaningfully reduce debt. Net debt as of September 30 was $965.3 million. Our balance sheet is strong and provides us with the financial flexibility to invest in our business and growth initiatives. We now would like to hand the call back over to the operator for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Tushar Khurana from Peace Wealth. Please go ahead.

Tushar Khurana: Yes. Hi. Thank you for the opportunity. Am I audible?

Moderator: Yes, sir.

Tushar Khurana: Yes. My first question is on Molycop. You mentioned that for Molycop, our volume growth for last four months was 2.2%. May I know the volume growth that was there in the last quarter gone by?

Patrick Koley: Is the question, what is the quarter growth for September is 2.2%?

Tushar Khurana: That you said was for four months, right? This volume growth over the four months.

Patrick Koley: Correct.

Tushar Khurana: What is it in three months, quarter ended September?

Patrick Koley: The three-month number is relatively flat, where the volume is 0.6% lower quarter-over-quarter. You will see for the four months, we have increased 2.2%, and for the three months, number is relatively flat.

Tushar Khurana: No, I meant year-on-year for three months, what was the growth or the degrowth? Not sequentially, annually.

Patrick Koley: You are talking for the 12-month volume numbers ending in September?

Tushar Khurana: No, I am talking about three months volume number year-on-year, ending September.

Patrick Koley: It was relatively flat.

Tushar Khurana: Okay. Okay, no problem. My second question is, may I know what is the revenue contribution that used to be coming from Grasberg and Cobre Panamá when they were operating at full scale for Molycop?

Patrick Koley: Yes, we do not. Due to confidentiality reasons, we do not divulge specific volumes for our customers.

Tushar Khurana: But may I know was it a significant part of it, of Molycop?

Patrick Koley: As Lance mentioned in his comments, you will see that the Grasberg performance has been increasing, which is a positive sign, and the fact that they are moving towards more reflective of normalized operations. But we do not release specific volume numbers.

Tushar Khurana: Understood. On Grasberg, I understood that now we are operating at 69% versus before. For Cobre Panamá, since we already have the stockpile, as I understood, which is being processed using the consumables from Molycop. Are we operating at full scale that we used to operate earlier when it was shut down, or there is a scope to further improve the scale at which it is operating and processing right now?

Lance Dawber: Yes. As FQML have announced, they are only processing the existing ore, and they have details of their running one line, which is one SAG mill, one ball mill, which is in the public documents of FQML.

Tushar Khurana: Okay. As both these mines scale up gradually in 2027, by end of 2027, do you see a case for margin improvement also for Molycop from 14% here to down the line?

Patrick Koley: As we scale up, you will see that the volume will increase. The total EBITDA will also increase, and we anticipate that the margins will be relatively flat versus the prior year.

Tushar Khurana: You mean margins will remain around 14%? That is what you are saying?

Patrick Koley: We look at margins on a per-ton basis. As we look at the way Molycop operates, given the fact that you will see fluctuations in the steel prices that Lance had communicated, we look at things on a per-ton basis versus a percent of sale basis. If you look at-- Go ahead.

Tushar Khurana: No, no, please go on.

Patrick Koley: So, last year, if you look at our prior year numbers, we averaged somewhere around $155 a ton.

Tushar Khurana: Okay, okay, understood. That's all from the Molycop side. One last question on the finance cost. I see the finance cost this quarter was around INR291 crore. I just want to know directionally for the next three to four quarters, how would this finance cost look like? Would we also see this finance cost coming down because of the debt restructuring and the sale of non-core assets? If you can just give some direction on that front. That's my last question.

Patrick Koley: If you're asking for the Molycop side, the financial costs--

Tushar Khurana: No, I'm sorry. I'm sorry, I'm sorry. I was asking for the combined entity. Maybe Mehul, if you want to take that one, please, for the consolidated finance cost.

