

May 19, 2026

## Tega Industries Limited: [ICRA]A+ / [ICRA]A1 Placed on rating Watch with Developing Implications; assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term/Short term – Fund-based – Others**	221.00	[ICRA]A+; Placed on rating Watch with Developing Implications / [ICRA]A1; Placed on rating Watch with Developing Implications; assigned
Short term – Non-fund based#	50.00	[ICRA]A1; Placed on rating Watch with Developing Implications; assigned
Long term Fund based- Term loan	1504.00	[ICRA]A+; Placed on rating Watch with Developing Implications; assigned
Long term/Short term – Unallocated	225.00	[ICRA]A+; Placed on rating Watch with Developing Implications / [ICRA]A1; Placed on rating Watch with Developing Implications; assigned
<b>Total</b>	<b>2000.00</b>	

\*Instrument details are provided in Annexure-II

\*\*-Interchangeable with export packing credit, packing credit in foreign currency, post shipment in foreign currency, working capital demand loan and bill discounting, letter of credit, bank guarantee, and buyer's credit

#-Interchangeable with letter of credit, bank guarantee, and buyer's credit

### Rationale

ICRA has assigned ratings to the bank facilities of Tega Industries Limited (TIL) and placed the same on Watch with Developing Implications, in view of the proposed acquisition of AIP MC Holdings LLC (Molycop) by TIL in collaboration with Apollo Funds. ICRA will resolve the watch post receipt of pending regulatory approvals and successful completion of the transaction, including finalisation of debt terms.

On November 28, 2025, TIL entered into a definitive agreement with Apollo Funds for acquisition of Molycop at an enterprise value of ~ \$1.455 billion. The company will acquire ~84.18% equity stake valued at ~\$394 million, while the remaining stake will be acquired by Apollo Funds. To fund part of the acquisition, TIL has raised equity of ~Rs. 1713 crore, while the balance funding requirement is expected to be met through a proposed term loan of Rs. 1500 crore and internal accruals. Additionally, Apollo Funds will infuse ~\$270 million through perpetual redeemable preference shares (RPS) to facilitate deleveraging of Molycop's existing debt. The preference shares will not entail any mandatory dividend obligation for the initial seven and half years, following which dividend servicing would commence in cash. TIL has already received antitrust approvals across all jurisdictions except one and expects completion of the transaction by June 2026.

The assigned ratings also derive comfort from TIL's established market position in the global mining consumables and equipment industry, supported by its diversified product portfolio comprising mill liners, wear-resistant components, hydrocyclones, screening solutions and material handling equipment. The company also benefits from a geographically diversified revenue stream, backed by multiple overseas manufacturing entities. TIL's business risk profile also remains supported by healthy order book providing revenue visibility in near to medium term. Further, the proposed acquisition of Molycop is expected to enhance the company's scale of operations, improve its global market position and provide product complementarities and cross-selling opportunities. The transaction is also anticipated to support revenue growth prospects over the medium term at the combined level through operational synergies and improved customer reach. However, the credit metrics are anticipated to moderate over the near-to-medium term on account of the sizeable debt-funded acquisition and

the existing debt at Molycop. ICRA expects the consolidated debt/OPBDITA to remain elevated over the next two years, before improving gradually through scheduled repayments, earnings accretion and potential idle asset monetisation. Timely completion of the acquisition, seamless integration of operations and achievement of envisaged synergy benefits will continue to be key monitorables.

The ratings also factor in the working capital-intensive nature of operations and TIL's demonstrated track record of pursuing growth through acquisitions, which exposes the entity to integration and execution risks, especially considering the scale of the Molycop transaction.

## Key rating drivers and their description

### Credit strengths

**Strong market position in the global mining consumables segment** – TIL has an established market position in the global mining consumables segment, supported by its long operating track record and healthy customer relationships. The company is among the leading global suppliers of mill liners and allied consumables. Further, the company's diversified product portfolio across wear, separation and conveyance consumables has enabled it to serve a large customer base across 90+ countries. TIL's business risk profile is also supported by a healthy order book providing revenue visibility in near to medium term.

