PARTNERSHIPS IN PRACTICE

August 16, 2024

To,

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

BSE Scrip Code: 543413

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

NSE Symbol: TEGA

Sub: Transcript of the Earnings Conference Call for the Quarter ended June 30, 2024

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 August 08, 2024 at 5:00 PM IST for the Quarter ended June 30, 2024. The same can also be accessed on the Company's website at https://www.tegaindustries.com/investor#stock-exchange.

Thanking You,

Yours faithfully,

For **Tega Industries Limited**

MANJUREE RAI

Digitally signed by MANJUREE RAI
DN: c=IN, o=Personal,
pseudonym=VYuFOK9xtspqatbdWSsWI7u4XMWkl0LW,
2.5.4.20=61e3a3396cd7624bf83b3add79e138fff12c51d8
d2f58917a5875b0aa0dbcda5, postalCode=793014,
st=Meghalaya,
serialNumber=f053cd6842e858553a4efb7befa251c1779c
9ec807823c7fb56aab279c901602, cn=MANJUREE RAI
Date: 2024.08.16 18:31:55 +05'30'

Manjuree Rai
Company Secretary & Compliance Officer

Enclosed: As stated above

"Tega Industries Limited

Q1 FY '25 Earnings Conference Call"

August 08, 2024

MANAGEMENT: **MR. MEHUL MOHANKA – MANAGING DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER, TEGA INDUSTRIES LIMITED**
MR. SYED YAVER IMAM – NON-EXECUTIVE DIRECTOR, TEGA INDUSTRIES LIMITED
MR. PRATIK BASU ROY – PRESIDENT - PRODUCT MANAGEMENT, GLOBAL SALES AND MARKETING, TEGA INDUSTRIES LIMITED
MR. SHARAD KUMAR KHAITAN – CHIEF FINANCIAL OFFICER, TEGA INDUSTRIES LIMITED

MODERATOR: **MR. HITESH AGARWAL – ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Tega Industries Limited Q1 FY 2025 Earnings Conference Call, hosted by Orient Capital. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Hitesh Agarwal. Thank you and over to you sir.

Hitesh Agarwal Thank you, Shlok. Good evening everybody and welcome to the Q1 FY 2025 earning conference call of Tega Industries Limited. Today on this call we have with us Mr. Mehul Mohanka, Managing Director and Group CEO; Mr. Pratik Basu Roy, Product Management, Global Sales and Marketing and Mr. Sharad Kumar Khaitan, who is the CFO. Before we proceed with this call, I would like to give a small disclaimer that this conference call may contain certain forward-looking statement, which are based on belief, opinion and expectation of a company as of date. A detailed statement has also been given on the company investor presentation which has been uploaded on the stock exchange. I hope everybody had a chance to go through the result.

Now I would like to hand over the call to the Mr. Mehul Mohanka for his opening remark. Over to you sir.

Mehul Mohanka Thank you. Good evening and a warm welcome to all the participants on the call. I am joined this evening by Mr. Imam, who is a Director on the Board, Mr. Pratik Basu Roy, President, Product Group and Sales and Mr. Sharad Kumar Khaitan, our CFO. The total group revenues for Q1 of FY 2025 stood at INR352 crores, with an EBITDA of INR76 crores. That is an EBITDA margin of 21%.

Revenues have been higher by about INR75 crores than the same period last year, mainly due to spillover or the carry forward from the last quarter, i.e. Q4 of FY 2024 to the current quarter and higher service income. The total revenues of the consumables business segment grew by INR84 crores over the same period last year, whereas the equipment business segment moderated to INR37 crores from INR45 crores during the same period last year.

The increase of group revenues by 27% should be adjusted for the one-time impact and it will sequentially bring it in line with our earlier estimates of 15% average growth rate. It may be noted that we acquired Tega McNally Minerals Limited in February of 2023 and hence the comparative figures for the same period last year are fully comparable as both the consumable and the equipment business segments have been fully operated for the entire twelve months period ending 31 March 2024.

