email : info@mtar.in website : www.mtar.in

CIN No : L72200TG1999PLC032836

To, **Date: 10.03.2022**

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

Dear Sir/Madam,

Subject: Disclosure under SEBI (Listing and Disclosure Requirements Regulations, 2015- Transcript of Earnings call.

Unit: MTAR Technologies Limited

Further to our earlier intimation regarding the Q3/9 months FY 22 earnings call held on February 11, 2022 to discuss Operational & Financial performance, please find enclosed herewith the transcript of the same.

The transcript of the earnings call is also available on website of the company. You are requested to kindly take the aforesaid on your record.

This is for your information and records.

Thanking you,

For MTAR Technologies Limited

Bagadia

MTAR TECHNOLOGIES LTD. Hyd

Shubham Sunil Bagadia
Company Secretary and Compliance Officer

MTAR Technologies Ltd. (Formerly known as MTAR Technologies Pvt Ltd), 18, Technocrats Industrial Estate, Balanagar, Hyderabad - 500 037. Telangana, India. office : 040-44553333/23078312 fax : 91-40-44553322/23078316, **GST No.**: 36AACCM2021N1ZL

"MTAR Technologies Limited
Q3 FY2022 Earnings Conference Call"

February 11, 2022

MANAGEMENT: **MR. P SRINIVAS REDDY - MANAGING DIRECTOR - MTAR TECHNOLOGIES LIMITED**
MR. GUNNESWARA RAO – CHIEF FINANCIAL OFFICER – MTAR TECHNOLOGIES LIMITED

Moderator: Ladies and gentlemen good day and welcome to the Q3 nine months FY2022 Earnings Conference Call of MTAR Technologies Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Srinivas Reddy, Managing Director and Promoter MTAR Technologies Limited. Thank you and over to you Sir!

Srinivas Reddy: Thank you. Good Morning ladies and gentlemen. Welcome to Q3 FY2022 Earnings Conference Call. We have uploaded updated investor deck**,** press release and business highlights on stock exchanges and company website. I hope everybody had an opportunity to go through the same. Obviously, we all know that we are still being hit by the COVID situation all over the country. In fact, all over the world as well but here we have been working towards deliverables especially on supply chain issues where we are able to take up the challenges required to ensure that our targets are met, and we are pretty much sure that by end of this year we will be able to achieve what we are supposed to deliver to our investors. Overall, it has been a very interesting year not only in terms of the current year performance and as well as in terms of the fabulous developments and qualifications that the company has done during the current year for the future growth of the company. In the current Q3 quarter, we have done a revenue of Rs. 878 Crores with a PAT of about Rs. 13 Cores. Overall for nine months we have done Rs. 224 Crores with Rs. 41 Crores of PAT and we had given a guidance of 20% to 25% of revenue guidance earlier and looking very closely at this current year and we are at the final quarter I am very positive and I am pretty confident about the guidance scene given earlier and also I would like to mention that I would like to revise my guidance upwards to about 30% to 35% for the current year and having a clear roadmap for next year based on the strong order book what we have in various sectors I would like to give initial guidance of 45% to 50% revenue growth for next financial year as well. As you are all aware that we are involved nuclear space, clean energy sectors, the most important thing is what have we done in terms of product development, qualifications, and increasing our wallet share with various customers, existing customers as well. Today we have been qualified for roller screws which we have been talking about that is going to be a major import substitute for the company. We have already received orders, initial trial order from DRDO for that. We have also received orders for the electromagnetic actuators which is a very good news and further we are doing various products for a number of new customers. In terms of the growth for the future we are looking at Bentall which has joined our customer list Techniques from oil and gas, Voith Hydro for clean energy, Hitachi from clean energy, Enercon from Germany from clean energy as well so all these various customers that we are working on have greased the orders for the first articles which we convert into a volume business over the years and we are also working with various other customers as well right now and once we have further progress we would definitely inform our investors accordingly. The idea is to widely increase the customer base across all the sectors that is the goal of the company as of now and as far as increasing the wallet share is concerned, the specialized sheet metal factory is getting ready by March, but we have already started first articles work especially with Bloom Energy to start with and the qualification for the sheet metal requirements will get done by March that means we can expect a huge volume orders coming in once the qualification is done and that is something which we have taken it on fast track and in a fastest possible pace which is something very encouraging for us as well. Apart from this we are still working on various other systems and subsystems in defense in various areas with respect to the Atmanirbhar Programme our R&D is working on them as well so that will help the company to increase its potential in terms of the defense business in the long run. So overall it has been a very encouraging year for the company and I would really appreciate all the management and the employees of MTAR in spite of COVID being very committed to the company to ensure that we are right on track in terms of what we need to achieve in terms of numbers and also in terms of what we can develop in terms of new product development and the qualification processes that we are involved with. I would now like to hand over to our chief financial officer Mr. Gunneswara Rao to take it forward and he will explain you more in detail about the number financials at this point of time. Thank you.

