PARTNERSHIPS IN PRACTICE

February 15, 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 and Nine months ended December 31, 2023

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 February 09, 2024 at 5:00 PM IST for the Quarter and Nine months ended December 31, 2023. 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

Manjuree Rai
Company Secretary & Compliance Officer

Enclosed: As stated above

"Tega Industries Limited Q3 and 9M FY24 Earnings Conference Call"

February 09, 2024

MANAGEMENT:	**MR. MEHUL MOHANKA – MANAGING DIRECTOR AND GROUP CEO, TEGA INDUSTRIES LIMITED** **MR. SYED YAVER IMAM – DIRECTOR, GLOBAL PROJECT MANAGER AND HEAD OF SALES, TEGA INDUSTRIES LIMITED** **MR. SHARAD KUMAR KHAITAN – CFO, TEGA INDUSTRIES LIMITED**
MODERATOR:	**MR. BHAVYA SHAH - ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Tega Industries Limited Q3 and nine months FY24 conference call organized 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 question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Bhavya Shah. Thank you and over to you, sir.

Bhavya Shah: Thank you, Adi. Welcome, good evening, everybody and welcome to Q3 and Nine Months FY24 Earnings Conference Call of Tega Industries.

Today on this call, we have with us Mr. Mehul Mohanka – Managing Director and Group CEO, Mr. Syed Yaver Imam – Director, Global Project Manager & Head of Sales and Mr. Sharad Kumar Khaitan – CFO.

Before we proceed with the call, I would like to give a small disclaimer that this conference call may contain certain forward-looking statements which are based on beliefs, opinion and expectations of the Company as of date. A detailed statement has also been given on the Company's investor presentation which has been uploaded on Stock Exchange. I hope everyone had a chance to go through the results.

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

Mehul Mohanka: Thank you, Bhavya. Good evening and welcome to all the participants on the call.

On a YTD December basis, at a group level, we have generated total consolidated revenues of Rs. 1,004 crores and an EBITDA of Rs. 195 crores. In the quarter ended 31st December '23, we have reported consolidated revenues of Rs. 347 crores with an EBITDA of Rs. 58 crores. Q3 performance has been impacted due to supply chain challenges arising from the Red Sea crisis and few instances wherein the conversion orders have taken longer than expected timelines. There have been shipment delays and higher freight costs in the second fortnight of December, emanating from the raging Red Sea crisis and the ongoing geopolitical tensions in West Asia. Inventory as at December end went up due to such supply chain issues in quarter three.

However, we were closely monitoring the situation and we had even planned shipments in advance, but things did not work out as anticipated towards the end of the third quarter. However, we have been able to accelerate the sales in quarter four till date and we are confident of achieving the projected revenue growth on a year-on-year basis as per our earlier estimates.

We are happy to inform that the integration of Tega McNally with Tega is progressing as per our expectations so far. For the 9 months ending December '23, Tega McNally has recorded a revenue of Rs. 145 crores with an EBITDA of Rs. 15 crores. It may be noted that for FY23 Tega McNally had recorded a revenue of Rs. 183 crores with an adjusted EBITDA of Rs. 10 crores.

We had earlier made an announcement of a wholly owned subsidiary company entering into an agreement with the largest copper mine in Europe to completely manage the wear product assets of the mines covering all mills and non-mills for a period of five years extendable by another year with minimum revenues over the contract period estimated to be at Rs. 685 crores. We are pleased to inform you that we have started the maintenance operations with effect from 1st January 2024 and it has been a good start for us. We have completed all groundwork including finalization of designs etc. for the Chile project and as communicated in our last investor call, we have received most of the regulatory approvals. While few approvals are expected to be received anytime, we shall start the project latest by April 2024.

We are pleased to inform that we have also opened a new subsidiary in Peru, which has significant mineral reserves and present substantial business opportunities in mining for us.

We're also delighted to announce that Tega India Limited and Tega Losugen Australia have attained the Great Place to Work certification. This recognition underscores our dedication to cultivating an exceptional workplace environment and thriving corporate culture. Tega has always recognized the significance of Environment, Social and Governance (ESG) stewardship**.** This commitment extends beyond our Indian operations to our global endeavors as we work diligently towards achieving reducing carbon footprint.