It is very important for me to thank and express my heartfelt gratitude to the entire team on a performance in such a dynamic operating environment. I believe that high employee engagement leads to improved customer satisfaction, that in turn leads to better business results. Our employees across the globe feel engaged and committed, which helps us in customer satisfaction and creating value for all our stakeholders.

The integration of Tega McNally with Tega has been progressing as per our expectation and has started yielding results. As informed earlier, Tega McNally has formed a consortium for designing and commissioning of a new 7 million ton per annum iron ore screening and beneficiation plant at Donimalai for NMDC Limited. The total contract value including taxes is INR872 crores with Tega McNally's share being INR120 crores and is to be executed over a period of 26 months.

From a logistics point of view, the shipping routes continue to be a challenge with shipping lines evading the conflict stricken Red Sea, congestion at major ports along these alternative routes has escalated, delaying the container turnaround times. The time to deliver products to customers has also gone up substantially.

The COVID crisis has left us with experiences on how to manage such logistic challenges proactively and we have already executed such measures in anticipation of such disruption. The impact of heightened shipping costs will be passed on to the customers in most of the cases. Our supply chain is more vigilant with better planning for both raw material, as well as customer deliveries.

We have built up the inventory and are in constant communication with all our customers and business partners to navigate this crisis. We also have a strong order book at a group level of INR560 crores as at June 2024 end, vis-a-vis an order book of INR520 crores as of June 2023, without considering the long term orders like NMDC in Tega McNally. We have received all regulatory approvals including construction for the Chile project and have started the construction activity.

We intend to start the commercial production for the new facility by June of 2025. The Chile project will assist us in consolidating the existing facilities and adding new capacity, which shall help us gain efficiency and strengthen our presence in Latin America. Apart from the existing project, we have also procured additional land measuring 51,000 square meters alongside the project site for INR21 crores, which will be used for future expansion.

Sustainability is not only important for us, but also for the customers we serve and Tega recognizes the significance of environment, social and governance. We are committed to being a sustainable business as we believe it is not only a commercial and moral imperative, but also a tremendous opportunity. As we work towards our net zero goals, our technologies and products are helping our customers on their own sustainability journey by enabling significant reductions in power consumption and a reduction of the carbon footprint.

I would like to express our sincere gratitude to all our investors for their unwavering faith in our company. Thank you for your continued support and now I would like to hand over to Sharad to take you through the financial performance of the company for the period under review.

Sharad Kumar Khaitan: Thank you, Mehul. A very warm welcome to everyone and thank you for joining the earnings call for Q1 of FY 2025. In our business, generally H2 is always better than H1 in terms of our performance both in revenue and profitability margins and in comparison with the immediately preceding quarter i.e. Q4 of FY 2024 is not being commented upon.

The total group revenues for Q1 of FY 2025 stood at INR352 crores with an EBITDA of INR76 crores, that is at an EBITDA margins of 21%. Revenues have been higher by about INR75 crores than the same period last year, mainly due to the spillover or the carry forward from the last quarter and higher service income as informed earlier.

The revenue from operations has grown by approximately 72%, i.e. from INR268 crores in the same period last year to INR340 crores, with the consumable business segment growing by approximately 26%, i.e. from INR224 crores in same period last year to about INR305 crores in the period under review.

The equipment business segment had a revenue from operations of INR36 crores versus INR44 crores in same period last year. The equipment business performance was lower in the current quarter due to delay in receipt of payments, inspection reports and certain dispatch clearance certificates from few customers, which is expected to be regularized in Q2 of the current financial year.

The order book for both the business segments remains strong. The overall operating EBITDA at a group level for Q1 of FY 2025 has grown from INR39 crores in same period last year to INR64 crores in the reporting quarter. We achieved an operating EBITDA of 19% at a group level versus 15% last year. The consumable business segment achieved an EBITDA margin of 21% in Q1 of FY 2025 versus 16% in same period last year.