Mehul Mohanka: Sure. We do see that come off as we continue to, as we had mentioned earlier, monetize non-core assets. That initiative is underway. We hope to see some of that come through in this fiscal year, but putting an exact timeline to it is difficult. I think, as we mentioned earlier, it's a 12-18 month exercise. We are aggressively pursuing those opportunities, and I'm sure that within this fiscal year, we will see some of that come off on a net debt basis.

Tushar Khurana: So, we should see this finance cost in the same vicinity for the next two quarters? Can I assume?

Ravi Joshi: See, it will be too early to give line-by-line guidance on the each item. Having said that, as covered in the earlier speech, it is obviously a top priority for us as well and beyond whatever is operational leverage is there, we will see if the non-core assets can add to the cash, and that will be used only for deleveraging. That is the situation as it is as of now. With the passage of time, we will also have precise answers, and we will be able to answer better to your questions.

Tushar Khurana: Okay. Thank you. Thank you so much. That is all from my side. You have done 14% EBITDA margin in Molycop. I am very happy to see that. Thank you, and all the best.

Moderator: Thank you. The next question is from Chirag Muchhala from Centrum Broking. Please go ahead.

Chirag Muchhala: Yes, thank you. Sir, firstly on this, the start of two mines that was mentioned. I think we had estimated that Molycop's volume growth rate at 5% yearly. But considering that both these are large mines, I mean, are we looking at a much higher volume growth rate going ahead?

Mehul Mohanka: We maintain 5% as of now, and I think that's where we're at. As Lance mentioned, Grasberg and Cobre Panamá are still not fully back. They are kind of on their way to ramp up. We would maintain the guidance as what we have mentioned in the past, so we're not revising it as of now.

Chirag Muchhala: Okay, sir. And, sir, if my memory serves me correct, then when we had acquired Molycop, there was a contingent liability also inbuilt that in case if these two mines start, then there would be some additional consideration that we might have to pay to the ex-owners. Now, will that come under play now?

Mehul Mohanka: No, that's not yet going to be triggered because from what we understand, Cobre Panamá still does not have the mining permits, and you can get more information in the public domain of First Quantum. It's all public information. So, the contingent payments do not yet get triggered. As far as Grasberg is concerned, we're still quite a distance away from any of the payments towards Grasberg coming back because we still don't have full volume and EBITDA margins of Grasberg because the mine is still ramping up. So, I don't think on Grasberg we will see anything till FY 2028.

Chirag Muchhala: Okay, sir. One last thing on equipment business. Sir, for two quarters in a row, both revenues and EBITDA has been a bit subdued. Sir, exactly what is ailing that business, even though the order book is healthy?

Mehul Mohanka: Yes, so the order book has been quite healthy. What's really dragging the performance in terms of its been mainly revenue, and that's got to do more with the fact that, we've had as you know, the equipment business is highly project-intensive, and we've not yet been able to secure the customer approvals to ship the product.

So, we are awaiting confirmation from customers to be able to convert the order book into revenue, and we expect that H2 will come back strong to be able to still maintain and recover a lot of the down performance of H1. Given the fact that the order book is healthy and the fact that we see a lot of those executions happening in H2, so we expect Q3, Q4 to come back, bounce back very strongly.

Ravi Joshi: Just to add what Mehul said, maybe an unusual comparison, but from Q1, the revenue is pretty higher in the Q2 this year, so we want to continue that momentum.

Chirag Muchhala: Sure, sir. Okay. Thank you.

Moderator: Thank you. The next question is from Varun Jain from Dolat Capital. Please go ahead.

Varun Jain: Yes. Hi, sir. Good evening. I have a couple of questions, sir. Firstly, I think in the last quarter, management had indicated that most of the one-time acquisition expenses were done with, but this quarter again, we had a INR67 crores expense. Just wanted to understand how much more expense is left, and how much will it be taken in H2?

