



## MTAR Technologies Limited - IPO Note

### IPO Recommendation – Subscribe to the issue

#### About the Company:

MTAR Technologies is one of the leading player in the precision engineering industry. The company is primarily engaged in the manufacturing of mission-critical precision components with close tolerance and in critical assemblies through its precision machining, assembly, specialized fabrication, testing, and quality control processes. Company caters to the requirements of customers from the field of nuclear, space, defence and clean energy. The company is also involved in critical assemblies, to serve projects of high national importance.

#### Company Promoters:

Parvat Srinivas Reddy, P. Leelavathi, K. Shalini, D. Anitha Reddy, C. Usha Reddy, G. Kavitha Reddy, Anushman Reddy, P. Kalpana Reddy, Saranya Loka Reddy, A. Manogna, and M. Madhavi are the company promoters.

#### MTAR Technologies IPO Snapshot:

Open Date	Mar 3, 2021
Close Date	Mar 5, 2021
Face Value	₹ 10 per equity share
Lot Size	26 Shares
Issue Price	Rs 574 to Rs 575 per equity share
Issue Size	Rs 596.41 Cr
Listing At	BSE, NSE
Listing Date	Mar 16, 2021 (Tentative)

#### Objects of the Issue:

The net proceed from the issue will be used by the company for the following objectives;

- To partly or fully repay the company's borrowings.
- To fulfil working capital requirements.
- To meet general corporate purposes.

#### Risk factors to be considered:

- Company depends upon a limited number of customers for a significant portion of their revenue.
- Absence of long-term supply agreements with customers.
- Dependence of orders from the NPCIL, ISRO and DRDO.

#### Financials:

Particulars (All amounts in millions of INR)	31-Dec-20	31-Mar-20	31-Mar-19	31-Mar-18
Total Assets	3,819.14	3,462.71	3,051.58	2,810.32
Total Revenue	1,779.91	2,181.42	1,859.10	1,605.45
Profit After Tax	280.69	313.18	391.99	54.23

**Reasons to invest/ subscribe for the issue:**

- Experienced and qualified management.
- Wide range of product portfolio.
- Modern manufacturing units.
- Strategic business segments were-in other players find difficult to enter into.
- The government focus on Space and Defence augment well for the company to get more projects.

**Investment rationale:**

MTAR Technologies is one of the leading player in the precision engineering industry in India. Company operates and caters predominantly to strategic business segments such as defence, space, nuclear and clean energy. Governments growing focus on these segments augment well for business of the company in future. Company has shown decent revenue growth in preceding three financial years. Taking into account all these factors, investors can consider investing in this IPO.

**Information sources:**

Information gathered in this document are from company's Draft Red Herring Prospectus (DHRP) filed by the company with SEBI and from other freely accessible web sources.

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