The EBITDA margins for the equipment business would show recovery once we are able to record the revenue as mentioned earlier. With respect to integration of Tega McNally Minerals Limited with Tega Industries Limited, please note that the integration milestones and the synergy targets are progressing as per the integration plan and we are satisfied with the progress made till date.

We are on the path to capture the full potential of the equipment business not only to gain economies of scale, but also to reposition the products in the market and accelerate our overall strategy. One small step in this regard is getting the order from NMDC Limited, the largest iron ore mining company of India, for designing and commissioning of the seven metric tons per annum iron ore screening and beneficiation plant at Donimalai as part of a consortium being mentioned by Mehul earlier. Tega McNally share including taxes in the said contract is approximately INR120 crores and the scope includes design and supply of specific equipment from the proposed plant like feeders, creams, hydrocyclones, spiral classifier, tilling thickeners, etc.

Thank you very much for your time and the forum is now open to any questions you may have. Over to you, Hitesh.

Moderator: Thank you very much. The first question is from the line of Aman Soni from Invest Analytics Advisory. Please go ahead.

Aman Soni: Congratulation for good set of numbers. My first question is on future outlook site. Could you share your perspective on future outlook of the copper industry and how company plan to navigate the anticipated market trend and challenges in the upcoming period?

Sharad Kumar Khaitan : The revenue estimates what we gave is about an average of 15% over the last five years and then blended EBITDA margin of 21 odd percent.

Syed Yaver Imam: So as we have said earlier also copper and gold, our business is around 75% of our business comes from these two ores -- last year copper overall grew by 2.2%. But in the last quarter you know there was a problem with Panama mines which closed down and few other projects which had also got delayed, IFRS commissioning was there. But from this first half we see good headwinds over there. Projects are now coming on online and going forward both for the current financial year and the next year we think copper can be -- outlook is pretty good.

Aman Soni: My next question is on margin guidance and the growth guidance for the financial year 2025. Could you please provide the guidance?

Sharad Kumar Khaitan: We have already given the guidance that the revenue growth should be around 15% on an average with an blended EBITDA margin of about 20% to 21%.

Aman Soni: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Saloni Shah from SK Investments. Please go ahead.

Saloni Shah: Hello sir. Thank you for the opportunity. Sir, have few questions. The first one is regarding the competition. Sir, considering long standing players like Metso and the others in the market, we currently offer a superior product. So can these competitors replicate it or is your product continuously upgraded?

Syed Yaver Imam: So if you look at the product compared to Metso, globally, we are competing against product of Metso only. Metso is our major competitor globally. And our product, both from quality and other aspects of deliverance of value to the customer is in no way second to anyone, okay? And on some of the fronts, including DynaPrime, we are the leaders in that segment.

Sharad Kumar Khaitan: We do invest into R&D and lot of proposals and products are under evaluation and we will let you know once the commercial launches are done. So we always try to remain ahead of the curve and ahead of the competition as well.

Saloni Shah: Okay, sure. Thank you. Sir, then my second question is, sir, could you provide more details on the potential infrastructure improvements planned for the next two, three years? Specifically, what kind of capex are we anticipating for the same?

Sharad Kumar Khaitan: There are two business segments what we are talking about, ma'am. The first is we are doing -- we have a capex plan of about $30 million overall in the consumable business segment, of which a significant portion will be towards the Chile capex plan which we just spoke and mentioned that we are starting the construction. We have started the construction and it is expected the commercial production to be there from June 2025. Apart from that, in the equipment business space, as and when the capex is required, we shall have those fundings done to revive the equipment business and take it forward, so anything in the range of INR15 crores to INR20 crores is the immediate requirement for that particular business.

Saloni Shah: Okay. All right. Thank you so much.

Moderator: Thank you. The next question is from the line of Manish Oswal from Nirmal Bang Securities Private Limited. Please go ahead. The current participant seems to have disconnected. The next question is from the line of Chirag Muchhala. Please go ahead.