**Diversified geographic presence with healthy export presence and multi-location operations** – TIL benefits from a well-diversified geographic presence, supported by a strong export profile and strategically located manufacturing and service operations, which mitigate region-specific risks to an extent. The company's revenues are largely export-driven, with overseas sales accounting for the major portion of revenue at standalone as well as consolidated level in FY2025. TIL operates manufacturing facilities across India, Chile, South Africa and Australia, complemented by sales and service entities in North America, Latin America, Africa, Europe and Asia-Pacific, enabling proximity to key mining regions and customers, particularly in copper and gold-rich geographies.

**Expected operational and strategic synergies from the proposed Molycop acquisition** – The proposed acquisition of Molycop is expected to significantly enhance Tega Industries Limited's (TIL) business profile through operational and strategic synergies, given the strong product complementary sell opportunities. Molycop is the world's leading supplier of grinding media,, catering to a large customer base across 40 countries. Grinding media and mill liners are complementary products, enabling the combined platform to offer an integrated solution across a large share of customer spend in the grinding process. In addition, TIL's patented DynaPrime liners are expected to scale faster through Molycop's global distribution and customer relationships.

### Credit challenges

**Moderation in consolidated leverage and coverage metrics following the proposed acquisition** – TIL's consolidated financial risk profile is expected to moderate over the near-to-medium term following the proposed acquisition of Molycop, owing to the addition of Molycop's debt of ~Rs. 9650 crore and the proposed term loan of Rs. 1,500 crore at the TIL level. However, the infusion of \$270 mn in the form of RPS by Apollo Funds would be primarily used to reduce the external debt of Molycop. Nonetheless, ICRA expects the consolidated debt/OPBDITA to remain elevated over the next two years, before improving gradually through scheduled repayments, earnings accretion and potential idle asset monetisation. Timely completion of the acquisition, seamless integration of operations and achievement of envisaged synergy benefits will continue to be key monitorables. Further, TIL's business and financial profile is exposed to execution and integration risks stemming from its acquisition-led growth strategy, particularly considering the scale and complexity of recent transactions. Accordingly, while the acquisitions are strategic and value-accretive over the long term, the inherent execution and integration risks associated

with the company's aggressive acquisition-driven expansion will continue to be an important monitorable from a ratings perspective.

**Working capital-intensive nature of operations** - TIL operations remain working-capital intensive, given the nature of its business and operating model. The company's products, particularly mill liners and other mining consumables—are highly customised, with long design, manufacturing and delivery cycles, resulting in extended working capital requirements. Order-to-cash cycles typically range from 6-9 months, while receivable days vary between 30–90 days depending on customer profile and geography, with overseas mining customers accounting for a large share of sales. Further, TIL also relies significantly on imported raw materials such as abrasion-resistant alloy steel and specialised chemicals.

### Liquidity position: Adequate

Liquidity of TIL is expected to remain adequate supported by estimated cash and cash equivalents of Rs 2200-2250 crore as on March 31, 2026, (of which ~Rs. 2000 crore is invested in Tega MC Investments Pte Ltd for the acquisition purposes) and healthy accruals against modest standalone repayment obligations in FY2027. The average working capital utilisation for TIL remained ~31% against the sanctioned limit of Rs. 221 crore during the 12 months ended in March 2026, providing cushion in the form of undrawn lines. While the transaction will require investment of Rs. 3620 crore in near term, the healthy cash and bank balances and raising of Rs 1500 crore term loans will be sufficient to meet the requirement. In the next two years, at the standalone level, the capex requirement is expected to remain moderate at Rs. 220-230 crore, which along with repayment requirement of Rs. 50-60 crore is expected to be met through cash generation from operation. At the consolidated level in FY2027, healthy internal cash accruals of around Rs. 900 crore are expected to sufficiently meet the company's capex requirements and debt repayment obligations.

### ESG-related comments

**Environmental considerations** – Environmental risks primarily arise from raw-material sourcing and manufacturing processes. The company is taking various initiatives to reduce its carbon footprint such as deployment of rooftop solar units, structured waste management and focus on material circularity, along with plans to develop a formal decarbonisation roadmap.

**Social considerations** – Social risks relate to the labour-intensive nature of operations and occupational health and safety considerations. TIL has undertaken community development initiatives in healthcare, education and sustainability.

### Rating sensitivities

**Positive factors** – The rating watch will be resolved post receipt of pending regulatory approvals and successful completion of the transaction. Further ICRA could upgrade TIL's long-term rating if the company is able achieve a healthy growth in earnings and cash flows, resulting in a significant improvement in its leverage and coverage metrics.

