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CIN No : L72200TG1999PLC032836

To,

Date: 6th November, 2026

BSE Limited. P. J. Towers, Dalal Street, Mumbai-400001 (BSE Scrip Code: 543270)	National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051 (NSE Symbol: MTARTECH)

Dear Sir/ Madam,

Sub: Disclosure under SEBI (Listing and Disclosure Requirements Regulations, 2015) Transcript of Earnings call held on 30.10.2026.

Unit: MTAR Technologies Limited
ISIN: INE864I01014

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed the transcript of the earnings conference call conducted on Friday, 30th October, 2026 at 11:00 a.m. (IST).

The transcript of the earnings call is also available on website of the company i.e., www.mtar.in
You are requested to kindly take the aforesaid on your record.

This is for your information and records.

Thanking you,

For MTAR Technologies Limited

PRIYANKA AGARWAL
Digitally signed by PRIYANKA AGARWAL
Date: 2026.11.06 17:49:45 +05'30'

Priyanka Agarwal
Company Secretary and Compliance Officer
M. No.: A76000

Encl: As above

"MTAR Technologies Limited

Q2 & H1 FY27 Earnings Conference Call"

October 30, 2026

MANAGEMENT: **MR. SRINIVAS REDDY – MANAGING DIRECTOR AND PROMOTER – MTAR TECHNOLOGIES LIMITED**
MR. GUNNESWARA RAO – CHIEF FINANCIAL OFFICER – MTAR TECHNOLOGIES LIMITED
MS. SRILEKHA JASTHI – HEAD, STRATEGY AND INVESTOR RELATIONS – MTAR TECHNOLOGIES LIMITED
ORIENT CAPITAL – INVESTOR RELATION PARTNERS – MTAR TECHNOLOGIES LIMITED

MODERATOR: **MS. VIDHI VASA – MUFG INTIME**

Moderator: Ladies and gentlemen, good day, and welcome to the MTAR Technologies Limited Q2 and H1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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. Vidhi Vasa from MUFG Intime. Thank you, and over to you, ma'am.

Vidhi Vasa: Thank you. Good morning, everyone. On behalf of MTAR Technologies, I extend a very warm welcome to all the participants for Q2 and H1 FY27 Earnings Discussion Call. Today on our call, we have Mr. Srinivas Reddy, Managing Director and Promoter; Mr. Gunneswara Rao, Chief Financial Officer; and Ms. Srilekha Jasthi, Head, Strategy and IR.

I hope everyone had an opportunity to go through our investor deck and press release that we have uploaded on the exchange and on the company's website. I would like to give a short disclaimer before we begin the call. This call may contain some of the forward looking statements, which are completely based upon our beliefs, opinion and expectations as of today. These statements are not a guarantee of our future performance and involve unforeseen risks and uncertainties.

Now I hand over the call to Srinivas sir. Over to you, sir.

Srinivas Reddy: Hello, and good morning to everyone. Thank you for taking the time to join us today. Today on the call, I'm joined by Mr. Gunneswara Rao, Chief Financial Officer; Ms. Srilekha Jasthi, Head, Strategy and Investor Relations; and Orient Capital, our Investor Relations Partners. We have uploaded our updated investor deck, press release and results highlights on the stock exchanges and the company website. I hope everybody had an opportunity to go through the same.

I'm pleased to share that we have delivered another strong quarter, continuing our track record of consistently surpassing the performance of previous quarters. During Q2 FY27, we reached a revenue of INR406.8 crores with an EBITDA margin of 24.4% and a year-on-year EBITDA growth of 483.3%, reflecting our record quarterly performance and sustained growth momentum.

We expect this momentum to continue into the second half of the fiscal year with H2 of FY27 anticipated to be stronger than H1, supported by our robust order book and continued focus on execution. However, our growth journey is not merely about delivering a robust set of financial numbers. It's equally about strengthening our presence across key business segments, building differentiated capabilities and strategically positioning ourselves in high-growth sectors ahead of broader market adoption.

Over the decades, we have established a strong reputation for our niche product portfolio and our ability to identify emerging opportunities, develop specialized capabilities and establish an early presence in sectors with significant long-term growth potential. This forward-looking approach continues to remain an integral part of our business model and long-term growth strategy.

Against this backdrop, I would like to share our outlook on emerging opportunities across our business segments, including: clean energy, comprising of civil nuclear and fuel cells; aerospace and defense; along with the progress we are making in our new business verticals like data center infrastructure solutions, oil and gas, which we believe will contribute to our next phase of growth as well.

Starting with civil nuclear, as you're all aware, we are building specialized capabilities for this sector since the inception of our company. Over the decades, we have patiently invested in strengthening our manufacturing capabilities, and we now see significant opportunities emerging as Government of India targets to achieve 100 gigawatts of nuclear power capacity by 2047.

We have a closing order book of INR820 crores, supported by order inflows from Kaiga and Gorakhpur and also from the refurbishment programs. As you're aware, we have played a significant role in prototype fast breeder reactor program, having supplied the majority of the assemblies for the reactor core.

Leveraging this technology expertise, we have also submitted our budgetary quotations for the upcoming fast breeder reactor program with tenders expected to be floated over the coming years. In addition, the company is actively submitting quotations to private sector players, intending to bid for the 4 proposed 700-megawatt nuclear reactors at Mahi Banswara, further strengthening our pipeline of opportunity in the civil nuclear program.