Furthermore, we have a strong order book at a group level of Rs. 673 crores as at December end vis-à-vis an order book of 480 crores as on 1st April 2023. That is an increase of 193 crores i.e. 40% during the 9 months period ending 31st December '23.

In conclusion, I would like to express our sincere gratitude to all our investors for their unwavering faith in our Company. Thank you all. And now I would like to hand it 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 Q3 of FY24 and YTD December '23 Performance.

For the 9 months period ending 31st December '23, we have generated a total revenue of Rs. 1,004 crores up from Rs. 832 crores same period last year. Overall, at a group level on a YTD basis, the revenue from operations has grown by approximately 21% i.e. from Rs. 818 crores last year to Rs. 989 crores this year. This includes the addition of the equipment segment which contributed approximately Rs. 147 crores. Thus, on a like-to-like basis, the consumables segment grew by about 3% from Rs. 818 crores to Rs. 841 crores. The overall group EBITDA has grown from Rs. 182 crores to Rs. 195 crores in the 9-months period compared to same period last year. For the 9-months period ending 31st December ’23, we have achieved an EBITDA of approximately 20% at a group level. There have been a certain one-time expense during this 9-months period of approximately Rs. 8 crores which if adjusted would have taken the group EBITDA to approximately 21%.

The Consumables business segment achieved an EBITDA of 21% and the equipment business segment recorded healthy EBITDA margins of 11%. On a quarterly basis, the Q3 total revenues at a group level have been Rs. 346 crores up by Rs. 39 crores from same period last year. However, there is a fall in the operating EBITDA from Rs. 67 crores to Rs. 57 crores.

As already updated, Q3 Performance of the Consumables business segment, vis-à-vis sequential quarter and same period last year was impacted due to the Red Sea crisis, geopolitical tensions in West Asia, and customers in few geographies taking longer than expected timelines for the conversion orders. There was significant increase in the shipping cost at the fag-end of December quarter which led to delay in few shipments and increased the transit time of shipments as well. The situation has improved. We have been able to make up most of the sales which had been deferred and we are on track for achieving 15% revenue growth on a YOY basis as per our earlier guidance given. One more point to be noted here. There has been an incremental increase in the stock of about Rs. 20 crores over March 23 levels which has impacted the Q3 revenues by about Rs. 45 to Rs. 50 crores. With this revenue for consumables segment for Q3 would have been close to Rs. 335 crores resulting in an EBITDA to the tune of 22%. On a YTD basis, the revenues would have been Rs. 890 crores for the consumable segment with an EBITDA of 21%. We are closely monitoring the situation, are in constant discussion with our customers, including evaluation of alternate routes if required, such that the customers aren’t impacted in any manner.

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

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Jonas from Birla Mutual Fund. Please go ahead.

Jonas: Just wanted to sort of dig deeper into the increase in freight rates due to the Red Sea issue. If a) you can quantify the impact that you saw due to higher freight rates, and b) were there sales deferrals and how much was that? And thirdly, Sharad spoke about some inventory impact of Rs. 40 crores or Rs. 45 crores if you can just elaborate on what that means actually. Those are my first question and then pop on with my second one after that.

Sharad Kumar Khaitan: Yes, to answer your question the freight levels for the major part of the nine months ended December ‘23 were lower than last year because only at the fag end of December, the second fortnight of December when the freight rates went up. It does not impact us too much because all these increase in freight rates is a passthrough which we pass on to the customers. So, we don't see an impact of these increase rates because it's a passthrough for us. It is then passed on to the customer. The second part is what I spoke about the increase in inventory. There has been an incremental increase in stock of about Rs. 20 Cr at cost level which if translated into revenue would have been about Rs. 45 Cr. to 50 Cr.

If I add up these revenues to my Q3 performance, my Q3 revenues for the consumable segment would have been Rs. 334 crores -335 crores resulting in an EBITDA of 22%. For the full 9-months period, the revenues for the consumable segment, if I would have taken this additional sales of Rs. 45 crores to Rs. 50 crores, would be to the tune of Rs. 890 crores with an approximate EBITDA margin of 21%.