Gunneswara Rao: So, thank you everyone this is Gunneswara Rao CFO, so good morning for everyone, a warm welcome to our Q3 earnings call. I will take you through the key financial highlights and post which we will open the floor for the questions and answers. In case of revenue, despite the COVID pandemic we were able to grow our revenue by 41.4% year on year to 78.1 Crores compared to Rs. 55.2 Crores in Q3 FY2021, so there is a 41.4% increase in Rs. revenue on year-on-year basis so the revenue breakup for the current year nine months stood as follows. Like in case of space and defense has contributed to 19% of our revenue, nuclear energy contributed 14%, clean energy contributed 64% of revenue in the current nine months of this financial year. The order book as on December 31 is around Rs. 478 Crores which will be executed in 12 to 15 months time. This 21.2% of our order book is from the nuclear sector, 28.7% consisting of orders from space and defense sectors, 49% of our order book is for the clean energy vertical. We have received further orders after this Q3 December 31st order book as on February 7th is Rs. 599 Crores we have as on today on February 7th compared to 477.6 Crores as on December 31st 2021. So, there is almost Rs. 120 Crores of extra order book we have received during this month like Jan and February up to February 7th. The EBITDA reported is 22.8 crores in Q3 FY2022 as compared to Rs, 17.5 Crores in Q3 FY2021. There is a 30.3% increase on year on year basis. In case of profit before tax which stands at 18.7 Crores as against Rs.12.4 Crores in Q3 FY2021 which is 50.9% increase on year-on-year basis. Profit after tax which is reported at 13.3 Crores as against 8.8 Crores in Q3 FY2021, this also has a 50.5% increase on year on year basis. In case of diluted EPS which stands at 4.3 per share for Q3 FY2022 as against 3.3 per share for Q3 FY2021 so there is an increase of one rupee per share on this Q3 FY2022. To conclude, we would like to highlight that increasing revenue and sustainable margins due to operating leverages play out will significantly improve the return ratios so with this I open the floor for discussion.

Moderator: Thank you very much. The first question is from the line of Santosh Yellapu from Asian Market Securities. Please go ahead.

Santosh Yellapu: Sir thank you for the opportunity. Good set of numbers. Congratulations on that Sir and it is good to see customers joining us. Sir three questions from my end, first during the call just held a few hours back indicated that HI CY22 would see flat Y-O-Y revenues so if we can go with that statement is it fair to interpret that Q4 FY2022 and Q1 FY2023, the clean energy revenues of ours will remain flat on a Y-O-Y basis.

Srinivas Reddy: I do not think so Santosh. If you look at the numbers what we have right now, the order book what we have. In fact if you all remember that I have said that there would be additional units hot boxes of 1000 numbers plus subsequently right so we did receive that order recently and the numbers for Q2 and Q3 looks pretty strong much higher than what we have expected right and obviously Q4 for us is Q1 for them FY2023 so the indication is that they get into the mode of additional hot boxes which I have mentioned with the new orders what they have received so that is still on the pipeline so there is no issue with that as well and as far as additional wallet sale is concerned which I mentioned earlier in my call that regarding the qualification process for the sheet metal requirements that is really in advanced stage. We have taken it on fast track and it is being qualified by March of this year so we are expecting the order from the sheet metal requirements from Bloom for Q2 and Q3 for next financial year and obviously will continue for the subsequent quarters as well so we do not see any kind of issues in terms of having that kind of growth going forward as well.