With respect to execution of our existing orders, we expect a meaningful ramp-up during H2 FY27, followed by a significant revenue growth from FY28 onwards. Given our long-standing experience, established capabilities and strong positioning in this sector, we believe civil nuclear will be an important growth driver for the company in the coming years.

Moving on to clean energy. Fuel cells sector continues to witness accelerated growth, supported by strong industrial tailwinds and increasing demand for reliable and sustainable power solutions. Our Phase 2 capacity expansion is nearing completion with the facility expected to be operational by end of November. Phase 3, which will enhance our manufacturing capacity multi-fold, will be housed in a new dedicated facility with the overall expansion expected to be completed by June 2028.

As discussed during our previous earnings call, the facility being developed for fuel cells is designed to accommodate multiple products under one roof, enabling us to achieve greater scale, improved operational efficiency and better utilization of resources. In parallel, we have significantly strengthened our workforce by onboarding skilled personnel to support the anticipated growth.

We have substantially completed our training activities and made considerable progress in implementing various automation processes in the manufacturing area, and these initiatives are aimed at improving productivity and supporting a seamless ramp-up in production as capacities will be in place in the near future. The company also continues to witness a stable growth in

hydropower and wind energy segments as well, and we continue to pursue select products in this segment.

Moving on to aerospace and defense. We continue to witness phenomenal growth in our MNC Aerospace business while actively participating in several prestigious programs across domestic defense and space as well. Our MNC Aerospace business continues to witness a robust demand with products that have already been qualified, seeing a significant ramp-up in volumes.

We expect to complete the qualification process of the first articles for one of our key customers during the current financial year with volume deliveries under long-term agreement commencing from next fiscal year. To support the anticipated increase in volumes across various customers, we have established multiple units within our existing dedicated aerospace facilities.

In parallel, we are actively working on inquiries for new products from existing customers and intend to pursue opportunities with new customers following the completion of the first article qualifications, which are being done for the existing customer.

Over the past few years, we have established customer-specific manufacturing capabilities at an accelerated pace, including our dedicated aerospace facility and NADCAP approved special process facility. We have come a long way from generating revenues from a small number 3 years ago, but aspiring to achieve about INR150 crores plus revenue purely from our MNC Aerospace business during the current fiscal year and which is expected to grow further year-on-year basis.

We believe our sustained investments in building specialized capabilities, including our NADCAP approved special process facilities and dedicated aerospace manufacturing infrastructure, coupled with an expanding portfolio of qualified products and long-term customer relationships have laid a strong foundation for scaling our MNC Aerospace business in the coming years.

Moving on to the domestic defense. We are strengthening our focus on high-value structural assembly programs for fighter aircrafts. We are currently undertaking structural assembly projects, including the main landing gear support structure assembly and fuselage door assembly for the Advanced Medium Combat Aircraft program. We are also expected to receive volume production orders for actuator assemblies for the LCA Tejas program in the coming period.

In addition, we anticipate significant order opportunities for various other assemblies and electromechanical actuators, which are expected to further strengthen our presence in the domestic defense sector. In the Space segment, we continue to witness steady growth, supported by our long-standing association with ISRO. We continue to supply critical propulsion systems and electro-pneumatic modules for PSLV and GSLV launch vehicles.

To conclude, we are well positioned for the next phase of growth in aerospace and defense, supported by our increasing participation in prestigious domestic and global programs, which provide us with multi-decade growth visibility. To cater to the anticipated increase in demand and support our long-term growth ambitions, we are also evaluating the establishment of new

greenfield manufacturing facilities with further developments expected over the coming quarters.

Moving on to our diversification to data center infrastructure solutions, which forms part of our clean energy vertical. We are currently working on the execution of the first article orders valued at approximately INR45 crores. To support this initiative, we are also establishing a manufacturing facility and are in the process of establishing the necessary infrastructure and capabilities. And this facility should be operational in a full-fledged manner by end of March 2027.

We have significant t potential for scalability following the successful completion and qualification of these first articles with the business having the potential to scale up to INR350 crores to INR450 crores over the next 2 years. With the rapid expansion of data center infrastructure globally, we believe this emerging business vertical presents a substantial growth opportunity, enabling us to further diversify our product portfolio and strengthen our presence in high-growth sectors.

Moving on to oil and gas. Our dedicated manufacturing facility is expected to become operational by end November, while the development and first articles qualification has already been completed with Weatherford and further first articles with other customers are currently in progress. With the necessary infrastructure and capabilities being established, we anticipate a meaningful ramp-up in production volume from FY28 onwards, positioning this vertical as another growth driver for the company.

I'm also glad to share that we have commenced exports of ball screws as well, marking a significant milestone for the company. This achievement demonstrates our capabilities in developing import substitute products, not only to meet domestic requirements, but also to cater to global programs, further strengthening our confidence in expanding our presence in international markets.

In addition, our net working capital days continue to remain among the lowest in the industry, reflecting our prudent working capital management and disciplined approach to capital allocation. Our operating cash flows continue to witness significant growth, further strengthening our financial position and supporting our ongoing expansion initiatives. Our CFO will provide a detailed overview of our working capital position, cash flow performance and overall financial management.

We have witnessed a record order inflows of INR4,102(In audible:13:00) crores during H1 FY27, reflecting robust demand across our business segments. With strong industry tailwinds and a growing pipeline of opportunities across the sectors in which we operate, we expect to sustain this momentum in the coming quarters and anticipate a strong closing order book by the end of FY27.