Jonas: Just a follow up on that, because we've been able to manage gross margins for the quarter. It's largely in higher fixed cost and other expenses that sort of eaten into the margins. So, you're saying that the freight cost actually didn't really have an impact. So, the Rs. 80 Cr. other expense does not include any, as in whatever freight cost was there was already realized from the customer that will happen with a lag?

Sharad Kumar Khaitan: If the sales would have crystallized which has got crystallized in Q4, if the sales would have come in because the fixed cost remains fixed as it is and it is there in my P&L, if the additional revenues would have come in, the entire margins would have been a passthrough and would have impacted my EBITDA.

Jonas: My second question was on the sales guidance because if I heard you right, you said you are on track to meet a 15% sales target but I thought that was higher, right? It was about 20% plus?

Sharad Kumar Khaitan: We always give a guidance of 15%. For the consumer segment and the equipment segment, we have always retained the target of under guidance of 15% or more.

Jonas: But you've already done 21% in 9 months. So, do you expect sales growth to decelerate in Q4?

Sharad Kumar Khaitan: No. What you are seeing this 9 months period, it also includes the revenue from the McNally, which was not there corresponding last 9 months.

Jonas: And my third question and final question was to understand the prospects. So, if at all either Mehul or Mr. Imam can speak about the number of mines that we are working with for conversions etc. because you also mentioned that mine conversion is taking slightly longer. How do we get some confidence on slightly medium term growth outlook in terms of conversion? So, if any granular data or elaboration on that will help. Thanks.

Syed Yaver Imam: So, in general, when we are talking about 15% growth, we are looking at our overall, both all segments working on that factor only. So, in fact, if you look at one of the major orders that we've got, which is going to impact the growth for the next five years from the mines in Europe, we have said the total in the next five years, the total contract is 685. So, that's going to sit on that. That is the biggest conversion that is happening. In the meantime, we are working on to increase the market share across all territories, both with our mill and non-mill product. And we are on track and the percentage increase this year, as well as the full impact of the increase in the European mines that will come into play next year will be felt on the revenue growth.

Moderator: Thank you. Our next question is from the line of Jinesh from Niveshaay. Please go ahead.

Jinesh: I have a couple of questions. The first one is, What led to the drop in margins in Consumable business? And are we expecting them to recover to similar levels?

Sharad Kumar Khaitan: Well, like we have already informed, there has been a little deferment of the Q3 sales. We retained our projections, our guidance what we gave for a 15% revenue growth and maintained an EBITDA margin of 20%-22% for the full year basis. There has not been any decline in my gross margin per se as such.

Jinesh: Next question is, when was the smart products features introduced and do all our products have these features? And how has been the initial response from our customers? Like what other customizations have provided us the edge over our competitors?

Syed Yaver Imam: So, smart product is a product in the testing phase now. It is going, it was in the R&D phase, now it has moved to commercial testing at customer places where we are getting the response from the customers are pretty good because they are looking at something to take connected information from the product into the control room. So, this is the first. I think once we get the results over the testing of three to six months, then only the smart product will be introduced commercially. So, it's not been introduced commercially even now, because it's in the testing phases, the last stages, which is the beta stages of testing.

Jinesh: The next question is what would be the nine month FY24 bifurcation of revenue from our products between copper and gold mining? Like are these products different for like copper and mining?

Syed Yaver Imam: Copper and gold as we have said, 75% of liner requirement comes from copper and gold. And that will continue to be there because again, the growth in the production in copper and copper as well as gold both from declining rate and the production is going to increase in the next few years also. So, we look at copper and gold continue to have the predominant this thing in our database.

Jinesh: And the next question is there has been increase in copper mining activities due to renewables and EV. How is the traction from these activities in the form of more inquiries or customer conversion?

Syed Yaver Imam: Actually, copper mine production has not increased this year. There have been quite a few problems, especially in Chile, which is a climatic problem. In Peru, they had some social problems. And in Panama, one of the biggest mine, Panama Cobre which went into on stream has closed down. So, copper increased in the second half of the calendar year in FY23 and overall copper 1% has growth in the mine production. But copper total production has increased by 4-4.5% because of the late start next year in the second half. And I think from next year onward, we'll start seeing much more traction. Couple of other mines are coming into onstream. So, that will also be increased in production as well as our demand for our goods.