Santosh Yellapu: Okay Sir. The second question Bloom again in the call mentioned that they are targeting 6% to 8% cut in the raw material costs mostly by 2023 and on the other hand if I look at the recent equivalent prices in the international markets for the first 45 days of this quarter we are seeing an early double digit increase in the prices on a Q-o-Q basis so if I collect both these data points is it fair to understand that the clean energy segment despite strong growth could impact the margin profile of the company for FY2023.

Srinivas Reddy: Absolutely not I have explained this earlier also. The first point is we have signed a contract for metal sheets for the entire year with VDM in Europe so we have done that already. Our prices are fixed. Secondly if there is any escalation of prices in terms of the next year requirements I am talking about we have signed a contract for the entire calendar year for this year and in terms of the next calendar year if there are any issues in terms of price escalation that is captured in our cost itself and it is taken care by Bloom so we are not really worried about that and obviously we get a price advantage. Bloom is right because we buy those volumes you cannot really compare to the regular pricing structure what you have seen in the markets since of the huge volume requirements and we are directly approaching various mills in Europe, Japan elsewhere so obviously we have a good price advantage that is the reason why we signed an annual contract with them which will get a much better price so I do not see that affecting us at all even in the next financial year as well.

Santosh Yellapu: Sir just to clarify myself. The Rs. 220 Crores order that we got in September for that internal procurement has been done and it is booked right.

Srinivas Reddy: It is already been done. Contract has been signed. In fact the additional 1000 boxes which I have mentioned for which we have received the PO from Bloom which I said we will be receiving it even for that we have signed the contract so there is no issue at all.

Santosh Yellapu: Okay and Sir lastly Bloom mentioned in the call that they are expecting their revenues in the next one decade to touch almost $15 trillion that translates to 35% revenue CAGR so is it fair to assume that going forward the mix of clean energy segment would increase from the current levels of 60% to 65% levels in the second half of the decade to close to 80% levels so will we be having any margin levers left because our understanding is that the nuclear and space tends to have a higher margin than the clean energy business there Sir.

Srinivas Reddy: See I have always maintained that margins across the board are almost similar except for space which can be slightly higher by a few percentage points but Santhosh as and when the volumes go up higher and higher and improving the software efficiency is what we look at MTAR and also the various developmental activities we have taken up so obviously the margins will definitely not get affected. We are looking at the absolute numbers going very high and the margins can be plus minus 1% to 2% here and there but I do not see any effect on our EBITDA margins and MTAR always worked on very key projects where the margins are always being maintained and for example which I said that Bellows are being developed in MTAR itself which we are importing right now. Now we are submitting it for qualification for pneuma boxes so lot of such great developmental activities we as a team have taken up so I do not see it affecting in any case as far as the margins are concerned.

The absolute numbers will really grow very well and the margins will be right up there. Probably 1% or 2% point here and there but we will right up there.

Santosh Yellapu: Thank you Sir. I will join the queue for more questions. Thank you.

Moderator: Thank you. The next question is from the line of Renjith from Mahindra Manulife Mutual Fund. Please go ahead.

Renjith: Hi Sir good morning. If I see sequentially there is a drop in the execution so just wanted to understand which has been the challenging issues and will you expect that to get normalized in the fourth quarter or will it be kind of a longer term.