With this, I would like to reaffirm that we have a robust road map for the next 5 years, supported by significant growth opportunities across our business segments and continued investments in building specialized capabilities. While our long-term growth outlook remains strong, execution

continues to be our key priority in the near term as we remain focused on translating these opportunities into sustainable growth.

I would like to take this opportunity to thank all our shareholders for their continued trust and confidence in the company. We remain committed to delivering sustainable growth and creating long-term value for all our stakeholders.

With this, I would like to hand over to our CFO, who will provide a detailed overview of the company's financial performance.

Gunneswara Rao: Good morning, everyone. Thank you for joining us today. I'm pleased to share that we have delivered highest ever quarterly revenue of INR406.8 crores in Q2 FY27. This is a strong growth over the same quarter last year and over the previous quarter, driven by a good execution across our product portfolio.

Let me take you through the financial performance. When it comes to year-on-year, revenue from operation was INR406.8 crores against INR135.6 crores, a growth of 200%. EBITDA was INR99.2 crores against INR17 crores, a growth of 483.3%. Profit before tax was INR80.3 crores against INR5.7 crores, a growth of 1314.6%. Profit after tax was INR59.8 crores against INR4.2 crores, a growth of 1,309.5%.

When it comes to quarter-on-quarter, revenue from operations grew at 12.8% from INR360.7 crores to INR406.8 crores. EBITDA grew at 16.6% from INR85.1 crores to INR99.2 crores. Profit before tax grew 19.1% from INR67.4 crores to INR80.3 crores. Profit after tax grew 19.1% from INR50.2 crores to INR59.8 crores.

When it comes to margins, our gross margins improved to 46.8% from 45.5% in the previous quarter, mainly because of a better product revenue mix. EBITDA margin was 24.4% compared to 12.5% in Q2 FY26 and 23.6% in Q1 FY27. This improvement came from the higher revenue, a better mix and operating leverage. PAT margin was at 14.7% compared to 3.1% in Q2 FY26 and 13.9% in Q1 FY27. Earnings per share was at INR19.45 for the quarter and INR35.78 for the first half of the year.

When it comes to the balance sheet and cash flow, our working capital days came down to 50 as of September 2026 from 172 days in March 2026. This was helped by better margins, tighter working capital management. By end of FY27, we expected to maintain working capital at around 100 days. This is due to higher revenue forecast for the H2 of FY27 and also FY28.

ROCE is expected to improve to around 23% by end of FY27 from 17.2% in FY26. And our cash flow from operation was at INR350 crores, a positive number in H1 FY27 compared to -- compared with INR39.8 crores in H1 FY26. This was driven by stronger profitability, better working capital management, and it gives us a solid base for our capacity expansion and future growth.

Our total debt is around INR465 crores, of which INR189 crores is a long-term debt and INR276 crores is a short-term debt. Having said that, our investment stands at INR358 crores. It literally means we have around INR107 crores debt after adjusting the investments.

When it comes to our outlook, so we continue to expand capacity in new high-growth verticals. Our immediate priority is to complete this expansion on time so that we can execute smoothly. We remain confident of achieving our annual guidance.

With this, I would like to open the floor for question and answers.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Abhijeet Singh with Systematix Group.

Abhijeet Singh: Good to see some great results. First question is on the fuel cell business. Sir, after the Phase 2, what would be our hot box capacity there? And given that our customer, Bloom Energy, has reported strong results, upgraded guidance also, how do we see order inflows looking going forward in the next 2 to 3 years in the medium term from this particular pocket? That's my first question.

Srinivas Reddy: See, the Phase 2 capacity, as I said, it's a smaller expansion. It's about 30% higher than our existing capacity. And the multi-fold expansion, as I said, should be ready by June of next year. And look, the order inflows are continuous.

I mean we are receiving substantial orders and the demand is a lot more than what we can expect. And most important thing is to get the expansion plan in place, which we are working on that. And fortunately, we are exactly as per our time lines, what we have mentioned, and we are working towards that.

Abhijeet Singh: And sir, for this expansion of Phase 3, how much capex we are doing in all, including Phase 2 and Phase 3? And how do we plan to fund that?

Srinivas Reddy: G.R., you want to answer that?

Gunneswara Rao: Yes. Actually, our total capex planed is, in the company around INR500 crores, of which INR350 crores for the fuel cells business and remaining INR150 crores for other sectors like oil and gas and aerospace and other verticals. And it is actually 75% planned through the debt and 25% through internal accruals.

Our debt position is as of today, as we said earlier, INR189 crores only, we have a long-term debt. So we have comfortable debt-to-equity ratios are there. So there's no issue as far as the raising funds into consideration.

Abhijeet Singh: Right. And sir, lastly, on the aerospace and defense business. So I think sir mentioned that we are expecting some actuators and the order from the Tejas program. So apart from that, what are the other programs that we are developing products for or we expect some kind of a production order maybe in the next year or next 1 to 2 years in the defense space?

Srinivas Reddy: No. As I clearly mentioned, we are working on some of the prototype orders for the AMCA project. And all the volume production are going to come much later. So working out on various areas where we'll have potential business in the future, which I mentioned earlier as well, and that's what we are trying to do right now.