Jinesh: The next question is like there is a cost plus formula that passes the inflation to our customers with a reasonable lag. So, what is that lag time approximately and do we have the same arrangements with all our customers?

Syed Yaver Imam: Yeah, one to two quarter and if you see our gross margin over the years, you will find our gross margin continues to track what we on a similar range. And if you see that we still maintain it. So, with a lag of one or two quarter depending upon the contract level, we are able to pass on our price increases.

Jinesh: And do we have gained market share in mill liner business over the years and what's our current market share?

Syed Yaver Imam: See the market, you have to see it like this. The copper and gold as well as the liner market is growing at 5%. We are growing at 15%. So, we are only growing because we are gaining the market share.

Jinesh: The competitors have high services revenue, but Tega does not have. So, any specific reason for the same? Like how are you looking to provide them?

Syed Yaver Imam: So, again, competitors, who are you looking at in this service segment?

Jinesh: So, I'll need to check out with my analyst. Okay, I'll get back to you on that.

Syed Yaver Imam: But I tell you, I mean, if you're looking at Metso and FLSmidth, etc., the problem is that they have a whole range of CAPEX equipment. So, one we are looking at when we have got McNally, a long-term intention is that also. So, for CAPEX they have a lot of service segment over there, okay? But if you look at like-to-like our product line, then you will not find people with that high service content. But at the same time, now when we are looking at it, we'll be building up the service content going forward.

Jinesh: Yeah. And so are the products installed by Tega only? Or is that a part of overall contracts for extra revenue charge?

Syed Yaver Imam: No. That's why I said, most of the products that are going in, the installation is done by the customer. Except for the project we got in the Europe now with the large listing where the service is a big component over there also. So, that is how we are going to go forward.

Jinesh: Yes, and sir I missed the initial questions asked by an analyst. How has the freight cost affected us due to Red Sea or the Israel war? And what is the current status as of now?

Sharad Kumar Khaitan: The freight cost for the nine months or for Q3 hasn't impacted as such because these rates increased in the second fortnight of December. What has happened is certain shipments have got delayed, which has now been crystallized in Q4. And any increase in the freight cost, we pass on that to the customer as per our terms and conditions. So, it will not have any bearing on our P&L.

Moderator: Thank you. Our next question is from the line of Kunal from B&K Securities. Please go ahead.

Kunal: My first question is pertaining to the mill liners. You did mention that you've been growing faster than the market and essentially means that you're gaining market share. So, this gain in market share is largely from local players or if you can share some insight into who are the key players from where you're winning market share and in which markets?

Syed Yaver Imam: We are gaining market share globally. So, when we are gaining market share globally, we are against all the major global market players, like Metso. So, like Watkins who are in the steel liner and others on our product line. So, our market share is mainly, gain is from international global players.

Kunal: And my second question is pertaining to, one of the reasons you did mention about there is some delay in customer convergence. So, if you can talk a little bit more about what are the key reasons in terms of this delay in customer convergence, it is more external specific or is it that certain discussions are taking longer time or product up roll is taking longer than expected?

Syed Yaver Imam: It was what we were discussing for the impact on quarter three. What has happened is some of the orders which has come in, has come in a little later than the total life cycle that we were there. And again, it's not a very big substantial number. As Sharad pointed out the impact was an inventory going up by 20 crores. So, that is where it has happened. And those things have come in now. So, it's not a question that it is stuck in there. We are saying that it took us a little longer than we had anticipated.

Kunal: It is just that it didn't come in Q3.

Syed Yaver Imam: Correct.

Sharad Kumar Khaitan: That's a timing issue. And in Q4 till date, we have been able to make up most of those. And hence we have reiterated that we keep our guidance of full year retained as it is what we gave last time.

Moderator: Thank you. Our next question is from the line of Alisha from Envision Capital. Please go ahead.

Alisha: Sir, first just a quick clarification. For the equipment business, the nine months' revenue is Rs. 147 crores, correct?