Srinivas Reddy: I would really not give importance to that at all because if you look at our numbers even in the past if you look at Q4 of last year to Q1 of this year there was a drop but overall we have been achieving the numbers what we are supposed to achieve, what guidance we have given. As I said my initial guidance was 20% to 25% which I have given for revenue growth. Now looking at the way we are moving ahead. I have given now an increased guidance of 30% to 35% in revenue growth maintaining similar margin so that itself should be an indicator for you to see where we would stand in Q4 as well so that is exactly what I was trying to explain earlier as well so we are definitely in line or even better than what we have promised earlier to the investors and we are moving forward with it and at this point of time I have clearly mentioned even earlier because of having a clear roadmap for next year with a strong order book my initial guidance I have already given for the next financial year to be about 45% to 50% revenue growth which is phenomenal and that is the kind of work we have done in terms of developing various products and also getting qualified for various areas with new customers as well so all this is something which has given me confidence to give preliminary guidance of 45% to 50% for next year as well.

Renjith: Okay great and nuclear orders have continued to be a kind of postponement so where do you finally see what is the status there because in the budget also we saw the NPCL allocation has increased both in the revised estimate and the budget estimate but are you seeing something on the ground in terms of NPCL doing more in terms of calling for tenders and giving out orders.

Srinivas Reddy: See our business plan for next year more or less does not include the new nuclear orders that we are going to get in right now so we have a very good prospect of getting great amount of orders from nuclear division. The tenders have been floated for the PP access for the phase one. We have quoted for some of them, some more tenders are coming in. Now the purchase order is when they be released probably in this quarter or beginning of next quarter different timing issue but that is not going to really affect us in the next financial year and neither is going to affect us in the subsequent years because that is how we have built our business plan so there is enough strength of order coming in from nuclear. There is no second thought about it.

Renjith: Okay in terms of the hot box units how much we have supplied this quarter and how much was it compared to last year same quarter and last quarter.

Srinivas Reddy: I do not have the exact numbers right now but we are doing substantial number of boxes this year I think more than 2,500. Next year is about 4,000 plus boxes so that is what we are looking at so that is a substantial increase from the previous year and the next year it is going to be even much higher so that is exactly where we are at this point of time.

Renjith: Sir any price increases in the box realization given the commodity prices going up?

Srinivas Reddy: As I mentioned earlier it is not exactly about the commodities, we have signed the contract along with POs we have received so that is already fixed so in case there are any increases in terms of any other requirements that is captured in the pricing itself so MTAR does not get shielded completely in terms of such fluctuations and we also signed contracts with every supplier there or signed for the entire calendar year, so we are well protected in that as well.

Renjith: And Sir finally this other expenditure there is a small increase in Q-o-Q and Y-o-Y, so is there any one off under the other expenditures.

Gunneswara Rao: The other expenditure actually consisting of manpower cost under G&A expenditure and the other direct cost so these expenses are increased in Q3 of this year compared to last year mainly because of the revenue. The other direct expenditure is increased in proportion to the revenue. In case of a manpower we are actually trying to build manpower and give a training for the next year projections as Mr. Srinivas Reddy is saying there is a growth anticipated in the next year so we have appointed some of the employees, so that they can be trained before the actual requirement comes in the next financial year for which we have an order also.

Renjith: Okay so how many people we have added this year till date?

Gunneswara Rao: As on date like this financial year around 80 people we have added.

Renjith: Okay and the other expenditure is there any forex related gain loss.

Gunneswara Rao: It is very less around 2 Crores is only there, gains are there.

Renjith: Gains are there.

Gunneswara Rao: Yes Rs. 2 Crores.

Renjith: And Sir if I can ask one more question like we have also been working on this hydrogen boxes and the other electrolytes so what is the update on that. Are we expecting some orders in that? What stage are we in that? Those are also very lucrative areas which we are betting on.

Srinivas Reddy: As I mentioned earlier we have already from our side the qualification process is done. We have submitted the batch production as well. We have heard that electrolyzers they are going to start the batch production from next quarter. This I have clearly mentioned that the electrolyzer hydrogen units will come into play from second quarter of next year but I will update it as and when it happens. It is obviously going to happen for sure. There is no doubt about it. All focus is on that as well, but whatever the upside to this is not what I have considered in our business plan as of now so as and when it happens which it will definitely happen, we will intimate to all of you about it.

Renjith: Okay Sir all the best and I will join for further question later on thanks.