Abhijeet Singh: So right now, in terms of volume, there's only Tejas, right, under the programs?

Srinivas Reddy: We are working on the AMCA programs also in the case of landing a support structure assembly and fuselage door assemblies and things like that. It's a continuous effort in adding on to the product portfolio in these various programs that we're working on right now, which will eventually get into volumes at a later date.

Moderator: The next question comes from the line of Vipraw Srivastava with PhillipCapital.

Vipraw Srivastava: Just quickly, sir, given that we are expecting a higher ramp-up in H2 compared to H1, what's the view on EBITDA margins? Can we see a further expansion of EBITDA margins from here on? Or do you expect it to remain around 24% only?

Srinivas Reddy: No, we'll definitely have improvement. As I said, we don't want to change our guidance in the middle of the year quarter-on-quarter basis. We have given certain guidance initially at 80% revenue growth and 24% EBITDA margin. But I've always said that we'll perform better than that, both probably in the revenues-wise and as well as EBITDA margin. Let's see how it goes. But definitely, we are confident that we'll be on the higher side in terms of the guidance what we have given.

Vipraw Srivastava: Fair enough, sir. And for this rapid improvement on the working capital side, which we have been seeing for last 2 quarters, just wanted to understand that is this going to be sustainable? Or I mean, is it primarily because of the capex spending happening on the AI side and hence, we are seeing this from the end of Bloom Energy. So what's your view on this working capital day? Do you expect it to remain sustainable over the next couple of years?

Gunneswara Rao: We have achieved through various initiatives in the company, like advances from all the customers from all the sectors and also payment cycles, we have negotiated better terms. And also, we are getting a refund of GST also around INR70 crores to INR80 crores per year we are expecting to get. So we are working on all the elements of the working capital.

But see,though we have not given any official guidance, so you may be knowing various article. So next year the moment our targets are higher, definitely, working capital cycle will be higher. But by end of this financial year, we are targeting 100. In the long-term, our goal is to maintain at around 150 days for which whatever required organically, we will continue to do and monitor on a weekly basis, the working capital.

Moderator: The next question comes from the line of Balasubramanian with Arihant Capital.

Balasubramanian: Sir, if you look at, more than 25% of revenue comes from products that have been developed over the past 4 to 5 years. So I just want to understand on the new vertical side, especially in the data center and SLB, Class A components, all are in first article stage. So what kind of cumulative investments are required? And how do we look at the new verticals in terms of revenue over the next 4 to 5 years?

Srinivas Reddy: I've already mentioned this. yes, our oil and gas facility is going to be ready by end of November. But we are simultaneously working on the first articles in our existing units, where the volumes

will kick in from FY28, which will be substantial. And obviously, data center, the first article itself is INR45 crores.

I've said that the volume growth here can be between INR350 crores to INR450 crores of revenues generated from this. And the facility for this in all aspects should be ready by end of December for data center infrastructure facility. So we are working towards all this and all this are on track as far as we are concerned.

Balasubramanian: Especially on the data center side, I think after this INR45 crores first article, I think the customer have mentioned 8x of requirement. So it's the right way to understand another INR350 crores to INR400 crores kind of order inflows, especially in the data center space, we may expect?

Srinivas Reddy: That's exactly right. And that's how we are ensuring that the Phase 1.we are splitting this into 2 phases. The Phase 1 of the plan, the plan what we have established for the facility should be ready by end of November or beginning of second half of December. And then the Phase 2 will be ready by June of next year. So we are on track with that requirement of the customers, what we have said at 8x the first article value.

Balasubramanian: Okay, sir. Sir, actually, you're guiding 80% revenue growth. But if you look at inventory is nearly INR680 crores, so almost 5 months of your FY27 revenue guidance. So shall we assume as it's a very minimum base case at 80%, maybe 100% to 120% kind of range growth rate, maybe in Q3 and Q4?

Srinivas Reddy: I will not be able to comment on that. I have said that we don't want to change the guidance at the middle of the year. What we have said initially, the 80% revenue, but we'll definitely do better than what we have said, both in terms of revenue and margins.

Balasubramanian: Okay, sir. Sir, my last question, if you look at defense and aerospace, we did INR100 crores in FY26. And if you look at in H1 FY27, INR80 crores, maybe it might reach to INR150 crores to INR200 crores by FY27. But you have guided nearly INR600 crores, INR700 crores by FY30.

The same way if you look at the product side, INR134 crores we did in FY26, but the guidance is more than INR1,000 crores by FY30. So I just want to understand , these are the large claims. So I just want to understand what kind of capacity or capex we need to achieve those aspirations? And especially, also you can mention customer LOA backed side.

Srinivas Reddy: See, look, the product division, we have been working on this for quite some time now, and we are also implementing the capacities required for this, which is part of our capex plan, which was explained earlier.

And our growth trajectory for this, as I said earlier, we will grow rapidly year-on-year basis. So it's backed up by clear customer forecast and orders and the capacities which are being put in place. So I don't think we should have any issues with achieving the ultimate goal of the number what you mentioned.

Moderator: The next question comes from the line of Meet Jain with Systematix AMC.

Meet Jain: Congratulations on a very strong set of numbers. My first question is just a clarification on the working capital days. So Mr. Rao said that this year, we're going to end at around, let's say, 100 working capital days, where long-term sustainable guidance is 150 days. Am I correct?

Gunneswara Rao: Yes, you are correct.