Sharad Kumar Khaitan: Yes.

Alisha: Then our Consumable business would have barely registered a 3% growth, and we're still talking of a 15% growth for both the divisions?

Sharad Kumar Khaitan: Yes, ma'am, because like I told you earlier also, ma'am, the deferment which has happened in Q3 that's got an impact of about Rs. 45 Cr. to Rs. 50 Cr. If I factor all of that, then on a YTD basis I have pretty safe with about 10% revenue growth on a YTD December basis over last year. And with our projections, we are very confident because anyways January has gone by and we have booked almost all of the sales**,** we are confident of retaining our full year numbers and estimates. And to add to that, we even have an healthy order book which will help us meet our expected targets.

Alisha: So, coming to the order book of Rs. 673 crores, this is consumable plus equipment?

Sharad Kumar Khaitan: Yes ma'am, we gave for that entire order book for the group is what we quote ma'am.

Alisha: And just now coming to the equipment business, it did Rs. 183 crores full of last year, though I know we consolidated only for five weeks. And we're expecting this business also to grow at 15%. So, again, the ask for Q4 will be significantly higher. Is that looking achievable?

Sharad Kumar Khaitan: Yes, ma'am. Both for the consumable segment and the equipment business, we will be able to have the numbers in place because even in the equipment business, we have a very healthy order book that should help us get to the targets and estimates what we have given earlier.

Alisha: And is it possible to share how much is the order book for equipment out of the Rs. 673 crores?

Sharad Kumar Khaitan: Ma'am, we generally compare this order book at a group level because the industry is the same where we supply our products either it is consumables or equipment. So, we don't want to give the split at this moment. But what I can assure you is that it's a healthy order book both on the consumable side and the equipment business side. And even if you see traditionally Q4 has always been the best quarter for us in any financial year.

Alisha: And this Rs. 673 crores will be executed over 4-5 months?

Sharad Kumar Khaitan: Ma'am for the Consumable business, it's about 4 to 5 months except for some long-term contracts. And for the equipment business, it's about eight to nine months sort of time period, what we see.

Alisha: And just one last question and update on the CAPEX that we had proposed to do.

Sharad Kumar Khaitan: Ma'am, CAPEX, like Mehul told in his opening remarks, we are on track for our project, ma'am. Most of the compliances have been received. Few are in pipeline and we expect the construction to start anytime in April.

Alisha: We were expecting this CAPEX to come on stream in H1 of FY25 originally.

Sharad Kumar Khaitan: Yes, ma'am. The construction will start in April 24 and the production will start from April 25.

Alisha: I'm just trying to check has there been a delay in timelines because I believe the earlier timeline was mid of next financial year, FY25 is when this due plan was supposed to start in Chile?

Sharad Kumar Khaitan: Ma'am, even in the last investor call, we spoke about construction starting in FY24-25 and the production starting in FY25-26.

Alisha: Okay, so what is our current capacity utilization?

Sharad Kumar Khaitan: The current capacity utilization is around 60% to 65%.

Alisha: This is on nameplate, right? So, is this the peak? Because I do know that we can't go beyond 65%-70%?

Syed Yaver Imam: 65% is the capacity utilization. So, in a particular month of this thing it goes in, what we do is we continue adding capacity once we start going up to 70 in any of this thing. So, as it is, this expansion and all of that is being done because of this. So, when we are talking about overall capacity utilization, in a particular month with this thing, it can go as much as 80 or 85. It's not that nameplate only capacity. So, we can actually do 85, 90 on that.

Moderator: Thank you. Our next question is from the line of Amit from PL Capital. Please go ahead.

Amit: My first question is on the guidance which we are providing for this year and next year, roughly about 15%. Just wanted to understand how much volumes you're factoring in in that. And second thing, if you can provide a color on volumes growth in mill liner and non-mill liner for first nine months, that would be helpful.

Sharad Kumar Khaitan: Sir, we don't give this breakup of bifurcation between liners and non-liners because of confidentiality reason. As far as your first question is concerned, we are expecting a growth of about 15% for the revenue growth of about 15% for the full year. 3%-4% will be contributed from the exchange gain and the remaining 10%-12% will come from volume as well as price gain.