Moderator: The next question is from the line of Nitin Arora from Axis Mutual Fund. Please go ahead.

Nitin Arora: Sorry if somebody has asked this I again joined the call back. Can you give me the breakup of this Rs. 120 Crores order which we have received in Jan, Feb?

Srinivas Reddy: No, we are talking about the recent orders. Basically, the orders have come in from Bloom Energy and also from Aerospace Rafael these are the major orders. There are a lot of other orders that have come in but they have come in from Bloom Energy and Rafael has started giving new orders for the exports of defense. We have received orders from them as well and we are expecting further orders that is very good news actually. Rafael has started giving further orders. We have developed as in first articles for Rafael as well in Q3 of this financial year and for those we are looking at almost $3 to $4 million further orders coming in from them so that is moving pretty well and another important thing is as I mentioned earlier that we have added a lot of new customers doing FA right now. In fact even Israeli Aerospace Industries are the senior most team and we are extremely happy with the kind of facilities we have, the technology we have, so they are also looking at joining hands with us in a big way in all the requirements especially in the space business is what they are looking at in a big way so I will probably update as when there is a more and more progress on that part of the story.

Nitin Arora: But large part would be clean energy only out of that Rs. 120 Crores.

Srinivas Reddy: It is about Rs. 70 and odd Crores will be clean energy and the rest would be a lot of other customers, yes.

Nitin Arora: Got it but nothing in nuclear right.

Srinivas Reddy: Nuclear we have already become literally L1 in a lot of contracts so the only thing we are waiting for is only our training issue. We are just waiting for the POs to be delivered to us. Hopefully they should come before March or April but that does not really affect our numbers even for next year.

Nitin Arora: And how big is that order, the nuclear one which you are expecting in let's say March or?

Srinivas Reddy: No, we have like FMBG column under review then we have the fuel transfer system so we have quoted for all this, and we will definitely get these orders so all these orders are in the pipeline. There are lot more tenders which have been quoted after that as well so all this will come in and it can be only a timing issue nothing other than it is not linked to our next year numbers as well.

Nitin Arora: Getting it**.** Sir on your guidance part just wanted to touch base so 30% to 35% growth for this year, so looks like Q4 should be strong but you are expecting the run rate on nuclear to improve or clean energy which is doing Rs. 55 Crores on an average will go to Rs.70 to Rs. 80 Crores will make up for the nuclear decline and the second question when we go to the next year 2023 on 40% to 45% growth is it possible to quantify how much contribution will come from the clean energy in terms of revenue because I remember you said I think we have already done 1,800 boxes in nine months so it looks like you will close, I do not know I am just asking you will it be 2,500 or 2,600 this year, so next year if you can recreate how much contribution in revenue from clean energy and number of boxes that will be helpful for us.

Srinivas Reddy: See if you look at the current year within the last quarter, yes there is reasonable substantial number for clean energy but there is no big strategy there as well. We have enough order book for this year and next year for nuclear that is why I said the new orders are not linked to the next year business plan as well but if you look at the next year numbers we are looking at almost the kind of growth number we are looking at almost more than 50% to 55% or even close to 60% coming in from clear energy but what is most important here is on an absolute number basis, the domestic numbers are also improving drastically. If you look at the barrel part of Rs. 200 Crores and odd so that is something which is very substantial and that is something which we need to make note of.

Nitin Arora: And Sir in terms of the sheet metal order I know you said the orders are getting close now. Is it possible to quantify the size, how much we can do in let us say FY2023 because of that or is it a part of the clean energy numbers only when you said 60% to 65% of the total sales would be clean so that should be part of the sheet metal.

Srinivas Reddy: I have not taken that into effect Nitin right now. When I have given the initial guidance of 45 to 50%, I normally do not take into account what is yet to be done that is how I look at it. As you are aware I would like to always promise less and deliver better. So, the sheet metal part of the story is that we will get qualified by end of March. In fact, we are very advanced stages and once we get qualified, we are looking at anywhere between $10 to $15 million of business coming in the next financial year but as when that happens, I am going to update all of you on that so that is something which is going to be our upside.