Meet Jain: So just 100 days, as you mentioned, is because of the GST refunds and other measures and also earlier, you've mentioned.

Gunneswara Rao: After getting all those actions, we are thinking of getting 100. The reason being is H2 will be stronger compared to H1 as our MD said. So when we do more in the quarter 4 and all those will be in the receivables and all. And also for next year execution, we need to inward at least 1, 2 months before the year-end. So I will have more inventories for the next year stronger execution targets, whatever we have, we have to invert those materials.

So that will actually give the revenue in the next year only. The main reason is that is the only reason. Otherwise, if everything goes as per the same manner, we will be at 50, 60 on this range only. But we are in a growth trajectory. So that will increase. The incremental revenue will require incremental working capital, as you know. So that's why our long-term target is 150 over the next 2, 3 years. And by end of the year is 100.

Meet Jain: Understood. And also on the receivable side, has the client agreed to give some advances for the orders?

Gunneswara Rao: Yes. See, whatever the 50 days we achieved, we got advances from all the sectors of our existing customers. So we received advances also. So we negotiated better commercial terms with our customers, be it civil nuclear power and hydel sector and fuel cells and every customer, we are expecting .we are actually negotiating advances.

Meet Jain: Understood. Second thing is on the capex. So we continue to stick to our earlier capex guidance of around INR300 crores this year, INR200 crores next year kind of guidance, around INR500 crores of capex spend in the next 2 years?

Gunneswara Rao: Yes. See, INR500 crores by end of this financial year, compared to whatever we incurred and what is in work in progress, what is going to be incurred is around INR500 crores. It all depends on the timely execution of the projects and all. We are working to complete our expansion plan as we committed.

Meet Jain: So you're saying INR500 crores capex outflow this year, FY27?

Gunneswara Rao: Yes. Partially, we incurred in the last year also. And this year, by end of FY27, whatever we incurred partiallyaround INR100 crores we incurred in FY26 plus INR400 crores because all these are continuous projects in oil and gas, as you know, it started in the month of January. So we incurred from that time to end of this financial year. So INR500 crores will be, INR100 crores is FY26, INR400 crores will be FY27.

Meet Jain: And going ahead, because this will be the major capex spend we'll see in FY28?.

Gunneswara Rao: So whatever money we are spending not for this year, it is for the next financial year also. And in the every year, we need to incur some sustenance capex and also growth capex we have to incur. That will be around INR50 crores to INR100 crores in a year for next 1, 2 years. Whatever capex we are putting as of today, it will generate at least 3x of the revenue, whatever we are doing presently.

Meet Jain: Understood. And last thing is on the nuclear power. Like we have received a major Kaiga plant 6 orders in 3Q FY26. It's already been 1 year with execution period of 3 years. So can we expect the major revenue booking happening from the second half of this year for nuclear power?

Srinivas Reddy: No, we can expect certain revenues coming in, in this year, but the majority of the revenues will kick in from FY28 onwards, going up to FY29 and FY30.

Meet Jain: Okay. So even Kaiga plant 6 orders as well?

Srinivas Reddy: Yes, because there is a lead time for raw materials and everything and specialized bottles. So we have that much time to do in any case. So I've said that we are completely full on the plate, and then we have further orders also kicking in. We got even refurbishment orders as well. So this is spread over 3, 3.5 years. So we are right on track with that. And the major revenues will come in from FY28 onwards.

Meet Jain: So this INR134 crores of order inflow in nuclear this quarter is towards refurbishment?

Srinivas Reddy: Yes, that's right.

Meet Jain: And what's the execution time line for this?

Srinivas Reddy: That is 2 years.

Moderator: The next question comes from the line of Gaurav Nagori with Avendus Spark.

Gaurav Nagori: My question is on the new product segment. We have seen a sharp decline in execution this quarter. So was there a one-off execution in last quarter where you have reported INR100 crores of top line in this? And secondly, what is the execution period for this new product order book? That's my first question.

Srinivas Reddy: You're talking about the product division, right?

Gaurav Nagori: Yes.

Srinivas Reddy: Yes, there was a small error in that. There was almost INR60 crores of classification done in other segment, which was supposed to go into the product division, which they are correcting it right now. So technically, it is on track with what we have said earlier.

Gaurav Nagori: Okay. So you're saying that last quarter, INR100 crores number, the INR60 crores was misclassified in this segment?

Srinivas Reddy: Yes. So no, this quarter, around INR60 crores was classified wrongly, which we're going to correct it now and upload it. So basically, it is around INR126 crores for this quarter.

Gaurav Nagori: Okay. And which segment it is classified into in this quarter instead of this product?

Srilekha Jasthi Gaurav, am I audible?

Gaurav Nagori: Yes, I can hear you.

Srilekha Jasthi Yes. So revenue for products and others, it was given as INR65 crores. Actually, it is INR125 crores. Basically, we are supplying box builds for multiple customers, which got categorized under clean energy vertical. So we will upload the presentation again. Similarly, in the order book related to products and others, the inflow, we need to add an inflow of around INR60 crores, which will get deducted in clean energy. These 2 changes will be made and the presentation will be uploaded again.

Gaurav Nagori: Understood. So what is the time line for the execution of this new product order book? Is it 1 year or more than that?

Srinivas Reddy: No. This is all 1 year. I mean this is all continuous orders that we are receiving, and you'll see a growth happening quarter-on-quarter basis in the product division. So this is all short cycle within 1 year or so.