**Negative factors** – Pressure on TIL's ratings could arise in case of a significant deterioration in earnings, resulting in a moderation of the consolidated credit metrics and liquidity profile. Also, any large debt-funded capex adversely impacting the leverage would also be a credit negative.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has considered the consolidated financials of TIL as per entities mentioned in Annexure III

## About the company

Established in 1976 by Mr. Madan Mohan Mohanka and his family members, the Tega Group is engaged in the manufacturing of rubber wear-resistant products (WRP), wear-resistant components (WRC) for mineral-processing applications, and polyurethane linings. The group operates manufacturing facilities at Kalyani and Samali in West Bengal and at Dahej in Gujarat.

With an aim of enhancing its export presence, the group set up wholly owned subsidiaries in the US and Australia during 2001–2002. In 2006, it incorporated a wholly owned subsidiary in the Bahamas as a holding company, which in turn holds Tega Industries South Africa (Pty) Ltd, a manufacturing unit in South Africa. Further, in March 2008, the group established wholly owned subsidiaries in Canada and Brazil to strengthen its footprint in these markets. In February 2011, the group acquired Australia-based Losugen Pty Ltd, engaged in the manufacturing and distribution of wear-resistant mining equipment products, and Chile-based Tega Industries Chile SpA (formerly Tega Acotec SA), which manufactures fluid transportation (pipe-lining) products and has an established presence across Chile, Peru, Argentina and Bolivia.

Tega Industries (SEZ) Limited, a wholly owned subsidiary of Tega Industries Limited (TIL), was merged with TIL with effect from October 1, 2016, to improve financial strength, operational flexibility, management control and efficiency. Further, TMML was taken over by TIL pursuant to the resolution plan approved by the National Company Law Tribunal vide order dated February 24, 2023; TMML was engaged in manufacturing crushing, screening, grinding, material-handling and mineral-processing equipment catering to industries such as iron ore, coal, steel, zinc, copper and other minerals.

### Key financial indicators (audited)

Tega (consolidated)	FY2024	FY2025	9M FY26*
Operating income (OI)	1,493.0	1,639.0	1,165.0
PAT	189.0	196.0	95.0
OPBDIT/OI	21.2%	20.8%	16.0%
PAT/OI	12.7%	11.9%	8.1%
Total outside liabilities/Tangible net worth (times)	0.6	0.5	-
Total debt/OPBDIT (times)	1.0	1.0	-
Interest coverage (times)	10.3	12.7	10.6

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation, \*Provisional

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

## Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	May 19, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund-based – Others**</b>	Long term/Short term	221.00	[ICRA]A+; Rating Watch with Developing Implications / [ICRA]A1 Rating Watch with Developing Implications	-	-	-	-	-	-
<b>Unallocated limits</b>	Long term/Short term	225.00	[ICRA]A+; Rating Watch with Developing Implications / [ICRA]A1 Rating Watch with Developing Implications	-	-	-	-	-	-
<b>Non-fund based – Others#</b>	Short term	50.00	[ICRA]A1 Rating Watch with Developing Implications	-	-	-	-	-	-
<b>Fund based-Term loan</b>	Long term	1504.00	[ICRA]A+; Rating Watch with Developing Implications						

\*\*-Interchangeable with export packing credit, packing credit in foreign currency, post shipment in foreign currency, working capital demand loan and bill discounting, letter of credit, bank guarantee, and buyer's credit

#-Interchangeable with letter of credit, bank guarantee, and buyer's credit

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSR as under:

Sr. No.	Activity name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term/Short term – Fund-based – Others	Simple
Short term – Non-fund based	Simple
Long term Fund based- Term loan	Simple
Long term/Short term – Unallocated	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

### Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term/Short term – Fund-based – Others**	NA	NA	NA	221.00	[ICRA]A+; Rating Watch with Developing Implications / [ICRA]A1 Rating Watch with Developing Implications
NA	Short term – Non-fund based#	NA	NA	NA	50.00	[ICRA]A1; Rating Watch with Developing Implications
NA	Long term/Short term – Unallocated	NA	NA	NA	225.00	[ICRA]A+; Rating Watch with Developing Implications / [ICRA]A1 Rating Watch with Developing Implications
NA	Long term Fund based- Term loan I	May 2026	NA	May 2033	1500.00	[ICRA]A+; Rating Watch with Developing Implications
NA	Long term Fund based- Term loan II	NA	NA	July 2026	4.00	[ICRA]A+; Rating Watch with Developing Implications