Nitin Arora: Just a clarification next year what I remember you said earlier about 4000 boxes correct me if I am wrong so that stands as it is.

Srinivas Reddy: Yes in fact I remember very well in the last call I have said that we will be getting additional 1,000 boxes purchase order for that which we have received now so the 4,000 boxes confirmed right now with clear backup POs for that and that is for the calendar year and obviously for our Q4 and Q1 of next year we will expect a higher number as well right, but I am still taking that 4,000 number extrapolated for the next financial year.

Nitin Arora: Got it. All the best Sir. Thank you so much for the answers.

Moderator: Thank you. The next question is from the line of Santhosh Yellapu from Asian Market Securities. Please go ahead.

Santhosh Yellapu: Sir thank you for the opportunity. Couple of questions from my end. Sir if I do the reverse calculation for the order inflow one I think Q3 we won Rs. 1.3 Crores worth of electromechanical actuators order and what will be the balance order for the remaining I think Rs. 18.8 Crores of orders. This is from which segment.

Srinivas Reddy: No, we have from different customers also Santhosh. I said we have received orders from new customers as well for first articles right from Y, Hitachi, Bental, Techniques. We have received number of first article orders from various customers and also from the existing customers as well so it is widely distributed.

Santhosh Yellapu: So if you then look at Q3 numbers ordering inflow numbers as well as Q4 order inflow numbers that means the first two months right is it is that my interpretation of that.

Srinivas Reddy: Yes.

Santhosh Yellapu: All these new players the orders that are winning. What is the nature of these orders Sir?

Srinivas Reddy: Basically, if you look at Bental for example they are into defense exports. They are Israeli base, Techniques is oil and gas. Now the good news is even Schlumberger has come back to us they would now like to restart in a big way with us, so right now the initial discussions are going on, so we are expecting sizable orders to come in from Schlumberger in the oil and gas sector which is picking up right now which was down in the last four to five years or seven years, five years I guess then we have Voith from hydro which is under clean energy then Hitachi is from waste to energy which is again under the same concept. Enercon is from a German-based company working for windmill that is very critical key rotary and stator assemblies which I mentioned earlier that is now come through so these are all the various companies that have already started issuing POs for the first articles and then it will obviously translate to batch involving production subsequently so that is how the whole thing is moving forward and the focus and the goal for the company which I mentioned in my call earlier is to increase the customer base in various segments and that is what we are also doing and also trying to increase the wallet share within the existing customers.

Santhosh Yellapu: Right sir what about the inventories and receivables outstanding at the end of Q3 FY2022?

Gunneswara Rao: So the inventory Rs. 156 Crores inventory we have and debtors is Rs. 100 Crores we have.

Srinivas Reddy: All our debtors we get paid very promptly so there is absolutely no issues including the so-called I know everyone keeps asking me this but all the strategic sectors pay the funds on time. There is no issue with that.

Santhosh Yellapu: Sir if I may ask was the cash generated during the nine months CFO, cash flow from operations what was the number Sir?

Gunneswara Rao: Actually, there is negative Rs. 32 Crores because the EBITDA is Rs. 67 and other expenditure minus Rs. 10 croresso the operation to EBITDA is Rs. 57 Crores whereas the working capital Rs. 89 Crores is increased. The cash flow from operation is negative Rs. 32, the reason for this is mainly the working capital because of this COVID pandemic we do not want to be in a situation. Our production should not hamper due to which we have procured some material at the price advantage also the steel prices were increasing so we procured some of the material which requires for our production in clean energy and other areas because of that operation cash was low.

Santhosh Yellapu: Got it. Thank you. Sir lastly would you see a scenario of further stretch in the inventories given that the pipeline of orders from Bloom I think do we see more possibility of a stretch in the inventory Sir.