Gaurav Nagori: Okay. Which means this segment would become a INR500 crores plus annual run rate segment for you compared to less than INR100 crores in the last few years?

Srinivas Reddy: Yes, exactly. So we have been working on that for a number of years, Gaurav, as you are aware of it, and it's growing pretty rapidly. So we move in that direction. And they'll make those corrections and upload it again as Srilekha has said.

Gaurav Nagori: Sure. The second question is, so Bloom Energy continues to talk a lot on this 800-volt DC architecture and introduction of the products in that segment in the coming time. So have you started also designing or working with them for these new products? Andwhen do you think tentatively the ordering for those would start for you?

Srinivas Reddy: It's too premature to say right now, Gaurav. We are working with them on various projects on a continuous basis. Our team is working on it,we have a separate team for that, which is working on it. So we'll update you as and when we have more traction on that.

Gaurav Nagori: All right. And just last question, just a bookkeeping one. Of the full receivables, how much would be the bill discounted as of now?

Gunneswara Rao: We have not discounted. Whatever we have done is organically. Only around USD1 million is discounted. That's all.

Moderator: The next question comes from the line of Bala Krishna with Oman Investment Advisors.

Bala Krishna: Congratulations on a good set of numbers. Sir, my question is on the nuclear sector. On Mahi Banswara, if the orders get coming, so what could be our potential from that order, sir? Like you said in this FBR, we have around INR1,500 crores potential per reactor, like that.

Srinivas Reddy: See, Mahi Banswara is about 4 reactors. it's directly given to major private players and like what we are doing in Kaiga 5 and 6. So Kaiga 5 and 6 is 2 reactors and these are 4 reactors. So hopefully, we should be close to the number of INR1,000 crores between, I would say, INR700 crores to INR1,000 crores.

Bala Krishna: Okay. And capex front, sir, so down the line, maybe 3, 4 years, what kind of capex you are expecting there?

Srinivas Reddy: No, for nuclear, we have already implemented . For nuclear, we don't need except probably for some bottleneck areas. But other than that, we will see how it goes. The kind of growth what we are seeing in nuclear division, we will see how it goes over the next 1 year, and then we'll plan for a major facility based on the demand what is being created right now in the market.

Bala Krishna: My question is regarding overall company wise, sir. Maybe 3, 4 years down the line, what could be the expected capex?

Srinivas Reddy: What we have catered to capex of around INR500 crores should be good enough, but it all depends on ,we'll have some areas which as CFO has mentioned INR50 crores to INR100 crores every year. But if any major project comes in, probably we have to relook at the capex requirement at that time.

Bala Krishna: So thanks to Mr. Gunneswara Rao for reducing this working capital days also. There is a drastic improvement in working capital days in the last 2 quarters, sir.

Moderator: The next question comes from the line of Vedant with Niveshaay.

Vedant: So firstly, I wanted to understand specifically like you mentioned about the electromechanical actuator program that you are working for this. So how big will be the opportunity for us?

Srinivas Reddy: No, this is an opportunity of INR150 crores approximately, but we are expecting these orders to come in at the earliest. So we are waiting for that. And normally, - we don't have a specific time line for this because certain organizations do take time to raise the orders. But we have developed all these actuators over a period of time, and then we are expecting a good amount of volumes coming in over the years, and that's where we are right now.

Vedant: Okay. Okay. Got it. And secondly, on the fuel cell, like a lot of companies are trying to enter that particular market. Like there is a company in Nedstack, Netherlands, which is also trying aggressive to enter in the Indian market for the fuel cell. So any agreement that we are also trying to tap these all other players for the fuel cells for this products, hot boxes and all or we are being on the Bloom only?

Srinivas Reddy: No, it's not exactly we are being on only Bloom or anything like that. See a lot of companies are trying a lot of things, but they need to come up to the level of Bloom is a far-fetched one. It's not

easy. Bloom itself took about 12 to 15 years to develop where they are today. So we'll see how it goes from time to time, and then we'll take it forward from there.

Vedant: Okay. Got it. And lastly, on the product division only, when you expect for the product division, like you were mentioning about the INR100 crores run rate, right? Now you are trying that reclassification was happened and it was INR125 crore. So going forward, do you expect that similar run rate you will be able to maintain on that side?

Srinivas Reddy: Absolutely, yes.

Moderator: The next question comes from the line of Jenish Karia with Union AMC.

Jenish Karia: Congratulations on a very strong set of numbers, both on operational front and cash flow front. My question is slightly on understanding the product for the clean energy segment. So the hot boxes that we fabricate, is it currently shipped as it is? Or does it include critical diagnostic thermal sensors kind of thing, which are pre-integrated and sent by MTAR. So any sense on that?

Srinivas Reddy: No, it's a complete assembly. I don't want to go into the specifics because of the NDA signed, but it's a complete assembly of the units that we ship to the customer.

Jenish Karia: Understood. But the assembled parts, are they sourced domestically? Or are we import dependent on that? Any color on that?

Srinivas Reddy: Some of the bought-outs are imported, but most of them are domestic, and we have developed a lot of bought-outs, which we use in the hot box assembly as well.

Jenish Karia: Okay. So vendor ecosystem is well present within India. And do we plan to further forward integrate internally or we'll be dependent on the vendor ecosystem that we have developed?