Ravi Joshi: If my memory goes correct, we mentioned there will be some part which will be coming in the subsequent quarter, and the indicated number was around US$6 million- US$7 million, and that is what it is. Having said that, there will be no one-times going forward.

Varun Jain: Okay.

Ravi Joshi: It was very specifically called out around the stamp duty related to land in Australia, and that is what it is.

Varun Jain: Got it. Sir, secondly, in the notes to accounts in your results, there is a INR710 crores derivative liability for Apollo corresponding to derecognizing the minority interest. Can you explain what is this thing?

Ravi Joshi: Accounting nitty-gritty may not be able to explain over a call, but put it simply, it is broadly representation of the non-controlling interest, which is being required because there are certain options to buy out that stake, and that is how it is being represented in accordance with the IndAS.

Varun Jain: Sir, I am asking because it is like a big amount. It is a INR710 crores amount. So, what will be the settlement value? When will it be paid? I mean, that is a little important.

Ravi Joshi: It is representative of equivalent of broadly the NCI.

Varun Jain: Sorry, I did not get it. It is equivalent to?

Ravi Joshi: Non-controlling interest.

Varun Jain: But will there be a cash outflow of INR780 crores?

Himanshu Raijada: Varun, Himanshu Raijada here. Just to explain, we have invested along with Apollo as a financial sponsor in the JV company. As per the IndAS requirements, we need to classify the NCI as part of liability. That is just a kind of a set-up entry. NCI is negated, and financial liability has been increased. That's just the entry. This is pertaining to when we plan to buy the stake of Apollo. That is basis that accounting. There is no cash outflow immediately or whenever is required. Whenever we give an exit to Apollo, then only this liability will be negated. I hope that makes it clear.

Varun Jain: Okay. Yes, this is very helpful. Secondly, sir, on the previous participant's question, I think we had a 25% guidance for the equipment business. That would lead us to a 79% run rate required for H2. Are we willing to revise the guidance downward, or we are confident that we will get the 79% in H2?

Himanshu Raijada: Varun, there are some uncontrollable factors within our system, wherein the customers have also pushed their orders to the next quarter. Hence, we will have to compulsory reduce our guidance from 25% to 15%, and that is clearly visible within our H1 projections and also evident in the Q2 performance.

Varun Jain: Sure. Lastly, sir, on Chile commissioning, are we on track for earlier guided soft commissioning by January and commercial production by March 2027, with all the approvals and all?

Mehul Mohanka: Yes, correct. Chile is on track for January startup and March commercial production.

Varun Jain: What kind of revenue do we expect from the new capacity in FY 2028?

Himanshu Raijada: We are not anticipating any additional revenue because of the new plant. This is made in anticipation of sustenance of our requirement of plant for next four to five years, and this will be subsumed in our growth of 15% CAGR growth, which we are anticipating giving the guidance for.

Varun Jain: Sure. Thank you. It is very helpful. I will come back in the queue.

Moderator: Thank you. The next question is from Mr. Raman KV from Sequent Investments. Please go ahead.

Raman KV: Hello, sir. Can you hear me?

Moderator: We can, yes.

Raman KV: Hi. Thank you, sir. My first question is with respect to margins. When I am looking at Molycop as well as the ex of Molycop, the standalone consumables and equipment businesses, the EBITDA margin kind of improved on sequential quarter basis. So, going forward, you already mentioned that Molycop, you expect the EBITDA per ton to be flat?

But going forward, let's say down two, three years, do you expect this EBITDA per ton to move upwards in the upward direction, that is with respect to Molycop. And with respect to equipment business, what is the steady state margin you expect in equipment business in FY 2028 once your equipment business picks up?

Himanshu Raijada: Just to answer first question appropriately, that all our management's bandwidth is going towards developing and nurturing the synergies which we have anticipated, and those synergies will give us benefits in quarters to come. And hence, that EBITDA margin, what we were guiding currently what it is, it will improve by 100 basis points, what we see clearly. And going forward, all plans are going to increase this margin expansion for our EBITDA. So, that is what it is for the expansion of the margins, what you mentioned.