Srinivas Reddy: Not really you see what will happen is, yes obviously we need to make sure that the inventory levels are maintained, but we are more or less there right now because we are given the contracts ahead of time. See we are looking at a lot of shipping delays. There are delays from the supplier side in terms of their own production in Europe as well because of the COVID scenario so hopefully I think with this Omicron and things stabilizing over the next few months, I think as I mentioned earlier we should come back to normal working capital cycles in 2 to 3 quarters from now. I am not saying it will happen overnight but it will not be a great stretch but we are working towards the best possible scenario but at the same time we also need to ensure that we have enough inventories in the factory to ensure continuous production so it is a probably a win-win situation for the company as of today that is the reason why we are not really getting that much affected because of COVID because of advanced planning.

Santhosh Yellapu: Right one more bookkeeping question. What is the debt and cash outstanding on the books anything?

Gunneswara Rao: Our cash and cash equivalents and investments are around Rs. 170 Crores in case of a debt we have around Rs. 80 Crores of debt is there, total is Rs. 80 crores in both standalone and working capital.

Santhosh Yellapu: Sir lastly what is the capex for FY2023, what we are planning to spend for FY2023?

Srinivas Reddy: FY2023 as I said we are looking at major expansion plan for Bloom Energy for FY2024 which we need to look about Rs. 30 to Rs. 35 Crores I mentioned in the last call, we are trying to implement that but it is almost doubling from 4,000 units to about 7,000 units or 8000 units plus we also have the Electrolyzers hydrogen kicking in at that point of time. Apart from that we already would have implemented the sheet metal and specialized fabrication. So other than that, we do not see much. We would like to see probably a few bottleneck areas here and there that is what we would see. Another important point which I would like to mention regarding the call is we all know that MTAR had a subsidiary company called Magnetas which as we are all aware MSME had a major advantage not only in terms of the Indian Defense tenders but also in terms of the offset clauses. So here we are looking at our company of asset acquisition where Magnetas can be quickly become an active subsidiary company for MTAR as MSME that is what we have mentioned. We have allocated a budget of 10 Crores for that. That would be a very positive move for the company having great acceptance in terms of MSME advantage that we have so other than that I do not see much of a capex requirement other than what I mentioned earlier.

Gunneswara Rao: If I may have to add this Adibatla fabrication capex which will be capitalized in next financial year though those funding is arranged already this year.

Santhosh Yellapu: Okay Sir. Thank you Sir.

Moderator: Thank you. The next question is from the line of Amar Maurya from Alfaccurate Advisor. Please go ahead.

Amar Maurya: Sir thanks a lot for the opportunity broadly my questions are answered. One clarification Sir you said that sheet metal capacity will commission when March 2023 or March 2022.

Srinivas Reddy: Technically it is already being commissioned but I am talking about complete commissioning in totality will be March 2022 because we already started doing our first articles for our customers so overall it will get commissioned by March 2022.

Amar Maurya: Okay and Sir broadly in terms of the visibility like the sheet metal we are going to supply space as well as to the part of the Bloom Energy will we see some substantial revenue in the sheet metal in 2023.

Srinivas Reddy: That is what I mentioned earlier that once the qualification is done then I said that we are looking at about $10 to $15 million of orders coming in but that I will be able to update all of you once we are qualified by end of March and then we can obviously see a lot of revenues coming in from that new capability what we have and also from the space we already have an initial order for Rs. 7 Crores and we will get lot more than that so that is all increasing the wallet share within the existing business so that is the reason why we have added steadily.

Amar Maurya: Okay and Sir for nine months. I mean how many numbesr of hot boxes would have supplied in this nine months broadly.

Srinivas Reddy: As an absolute number I think around 1,800**.**

Amar Maurya: Okay sure Sir. That is all from my side.

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

Narendra Mhalsekar: What is the order inflow guidance for FY2022 and subsequently for FY2023 and if you could also highlight like the status on ISRO orders that we were expecting.

Srinivas Reddy: See basically as I said earlier the orders from nuclear are expected anytime it is only a timing issue but technically I did mention that the closing order would be around Rs. 700 Crores but we need to get a few nuclear orders it is only a timing issue and that is what we are waiting for and FY2023 the order book could be even stronger than that. I cannot quantify the number right now but we will have substantial orders coming in from nuclear, clean energy, and various other customers so probably we will have a more clarity by end of March what would be our order book position by end of FY2023 as well, so definitely higher than FY2022 for sure.