Srinivas Reddy: Yes. Over the years, we have done a lot of indigenization of various of these products which go into the assembly, and we continue to do that moving forward as well. And certain areas, we have to import, but most of it is indigenized right now.

Moderator: The next question comes from the line of Mihir Manohar with Trust Mutual Fund.

Mihir Manohar Congratulations on great set of numbers. Sir, I wanted to understand on Bloom side. I mean, if the 5 gigawatt kind of a deployment was to fructify by 2029 or 2030, will we further need to expand our capacity beyond the 30,000 units? And if yes, by how much, if that 5 gigawatt were to fructify, and are there any talks happening on that side?

Srinivas Reddy: So I don't want to talk about the number of units or whatever, but our capacities are being implemented to cover the requirement of the customers in totality. So that's where we are. So the multifold capacity, what we are implementing will cover all the requirements of the customers, whatever has been given to us.

Mihir Manohar Sure, sure. And as of now, there are these 2 suppliers, right, for hot boxes, you and the South Korean company or is there any other supplier who has developed?

Srinivas Reddy: No, nobody else.

Mihir Manohar Okay. Sure, sure. Second question was just on the guidance side. I mean, I agree that we have -- numbers have been coming quite well. First half, very good numbers. When I see balance part of the year, that translates to around INR450 crores of top line, INR450 crores to INR470 crores per quarter, if I consider a 90% to 95% growth.

Now this is despite the fact that we will be having 30% capacity addition from the Phase 2 facility plus non-fuel cell divisions are also expected to do quite well. So I mean is there any local challenge or local hindrance or local government issue, some project-specific issue, which is basically keeping us on the ground on the check of not increasing the guidance. Is there any specific reason for it?

Srinivas Reddy: No, there is no check from the local government. They have been very supportive on every aspect of it. And we only don't want to change our guidance each time, each quarter. That's what we have taken a decision. But as I said very clearly that we will definitely perform better than the guidance given. And we would like to stick to the guidance what we have given at the beginning of the year. That's it.

Mihir Manohar Sure. Understood. So net-net, there is no I mean, local governments or local hesitation challenges for you?

Srinivas Reddy: No, there is no challenge as such in that.

Moderator: The next question comes from the line of Abhijeet Singh with Systematix Group.

Abhijeet Singh: Sir, just wanted to understand the impact of the West Asian situation on our business. So in terms of cost escalations or trade disruptions, we all know that freight cost has been rising substantially. Is there any impact on our export business or shipments or sourcing?

Srinivas Reddy: No, there's no such impact for us right now because whatever we do, it's all exports and there's no such impact. Yes, there are certain cost increases in terms of certain consumables, which we have looked into because of the current geopolitical situation, which you are all aware of. Other than that, I think there are no such issues right now.

Abhijeet Singh: How much is the forex gain in the other expenses or other income?

Srinivas Reddy: G.R., can you answer that, please?

Gunneswara Rao: Yes. See, the forex gain is only in second quarter, INR2.3 crores out of the total INR8.5 crores.

Abhijeet Singh: . All right, sir. And sir, in the aerospace business, I mean, you mentioned that there's a customer that we are working for on the first articles for and you expect them to be done by the year-end. So overall, sir, how many customers do we have in terms of SKUs or number of customers? If you can throw some light on that aspect? And what is our pipeline of first articles going forward? So how do we look at that business scaling from here?

Srinivas Reddy: See, basically, we are working with 4 different customers. Some are into volume production, some are into first articles. So by end of this year,we'll be finishing the first articles and moving into volume production.

But there are a lot of opportunities on our table and many new customers are coming and approaching us, but we are taking this step by step to make sure that we cater to the existing customers. But the issue here is the existing customers themselves are increasing their product portfolio with us.

So we are going step by step. We also need to look at our capacities to move forward. That's what we are doing. As I said, the MNC Aerospace business is to grow rapidly, and we're also going to expand in that area over the coming 2 - 3 years to cater to the new customers as well on a step-by-step basis. That's the right and prudent way to do it.

And the qualification process for aerospace is a pretty long time, which we have gone through it, and we have completed it in all aspects, including NADCAP and each individual customer qualifications, we have been cleared. So that is a major step, which -- that itself would take about 1.5 years or so. We have done that as well. So we are on track with what we are planning to do.

Abhijeet Singh: I mean, sir, some of our peers have reported strong inflows in the past 1 year. The entire industry is booming with good inflows. So from that perspective, we have been working on these first articles for a long time. So, I would assume that there would be 1 year, maybe 2 years down the line or 3 years down the line when we transition to a higher volume business in the aerospace segment. That was where I was coming at. And...

Srinivas Reddy: Yes, absolutely, you're right. Absolutely, you're right. So it's going to be in that direction itself, and that's what we're working on. See, when you talk about first article, it depends on how many of them and what kind of package you are dealing with. For example, with one customer where they were sourcing from 16 different companies, the entire package has been given to MTAR to exclude the whole thing. So it depends on the kind of package you're dealing with, right? So that's how it works.

Moderator: The next question comes from the line of Devang Patel with Sameeksha Capital.

Devang Patel: Sir, you mentioned earlier that you expect to end the year with a strong order book. Should we infer that you are expecting order book to grow further from where it ended at Q2? And on the same point, if you can explain at what intervals do you expect to get replenishment orders for the hot boxes?