Source: Company

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[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure III: List of entities considered for consolidated analysis**

<b>Company name</b>	<b>Ownership</b>	<b>Consolidation approach</b>
Tega Holdings Pte. Limited	100%	Full consolidation
Tega Industries Canada Inc.	100%	Full consolidation
Tega Industries Australia Pty Ltd	100%	Full consolidation
Tega Do Brasil Serviços Técnicos Ltda	99.99%	Full consolidation
Tega Holdings Pty Ltd	100%	Full consolidation
Tega Industries Africa (Pty) Ltd	100%	Full consolidation
Tega Investments, South Africa (Pty) Ltd	100%	Full consolidation
Tega Industries, Inc.	100%	Full consolidation
Tega Industries Chile SpA and its subsidiaries	100%	Full consolidation
Losugen Pty Ltd	100%	Full consolidation
Tega McNally Minerals Limited (formerly known as McNally Sayaji Engineering Limited)	100%	Full consolidation
Hosch Equipment (India) Limited	50%	Equity method

Source: company data

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For more information, visit [www.icra.in](http://www.icra.in)

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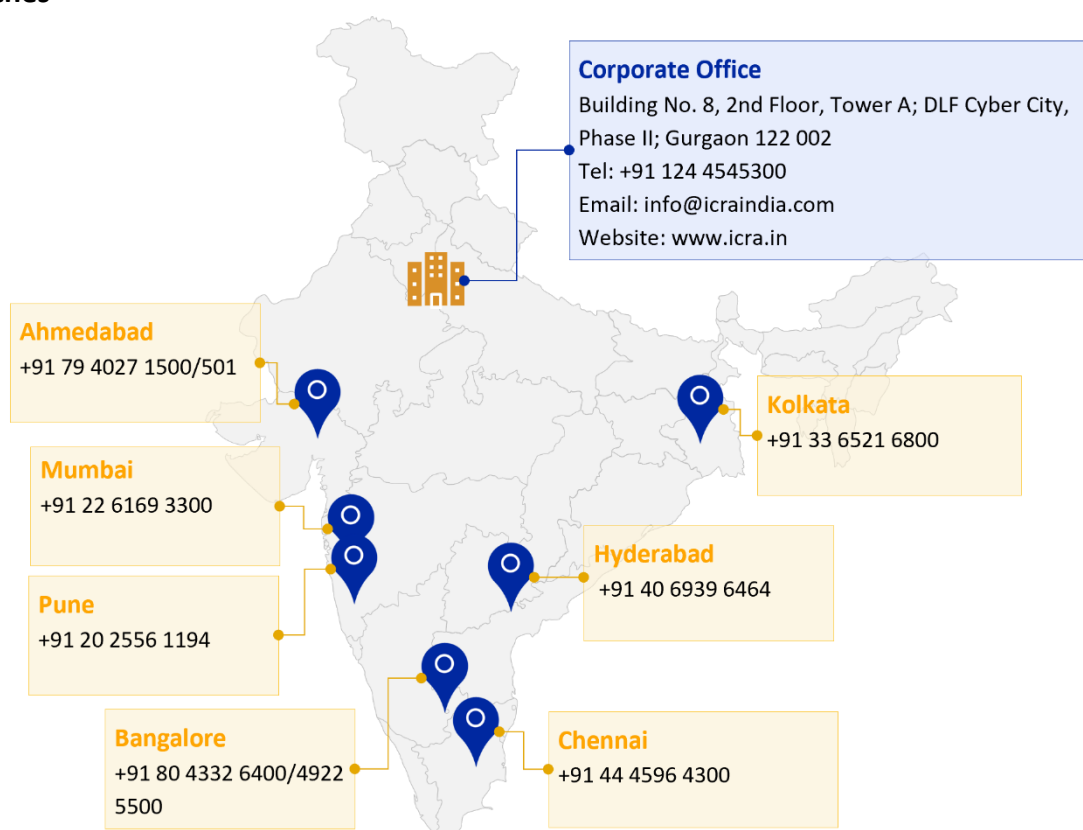
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