Narendra Mhalsekar: And the space order that we were expecting.

Srinivas Reddy: They are already through. The only thing is the paperwork is getting done that Rs. 65 Crores so we are just hoping that it will be done in this quarter.

Narendra Mhalsekar: Okay thank you.

Moderator: Thank you. The next question is from the line of Renjith from Mahindra Manulife Mutual Fund. Please go ahead.

Renjith: Hi Sir just a clarification. In this Bloom orders there was some new age hot boxes so we were expecting some orders in that also for next year execution.

Srinivas Reddy: See as I said earlier normally, I announce that once we are complete with the batch production as well. Right now, we are doing 40 numbers of keel apo in this quarter. Probably we will do 30 this quarter or all the 40 this quarter. Once we complete with that then the second half of next year is when the production will start ramping up so as and when that happens obviously that will be something which is an upside to the whole thing.

Renjith: So this 4000 hot boxes which you have given guidance for next year does not include this.

Srinivas Reddy: No it does not include that. It is just all these are Huma boxes.

Renjith: Okay so whatever we execute that will be an addition to whatever we are guiding for.

Srinivas Reddy: Absolutely yes.

Renjith: Okay and in the space with this new chairman coming in are you seeing activities in the ground. Can we expect some good news in that? What is your overall view?

Srinivas Reddy: Yes, to my knowledge Somanath is a very dynamic individual. He has done great work for VSSC earlier. We have been associated with him for almost 30 years and he knows our company also very well so overall I think we got a very good person on the right place so hopefully things will move pretty fast with Somanath being at the helm of their face.

Renjith: Okay and Sir in a longer term perspective like this electrolyte, whatever we are developing so is it exclusively for Bloom or can we also go and approach other hydrogen manufacturers to supply to them or is there any exclusivity for this electrolyte thing.

Srinivas Reddy: See this particular electrolyzers what we have developed along with Bloom is for Bloom there is no second thought about it, but we are free to develop for other customers as well as OEM suppliers so that is what we are looking at, so there is no restriction as such, but the company maintains each customers technology very confidential so we do not mix up the technologies with other customers or we do not share it also.

Renjith: Okay so anything in that. We are exploring with others just also hedging for in terms of the overall concentration to Bloom.

Srinivas Reddy: See that is what I said, there is absolutely no concentration, we are in different sectors every domestic sector is going for us. We are adding a lot of new customers they said like Bental. Techniques, Voith, Hitachi, Enercon a lot of new customers have joined in. All this will translate into good business for us over the next one two years, three years so the company focus is in that direction and obviously that is where we are heading so we are pretty much sure that to improve our customer kind of range that is our priority and we are definitely working on it.

Renjith: And regarding that roller screw that import substitution what is the status currently, anything positive in that.

Srinivas Reddy: Yes, I did mention that we already got qualified by both space and defense as well. Defense has already released a trial order, space is releasing it this quarter so once the initial trial orders are submitted the first articles to both the departments and then it will get commercialized so we have done a fantastic work in that. I really appreciate the entire team for that and that is where we stand in.

Renjith: Okay Sir thanks and all the best.

Moderator: Thank you. Ladies and gentlemen in interest of time I would now like to hand the conference over to Mr. Srinivas Reddy for closing comments.

Srinivas Reddy: Yes I would like to thank all of you for joining in today's earnings call and I would like to once again say that we are right on track in what we have mentioned earlier and also for the next year in spite of the COVID restrictions being imposed all over the world and I would also like to thank each and every one of you in supporting this company and I would really appreciate that and also I would like to thank my entire team including all the employees, the operators, everyone working, risking themselves and working at such critical situations with COVID around everywhere so I would like to thank each one of them and thank you so much for joining us today.

Moderator: Thank you. On behalf of MTAR Technologies Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.