



MTAR Shareholder - seeking information

2 messages

JR <jr.rathi.s@gmail.com>
To: srilekha@mtar.in

Wed, 29 Mar, 2023 at 08:50

Hi Srilekha,

I got your contact details from the investor presentation and wanted to reach out to you for the below information/clarifications –

1) Bloom Energy –

Per the annual 10K filings of Bloom Energy, its net worth for the year ending 2021 was negative! In 2022, because of infusion of equity through SPA, it shows marginal positiveness. In the risk section, it clearly calls out that it has been a loss making entity and there is uncertainty if this would change.

Further, in Feb 2020, Bloom had to reinstate its financial statements which had a material negative impact – revenues decreased and losses increased.

In view of the above and considering that c. 50% of our revenues come from Bloom, can you shed lights on –

- a) Risk management
- b) Credit terms with Bloom (including any advances)
- c) Aging schedule of Bloom receivables for last 3 years
- d) Bad Debts & Provision of bad debts policy

2) Margins –

On our first concall, management had mentioned that 35% margins are sustainable. However, latest guidance is around 29% plus or minus 100 bps. Can you shed light on –

- a) What has changed which required us to lower our margins guidance from 35% to 29%
- b) Given that the company is introducing new products with higher margins along with reducing working capital days, can we expect this to revert back to 35% in FY24/FY25?

3) Working capital days –

On our first concall, guidance was around 220 days. Of late, this has changed to 225 days. We understand that the inventory is high because we order a quarter in advance. Also observed that debtor days for YE March, 2022 has been around 540 days.

In the first concall, during the working capital discussion, it was mentioned that payment is due within 45 days of products reaching the US. Given the supply chain issues, it was taking longer to deliver the goods. However, since we have now started supplying directly to Korea instead of goods going to the US, should this have shortened?

In one of the management interviews, it was mentioned that we receive payments from Indian government organizations within 35-45 days of delivery without follow up.

So if we are receiving payments within 35-45 days of delivery, can you help understand why debtor days show c. 540? Is this to do with our accounting policy? If so, can you share insights?

Thanks for your help

JR <jr.rathi.s@gmail.com>
To: srilekha@mtar.in

Thu, 6 Apr, 2023 at 08:46

Hi Srilekha - Gentle reminder on the below. Can you please share responses? Thanks
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