Chirag Muchhala: Yeah, hi. Thank you for the opportunity. So, firstly, on the consumable segment, in last quarter, we had mentioned about some supply chain issues in West Asia related Red Sea supply constraints, which had led to some deferment of revenue. So just wanted to have an update that are all those things completely sorted or did those impact revenue booking in Q1 also?

Sharad Kumar Khaitan: Chirag, like we mentioned in our opening remarks, the revenues have been higher by INR75 crores Q1 current year versus Q1 last year. And we have clearly mentioned that one of the main reasons is the spillover or the carry forward from the last quarter. That is why you have such a high revenues in Q1, which normally we do not have.

As far as the logistics is concerned, the shipping routes continue to be a challenge because there are so many issues along the Red Sea and there is congestion of the ports and there is lot of delay in the container times. But like we mentioned earlier, we have taken proactive steps in anticipation of such disruption and we are doing a preplanning advancement to ensure that we meet our estimates and our customers are also not disturbed.

As far as the backlogs, etc is concerned, a significant major portion of that has been recovered and these disruptions keep having, so as and when they come, we will let you know about that.

Chirag Muchhala: Sure. Sir, on the Europe order, so this would have been the second quarter for the execution of that Europe order. So just qualitatively speaking, how is our experience and the normal quarterly rented? You know, it can vary from month to month, but in Q1 also, if you can qualitatively speak about whether the Europe orders normal, I mean, execution has been progressing well as per our expectation and roughly speaking, around INR30 crores or so has been generated from that order in Q1?

Sharad Kumar Khaitan: Chirag, as far as this European order is concerned, we are very happy to inform that it's been more than six months and we are doing pretty well. The customer is very happy and satisfied with our progress we have done so far. And it's a matter of pride that we have been able to successfully maneuver these six months and prove that, yes, we can operate in those conditions as well. This order, particularly on an average, generates about INR10 crores of cash flow per month, which is on a steady state basis and keeps continuing accruing us over the period of five plus one, that is six years.

Chirag Muchhala: Okay. Sir, one question. I wanted to check on how the global, the mining industry, especially the three ores that we cater to gold, copper and iron ore. So, considering that there are certain economic challenges globally in certain countries because of various economic situations, etc, are we seeing a trend where the shift from, let's say, metallic liners to DynaPrime, etc., continues as we have seen in two, three years prior? Or is there some softwareness in decision making by customers because generally, you know, when economic situations are a bit unfavorable, generally this product upgradation, etc takes a backseat with some countries and some customers. So just wanted to have your qualitative comment on the same.

Pratik Basu Roy: So, Chiraj, Pratik here. So, you see, you're right that there has been some disruptions in the three ores. However, fortunately that there's while some of the countries like Australia, Canada, Peru and United States have gone down, some others like Kazakhstan, South Africa, Indonesia, they have come up.

So overall, the market remains moderately with the growth, so flattish. So there is no immediate challenge out there. Similarly for copper, while one segment in construction is going and is going down, the other on energy consumption is going up. So those are balancing each other out. So the larger trend is, that we see a similar trend as we have seen last year. However, significant growth is projected beyond 2025. So that's the situation currently.

Sharad Kumar Khaitan: Just to summarize, Chirag, we are bullish on the prospects of the overall industry. The metals that we primarily focus upon from the consumers perspective are copper and gold, which continue to be of significant interest globally due to their various end use application. And we don't think any impact on the global economic situation is going to have on the use of these two commodities with EV focus on renewables all of that, the consumption and the focus on these two ores shall remain as it is and should be on a growth trajectory itself.

Chirag Muchhala: Sure sir, that's heartening to know. And last question on the equipment business. So our commentary thus far has been that we want to take a conservative approach in terms of equipment business bidding for new contracts because the -- obviously the initial focus is to upgrade the products and processes and integrate the same.