Srinivas Reddy: We can't really say that probably we might get at the end of the year or beginning of next year. So it all depends on the timing of it. But more than the orders that we have a very strong forecast. Obviously, the multi-fold expansion is happening because of that. So whatever we have said, we'll stick to that for now, and we'll see how it goes. But we'll definitely have a very strong order book at the end of the year and moving forward as well.

Devang Patel: Okay. Sir, and secondly, you mentioned earlier how working capital has come down, you're getting better payment terms. What are the advances we get now as a percentage of the orders? And whatever that improvement has happened, can we expect that to sustain?

Srinivas Reddy: G.R., do you want to answer that?

Gunneswara Rao: Yes. It is various percentages. Not only linked to percentages, also future orders also. So civil nuclear power has some 30%, 40% advances are there as per the tender document. And in case of other customers, we negotiate various manners. It depends on the customer. Some people may give 20%. Some may be giving in the future deliverables advances.

So it is a mix of so many things. But whatever we do, we'll we'll ensure that there is no impact to our profitability. So that's how we always take a call. And also, we don't want to increase working capital and debt. So our aim is to get more advances wherever is possible. And it depends on the customer to customer, those percentages vary.

Moderator: The next question comes from the line of Parth Thakkar with JM Financial.

Parth Thakkar: I just wanted to ask what is driving the products revenue? And can you also clarify the overall guidance for the revenue of products?

Srinivas Reddy: See, what is driving the products revenue is various aspects. We are looking at various products that we have developed in space of ball screws, roller screws, water lubricated bearings. We have come into exports of ball screws as well this quarter.

Then we have the various other assemblies that go into different sectors, box builds for different customers. So it's a combination of a number of things that we are doing. And we'll consistently grow in this area, which we have been working for quite some time, and we're working on further products as well to add on to this portfolio that we have.

Parth Thakkar: Okay. And what would be the guidance for the revenue for this particular vertical for this year?

Srinivas Reddy: It should be close to about INR500 crores.

Moderator: The next question comes from the line of Ashray Sheth with Ventura Securities.

Ashray Sheth: Firstly, congratulations on a wonderful set of results. So firstly, I wanted to ask about there might be some fears of the slowdown in AI capex. So what we are doing as a company to, let's say, mitigate those risks?

Srinivas Reddy: Can you repeat your question?

Ashray Sheth: Yes, sir. So firstly, my question was about the risks of AI capex slowdown. So we have seen over the past few days in the U.S., so there might be some fears that AI capex might actually slow down. So as a company, what are we doing to mitigate this? Have we deployed any alternative strategies?

Srinivas Reddy: This is all unwanted speculation, but we are going in different segments, as you have seen very clearly. We're not just dependent on one segment as such. But all this is unwanted speculation that people are talking about, but we have a very strong forecast, which has been given by our customers. So there's no issue with that.

Ashray Sheth: Okay. Got it, sir. Sir, could you help us understand how much of the current order book is actually executed in the next 12 to 18 months versus the order book, which is giving us long-term visibility? And more importantly is how much revenue conversion of the order book do you expect structurally going forward when the nuclear and aerospace part of the order book scales up? So do you see a decline in the revenue conversion ratio?

Srinivas Reddy: I don't see any decline. See, most of our order book, if you have seen, it's not like over a period of 10 years. Nuclear, it is over a period of 3, 3.5 years. Fuel cells is spread over 1 year or whatever it is. So basically, most of our order book is to be executed within a period of -- majority of it within a period of 12 to 18 months. That's how it works.

And it's not an order book which shows like to be executed over the next 10 years or so. It doesn't work like that with MTAR. So whatever order book we have shown is on a time frame of what I've mentioned to you right now.

Ashray Sheth: And sir, lastly, I wanted to ask about the asset turnover that we are targeting. So we are targeting. So can you give us specifically the asset turnover for different verticals that we might do? So what do you expect the asset turns for our fuel cell business, aerospace, oil and gas on those verticals?

Srinivas Reddy: G.R., do you want to answer that?

Gunneswara Rao: See, asset turnovers are there for different sectors or different sectors. But it is confidential. We can't share the sector-wise as of today because of some NDAs we signed with some of the customers of some sectors. So as you know, our gross block is not -- as of today, if you look at our fixed assets are not much. So even if we are incurring INR500 crores also, it will become INR1,000 crores, INR1,200 crores maximum.

As I said, it is 3x revenue we will get it compared to whatever is targeted for this financial year. So I think it is a little bit difficult because all our assets are fungible across all sectors. That's also a little difficulty in answering that question. But our aim is to maintain at least 3x of revenue from the existing capex and whatever we have in the company.

Ashray Sheth: Sir, how much of our assets would be fungible as per you?

Gunneswara Rao: See, the entire assets are fungible, except in some areas because of the scale of operation, we can't use 100%. So across all the units, we have 16 units are there, around 15 units are fungible , whatever equipment we have, it is fungible.

Moderator: Ladies and gentlemen, due to time constraints, we would take that as the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Srinivas Reddy: So I would like to take this opportunity to thank all the shareholders for their continued trust and confidence in the company. I would also like to thank every team member of MTAR for their committed work to be part of our growth trajectory. We remain committed to delivering sustainable growth and creating long-term value for all our stakeholders. I would like to thank each one of you for attending this earnings call. Thank you so much.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of MTAR Technologies, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.