Amit: And on the copper mine in Chile, where we got the Rs. 685 crores contract, what is the delivery duration of this contract?

Sharad Kumar Khaitan: It is not in Chile, it is in Europe.

Amit: Okay, so what's the delivery timeline?

Sharad Kumar Khaitan: Sir, it's a CPT service contract and the contract is for five years, extendable for another one year.

Syed Yaver Imam: And the billing will start from January.

Amit: And we are going to realize this in FY25, sir?

Sharad Kumar Khaitan: We have already started the billing from January '24. So, it's a monthly invoicing what we will do to the end customer.

Amit: And lastly wanted to understand on any new product developments, just like DynaPrime has been contributing from past 4-5 years. Any new product development which has advanced and can come up in next 2-3 years if you would like to highlight on that front?

Syed Yaver Imam: So, there are a number of new product projects which we are working in. R&D is working in a number of new projects and these are in the process of patenting. We are looking at both digitalized projects and other products. So, it is difficult for us to give out ideas about what products we are working on now. Because once the patent process is over, then we will announce those products.

Amit: And sir one more thing on inventory. Was it like Rs. 20 crores you mentioned, the cost of inventory. Was it because of no off take from the customer or is it because of the Red Sea that was not delivered? Anything you want to give more color on inventory?

Sharad Kumar Khaitan: So, this 20 Cr. Inventory which has arisen, it's for two reasons I mentioned earlier. One is for this supply chain issues which we faced at the December end period. And there were even a few cases where the customers picked up the inventory late, actually.

Moderator: Thank you. Our next question is from the line of Raj Shah from Marcellus Investment Managers. Please go ahead.

Raj Shah: Thank you. So, my first question was regarding the guidance. So, sorry, but I have some confusion over here. You said that it's 15% revenue growth. Now I have a question whether this is consumable, F23 Consumable business, the organic 15% growth or you are considering the McNally acquisition as well within the…

Sharad Kumar Khaitan: No, it's an organic 15% growth we are giving.

Raj Shah: So, if my understanding is correct, that implies that in Q4 we are expecting a Rs. 510 crores - Rs. 515 crores worth of consumable sales.

Sharad Kumar Khaitan: Yes.

Raj Shah: Now, second question was regarding the order book. If you can just help us understand to what extent is the order book attributable to the long-term contract that we won in Europe?

Sharad Kumar Khaitan: The major part of the order book what we see is for Consumable business. We see 5 months to 6 months of expected delivery. A very small portion of that is for the long-term contract.

Raj Shah: I mean, is it fair to say that since you started billing from January, it is just for the quarter or three months, not for the entire year that you have booked in the auto book?

Sharad Kumar Khaitan: A little more than the quarter, but not much actually.

Raj Shah: And can you share other book numbers between consumables and equipment?

Sharad Kumar Khaitan: We track it on a consol level because we serve the same industry. So, we keep it at a group level, the order book number.

Raj Shah: Lastly, if Mr. Mehul can share some thoughts on how the integration of McNally is going on, now the field streams have been integrated or not? If you can just share your thoughts.

Mehul Mohanka: From an integration perspective, we have a certain milestone-based plan. And those plans include not only an org structure, structuring, including some process changes, improvement in cost of manufacturing, upgrading the equipment, spend on processes in terms of IT-enabled processes, as well as improving the quality of the products and investing in upgradation of technology of the product. So, all of those actions are in place. And I had earlier said that it's going to be a 24-month walk to be able to get all of that implemented. And we are right in the midst of it and it's tracking as per expectation.

Raj Shah: So, after taking over, there are no surprises that we should expect, right?

Mehul Mohanka: No, in fact if you actually look at it, based on our results, we've improved the EBITDA margins as well. So, from the time when we've acquired the business, not only has the revenue beginning to trend up, even the margin profile has improved, and the margin percentages have improved. So, that's reflective of the improvements in the operation.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to management for the closing comments.

Sharad Kumar Khaitan: Thank you very much for your attention and we look forward to meet you and interact with you again in the next investor call. Thank you very 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.