So in that context it was heartening to see our first maiden large order of INR120 crores from NMDC. So I mean where are we in that journey? And should one expect that going forward we should expect, you know, continuation of such large orders and we are ready with at least some of the product categories so that we will now start bidding aggressively in the domestic market.

Syed Yaver Imam : So on the domestic market, see the Indian market as far as mineral processing equipment is there is very bullish now, okay? And our basic idea with this NMDC, such large project comes in sequences of growth. And basically we are going to look at both in the coal and the iron ore sector how this growth are going to take place through Brownfield and Greenfield project. We have been over the period of the last 18 months, 15 months that we have taken over McNally been putting in lot of upgradation of the product.

Some of the upgradation is already in progress and overall we are pretty bullish on this thing. As you know that apart from this NMDC, our order booking is pretty strong now and good. And going forward I think even next year also we think that we -- strong growth will continue to happen with the capital equipment business.

Having said that, you know capital equipment business, the equipment takes five months, six months to get ready, various component are there. So in some months, we will have large revenue, some months we'll have below the average revenue. But overall, looking forward for the full year, we are pretty confident of reaching our growth target.

Chirag Muchhala: That's heartening closer. That's it from my side.

Moderator: Thank you. The next question is from the line of Saurabh Patwa from Quest Investment Advisor. Please go ahead. Mr. Saurabh?

Saurabh Patwa: Sir, just wanted your -- on the acquired company McNally Sayaji, how the progress has been? So is it in line with what you would have originally expected or is it better and how do you see from a three year view that acquisition helping us in our growth targets?

Syed Yaver Imam: So even in last year we grew, okay? So, in twelve months, we -- compared to the previous year from 183 we grew up to 206. So I mean we were looking at the business. There were lot of issues over there for us to understand. Cultural indication is a part of it. It's a process and right at the first stage, when we had taken over the company, we had said this will take around 18 to 24 months for us to fully integrate, okay? And then we'll start looking at.

So whatever is happening till date, we are pretty happy with the milestones which we are reaching. As I said in the question before, we have invested quite heavily on product upgradation and people and resource. We have hired people from different industry to bolster the whole team. And happily our product booking is pretty strong now. And overall, as I said, we are pretty bullish on that.

Saurabh Patwa: So, sir, while the integration, sir, this is just an extension of the previous question, with -- is the -- while the integration may take 24 months are -- your -- is it much higher than your expectation or and you're getting much more confident now versus what you would have maybe twelve months back or maybe six months back?

Sharad Kumar Khaitan: Like we mentioned earlier, the integration milestones and the synergy targets what we had expected. We are as per our integration plans and like Imam sir just mentioned, we are pretty confident of the turnaround of the McNally story as well with the growth we made in FY 2024 and the current state in FY 2025.

Saurabh Patwa: Great, sir. Great. Congratulations, sir and all the best for the coming quarter...

Sharad Kumar Khaitan: Thank you.

Moderator: Thank you. The next question is from the line of Mayank Bhandari from Asian Markets Securities. Please go ahead.

Mayank Bhandari: Thanks for the opportunity. Sir, I have few questions from the annual report that were recently released. Firstly sir, what is your proportion of revenue from mill liners, like 75% of the total revenue?

Sharad Kumar Khaitan: Yes, around that same level, Mayank.

Mayank Bhandari: So which gives me a number of almost INR1,100 crores of the total revenue from the middle liners.

Sharad Kumar Khaitan: You are talking about FY 2024 numbers, right?

Mayank Bhandari: Yes, yes, FY 2024.

Syed Yaver Imam: So, go ahead. What's your question?

Mayank Bhandari: So in last almost two, three years the growth has been in the particularly in the mill liner. It has been, okay, handsome rate of almost more than 20% CAGR. So I think, I mean if you were to estimate your market share now at this moment globally what would have been, I mean have we been significantly outperforming the competition? So is it like double digit kind of market share now?