Raman KV: This is for Molycop or consolidated?

Himanshu Raijada: Molycop and for Tega, with the growth journey which we are into, the operating leverage will come into place, the guidance what we had given for 22% will uplift. But we are not giving any guidance in specific to that, but the math says, it will uplift.

Raman KV: If my understanding is right, current margins of Molycop are around 13%. You expect once the synergy benefits kicks in, it will be around 14%, right?

Himanshu Raijada: As you have seen in the financials, it is 14%, and in the Mehul's speech, it was clear that Q2 performance has given 14% of margin. That is going to maintain in the numbers. Also, we intend to increase this by 100 basis points in the coming year.

Raman KV: Okay, understood. Sir, with respect to equipment business, you said like 22% for Tega, but equipment business is, I think, underperforming. It is doing 2%. It was 2% margin this year, this quarter, last quarter it was around negative 4%. Once you hit the steady state of like 80, quarterly run rate of 80 to 90 crores, 90 to 100 crores next year, will it be a 20% plus margin business, or can you give some ballpark figures with respect to that?

Himanshu Raijada: The answer lies in your statement itself, because what we are anticipating that the 20% margin, what we are earning today stays, and of course, there will be operating leverage which will come in, and that will increase or expand the margins.

Raman KV: Thank you, sir. My last question is with respect to tax. Sir, during the quarter, we have paid around INR100 crores of tax, which was significantly higher. Is there any one-time expense related to tax, like with respect to the acquisition? And what will be the steady state tax percent?

Himanshu Raijada: This is not the steady state number. It will taper down to a kind of tax number, the general tax rate what we have. Going forward in quarters, as Ravi mentioned in his statement, it will taper down to the correct tax rate.

Raman KV: What was the reason for significant tax, such a high tax percentage during the quarter?

Himanshu Raijada: There were some disallowances at some regions, but that's not going to stay. We may contest on some of them, and going forward, we will see a kind of consistent number going forward.

Raman KV: Okay, understood. Thank you, sir.

Himanshu Raijada: Yes.

Moderator: Thank you. The next question is from Sagar Shetty from Wealthwia. Please go ahead.

Sagar Shetty: Hello. Hi, and good evening. My first question was regarding the cross-selling potential, sir. In the last call, you had mentioned that starting from H2, we could see some cross-selling, and it would be spanning over 2- 2.5 years. I just wanted to know, are there any, like, you know, anything has been achieved so far on both? Are there any specific customers where combined mill liner and grinding media contracts have been already won?

Mehul Mohanka: As we mentioned in our call earlier, 500 tons of grinding media has been secured as a trial order with an existing mill lining customer. We see that opportunity once it goes past the trial to scale up to anywhere between 20,000- 30,000 tons and there are many other such initiatives which are already in the pipeline across multiple geographies in the world. I would like you to be mindful of the fact that it is just four months of the transaction that has gone by, and I would really like to credit the team. In these four months, they have already been able to secure one such opportunity.

Sagar Shetty: Yes. Do you also seem to like confine these savings to US$20 million, or do you expect it to go further, the synergy benefit?

Himanshu Raijada: I will just put this question to perspective. One is cross-synergy and one is cost optimization. This US$20 million pertains to cost optimization, which we are targeting over 2- 2.5 years, and that cross-selling, what we are discussing, is top-up. We will not be able to guide at immediate level that what will be the opportunity size, but this is a big game-changer for Tega and Molycop both in a combined platform.

Sagar Shetty: Okay. Sir, I think I was a bit lost on the how we are going to, you know, expand on the margin going forward. If you could just brush it up quickly, what are the key drivers which you are seeing which is going to drive the margins up?