Syed Yaver Imam: So, market share figure as of now I'm not saying, but let me just tell you because the market itself, if you look at copper and gold, they are growing at 2% or 3%, the liner business itself is growing around 5% and we are growing above 15%, okay? So, the -- all the growth that is taking place is a market share gain, okay? So we have not reached double digit figure as our growth was concerned, but we are on the path to that.

Mayank Bhandari: Okay. Okay. Just reconfirming one thing because in the Annual Report it is written 25% from the non mill liner which includes Tega McNally, right?

Shard Kumar Khaitan: In the consol numbers if you see, console numbers it will be 25% of my domestic sales which includes McNally revenues as well.

Mayank Bhandari: So total consol number 75% is mill liner and 25% is...

Sharad Kumar Khaitan: No, no. 75% is my exports on this thing and 25% is domestic sales. In that domestic sales, McNally is -- the entire McNally 100% revenue is a part of that domestic sales.

Mayank Bhandari: Okay. Okay. And secondly, sir, you also have written that there are some acquisition plans going on in the McNally business which is written in the annual report. If you could help elaborate on that.

Sharad Kumar Khaitan: We have not mentioned of any acquisition plan. We have mentioned, if I recall correctly, we have mentioned that we will do sufficient capex in that business.

Mayank Bhandari: Okay. INR15 crores to INR20 crores the number is...

Sharad Kumar Khaitan: INR15 crores to INR20 crores is the capex what we intend to do on the equipment business category.

Mayank Bhandari: Okay, sir. Got it. And third question is sir, is part of our solar power initiatives. We have, I think three plants under the initiation where we are working on developing the solar plants. So what kind of cost saving we will realize once all of them are materially contributing?

Sharad Kumar Khaitan: It will help us reduce our power cost and then other than that, we believe strongly in that ESG and other initiative. So it will help us generate green energy. And you know, that is how we intend to use the solar power.

Mayank Bhandari: Any number cost saving in terms of how much you can...

Sharad Kumar Khaitan: Not any specific number at this juncture, Mayank.

Mayank Bhandari: Okay. And...

Sharad Kumar Khaitan: But we have solar plants which are coming up, solar installations in Samali, Kalyani, as well as the Dahej plant.

Mayank Bhandari: Yeah, yeah and that is...

Sharad Kumar Khaitan: Totally, if you see it's about 1600 to 1700 kilowatt hours of solar power, what we intend to harness.

Mayank Bhandari: Okay. Okay. And sir, the last question on the global front, we have seen that Metso is indicating that the inquiry pipeline for the copper particularly is very strong, although the results indicate that there is weakness. So what kind of traction you are seeing, particularly in the in-house as inquiries increased recently or how is it?

Sharad Kumar Khaitan: Mayank, we would not like to comment on Metso's results this thing, but as far as our revenue estimates are concerned, we are confident that we will be able to meet our revenue estimates and guidance given for both the revenue as well as the EBITDA margins.

Mayank Bhandari: Okay. Okay. Thank you, sir. That's it from my side and I would compliment on the annual report. It's very exhaustive and informative.

Sharad Kumar Khaitan: Thank you, Mayank.

Moderator: Thank you. The next question is from the line of Manish Oswal from Nirmal Bang Securities. Please go ahead.

Manish Oswal: Yes, sir. Thank you for the opportunity and I have most of the questions already answered. I have only two questions. First is the, our logistic cost compared to our normal logistic cost, what is how much it is higher currently?

Sharad Kumar Khaitan: The logistics cost is basically is -- we do not have too much of increase in the logistics cost because we pass on the logistics cost to our customers because small time lag.

Manish Oswal: Okay. Okay. And secondly, sir, in terms of inorganic growth strategy of the company and overall capital allocation decision thought process, can you elaborate on that front, sir? That will be my final question.

Sharad Kumar Khaitan: Can you be little specific? I couldn't understand your question.

Manish Oswal: So the question is basically in terms of growth investment into the business, so one is the -- we are making investment like we are making investment for Chile project, right? And equipment for equipment business you have earmarked INR15 crores to INR20 crores. Apart from that in any inorganic growth strategy company is following in FY 2025, FY 2026? Hello?

Sharad Kumar Khaitan: Yeah, I got your question. Last year only we have in February 2023, we acquired McNally as part of our growth expansion strategy and we are open for any acquisition which comes, but then it has to be at the right value for us. If it's the right value fitment, we are definitely open and we will explore that if it's a strategic fit for us.

Manish Oswal: So it is a combination of geography or it's a combination of capability standpoint?

Sharad Kumar Khaitan: We are a global player and any geography, it can be a capability enhancement, it can be a technology enhancement. It can be a geographical expansion. But it has to be strategically right fit for us and then we can evaluate that if anything comes.

Manish Oswal: Sure, sir. Thank you very much. Thank you.

Moderator: Thank you. The next question is from the line of Anupam Gupta from IIFL Securities. Please go ahead. Thank you. .

Anupam Gupta: Yeah, thanks a lot for the opportunity, sir. First question is on McNally. So is there an order book number which you can share including...

Sharad Kumar Khaitan: Anupam, can you speak a little louder.

Anupam Gupta: Yeah. So the question is basically for McNally, is there a sort of an order book number which you can share including the NMDC order which is there?

Sharad Kumar Khaitan: See, the NMDC order is about INR120 crores, which is to be executed in a span of 24 to 26 months. We see the order book at an overall group level because the industry we are servicing is the same. And when we talk about an order book, we don't consider long-term contracts in our order book numbers.

Anupam Gupta: Okay. So basically -- okay. So McNally, what is the growth number which you said you are targeting for the equipment business?

Sharad Kumar Khaitan: We are targeting a 15% revenue growth in the McNally business.

Anupam Gupta: Should it not be higher given that you are basically now turning it around and you are expanding the end sort of targeted market, can it potentially be higher, is the question.

Sharad Kumar Khaitan: The overall equipment business is anything in the range of $28 billion to $30 billion. So that is the scope for us as well as the domestic industry also like Imam sir mentioned, there is a lot of scope there. We will definitely try, but on a conservative basis we would like to remain at a 15% guidance at this stage.

Anupam Gupta: Sure. And on consumables, is there a metric, let's say, so there has been lot of questions which people keep asking for a new product development and you have said that you focus on that. But is there, let's say in FY 2024, what sort of revenues did you do from new products in the consumable side or what is your target for that, let's say few years down the line? Is this something which you track internally?

Sharad Kumar Khaitan: You see, basically what we have mentioned in all our guidance estimates is a 15% revenue growth. This comes from a mix of few things actually. Number one is high quality solutions what we give to our customers. Second is the product or the solution value addition what you give to the consumer and this value addition comes from not only the product quality, the service quality, as well as other intangibles what is a part of that? So till you don't modify and keep upgrading consumers will not find any attraction and value in the product. So that is how we look for our growth trajectory.

Anupam Gupta: Okay. Okay. Understand. And just one last question on the consumable business. What would be the proportion of volumes would be from capex side of it and what is let's say opex side of it?

Sharad Kumar Khaitan: I couldn't understand your question.

Anupam Gupta: So let's say for your customer when you're supplying it as a operational expense versus when you are supplying it as a when we are doing a capex.

Syed Yaver Imam: Our capex related consumables are very low 5% and below, most of our consumable business are opex related, it comes in the form of our own spares, as well as growth in the market share through converting from different type of liners through our design and from competitor. So growth from -- see the growth the market itself is growing by 4%-5%. So all the new business from OEM levels which we're going to do will be limited to that and our figures are also tracking that figure separately.

Anupam Gupta: Understand. That's all from my side. Thank you.

Moderator: Thank you. This was the last question for today. I would now like to hand the conference over to management for closing comments.

Sharad Kumar Khaithan: Thank you very much everybody for participating and we look forward to your constant feedback. Thank you so much.

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