Himanshu Raijada: There are four initiatives which we are working towards. One is setting up a GCC. Second is setting up, relocating a headquarters to a lower base cost. Third is what we are looking to kind of shave off some SG&A cost. That will give us more on fixed cost, reducing the fixed cost burden. There is an active tracking of the operating efficiencies, basis which we will improve the yield going forward. Hence, these will expand the margin by 100 basis points.

Sagar Shetty: Okay, yes. Lastly,

Himanshu Raijada: This is what we have communicated multiple times over the last earnings calls as well, and consistent to it.

Sagar Shetty: Yes, yes. Thank you. Lastly, sir, I just wanted to know, in the depreciation header, is there any cost regarding to acquisition-related amortization, anything with that?

Himanshu Raijada: Nothing as such.

Sagar Shetty: Nothing as such, right? Okay. Yes, thank you, sir. That's it from my side, and congratulations and happy Diwali.

Himanshu Raijada: Thank you.

Moderator: Thank you. The next question is from Varinder Bansal from Omkara Capital. Please go ahead.

Varinder Bansal: Well, thank you, everyone, for this opportunity. I think most of my questions are already asked. One simple question to Mehul sir. I think we are on track to do almost INR2,000 crores of EBITDA with the run rate what we are seeing in this quarter for the current year, and I do not know, 20% growth or more than that next year?

Two things, that one is that there is too much expenses which come each and every quarter, so we are not able to convert that to profit. Do you expect that this year, with the way things are going on, we will be reporting profits and all the strengths this last few quarters, which is there of exceptional items, exceptional cost, will go away, starting at least quarter three?

Mehul Mohanka: Yes, Varinder, as we mentioned earlier, and Ravi just confirmed, that H1 is the last of what you would see as one-time expenses. I think quarter three onwards, it is going to be business as usual.

Varinder Bansal: Oh, that is good to hear, sir. That is very good to hear. We do not need any further fundraising, right? Because the interest cost is increasing by each and every quarter because now the entire consolidation of Molycop has been done. At any point of time, with the debt and interest costs, no ways that we will be raising capital or doing anything. Whatever measures we have to do in terms of selling non-core assets, hopefully that will fructify soon.

Mehul Mohanka: That is correct. We do not see any increase in debt positions. The indebtedness will remain the same. As I said earlier also, the plan is to continue to monetize non-core assets and pay down the debt, as well as improve incrementally EBITDA margins, which will aid in increasing free cash flow to pay down the leverage as well.

Varinder Bansal: Sir, if I have to ask you last question, given a perspective for next three to four years, where do we see the consolidated margins for Tega? I am sure that that point of time, entire strategy, implementation, consolidation of both the beautiful companies will happen. Are we targeting 17%-18% in the next three, four years? Or what, as per your vision, could be the kind of synergies which would come in the next three, four years?

Mehul Mohanka: Well, I think anywhere between three to five years is a bit of a longer milestone to walk. But I would just say that we currently, we've delivered about 14% consolidated margins. I just see this to trend up down the road. Of course, the transaction has been culminated or envisioned to deliver higher performance. I don't think we will see ourselves back at Tega standalone 22%-24% odd, but I would continuously see this 14% march upwards strongly as we continue to deliver.

Varinder Bansal: You mentioned that 15% possible next year. I'm just thinking that, of course, we can't go to 22% to 24%, but is 17%-18% a possibility in the next three, four years? Is that the vision you have?

Mehul Mohanka: The vision, of course, is 17%-18%, and it's just about whether we deliver it in five years or two years. It's a crystal ball right now.

Varinder Bansal: Okay. Thank you, sir. No more surprises in terms of additional cost at all from quarter three?

Mehul Mohanka: Correct.

Varinder Bansal: Thank you so much. Thank you. Helpful, very helpful.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to management for closing comments. Over to you, please.

Ravi Joshi: Thanks, everyone. Wish you all a very happy Diwali and safe Diwali. Thanks.

Moderator: Thank you. On behalf of Tega Industries, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.