ESG Rating Rationale

MTAR Technologies Ltd

Sector: Aerospace and defence

Sector category: Low risk | **Medium risk** | High risk

Primary business: Manufacturing and precision engineering

Scoring period: Fiscal 2025

Updated on: October 03, 2025

For more details on Crisil ESG Ratings' ESG methodology, please refer to our website

a company of S&P Global

Crisil ESG 56*	**Rating category**	**Weak**	**Below average**	**Adequate**	**Strong**	**Leader**
		0-40	41-50	51-60	61-70	71-100

**On a rating scale of 0-100, with 100 being the highest and 0 the lowest*

Note: None of the Directors on Crisil ESG Ratings & Analytics Ltd's (Crisil ESG Ratings') Board are members of the ESG Rating Committee and thus do not participate in the discussions or assignments of any ESG ratings. The Board of Directors also does not discuss any ESG ratings at its meetings.

ESG rating history

Assessment based on data for the year ended	Date of rating publication	ESG rating^	Rating category
March 31, 2023	September 6, 2024	Crisil ESG 59	Adequate
March 31, 2024	February 4, 2025	Crisil ESG 58	Adequate

^ESG ratings are different from credit ratings. An ESG rating is an assessment of an entity's exposure and ability to manage ESG-related risks and opportunities. A credit rating represents the rating agency's opinion on the likelihood of a rated debt obligation being repaid in full and on time. ESG ratings are provided by Crisil ESG Ratings and credit ratings are provided by Crisil Ratings Ltd.

Crisil Ltd launched its ESG scoring business in June 2021 using a robust India-specific framework on the environmental, social and governance aspects. Pursuant to the receipt of ERP registration by Crisil ESG Ratings from the SEBI on April 25, 2024, Crisil Ltd transferred its ESG scoring business to Crisil ESG Ratings on May 3, 2024. Consequently, Crisil's outstanding ESG scores for equity and debt-listed entities have been migrated to Crisil ESG Ratings w.e.f. May 3, 2024, the date of commencement of its operations.

Crisil ESG Ratings & Analytics

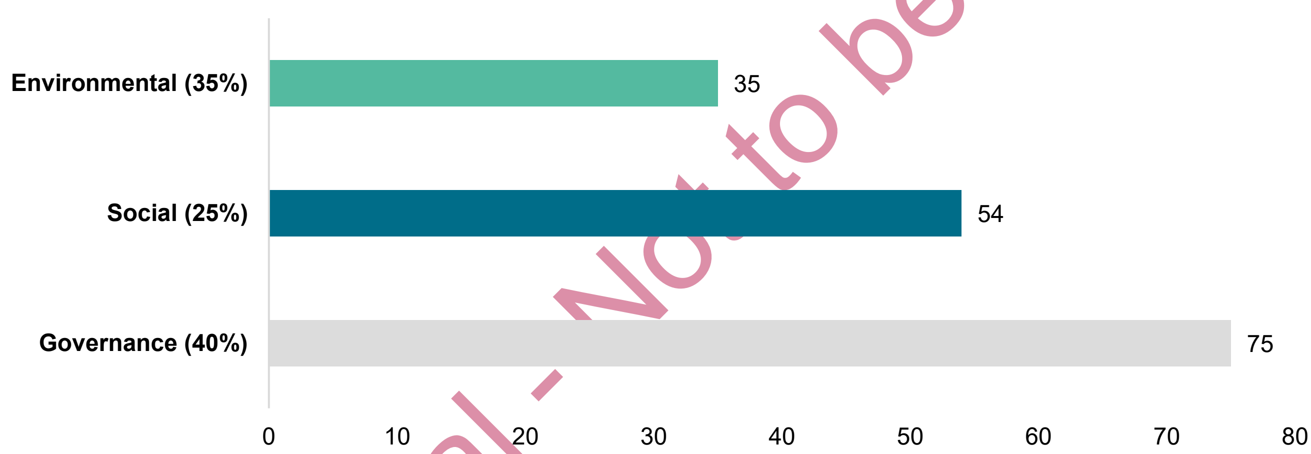
Summary

The non-financial ESG disclosures have improved materially due to extensive data availability across the sector. In this light, MTAR Technologies Ltd (MTAR) appeared weak on some of the environment (E) parameters like increase in intensities of energy consumption and waste generation resulting in fall of E score, which led to decrease in overall ESG rating to 'Crisil ESG 56' from 'Crisil ESG 58' earlier.

MTAR was assessed based on public disclosures on ESG parameters at the standalone level and other information available in the public domain.

The final E and S scores are a combination of the company's performance relative to its peers as well as the respective sector's impact on the environment and society. The G score, on the other hand, is sector-agnostic and, hence, has no sectoral performance attached to it. This approach allows Crisil ESG Ratings the flexibility to bring nuanced sector-specific parameters into the assessment of a specific company while retaining the cross-sector comparability of the final ratings.

Pillar-wise ESG scores



On a scale of 0-100, with 100 being the highest and 0 the lowest

Key parameters where the company performed better than its peers

- Better-than-the-peer-average performance on intensities of Scope 1 and 2 emissions (~19 tonne CO_2e per Rs crore of revenue) coupled with high share of renewables in the total energy mix
- Nil lost time injury frequency rate amongst employees and complaints received from key stakeholders (customer, workforce and supply-chain partner)
- Adequate number of Board members with ~57% of them being independent directors and nil investor complaints received in Fiscal 2025

Key areas of improvement

- Higher-than-the-peer-average intensities of hazardous waste generation and water withdrawal
- Low share of women employees (~4%) and high attrition rate of permanent workforce

- Low representation of women on the Board (~11%)

Compliance lapses, regulatory action and controversies

There were no material controversies as on 27 August 2025.

Rating sensitivity factors

Upward factors

- A significant decrease in hazardous waste generation and water withdrawal intensities compared with peers
- A notable decrease in the attrition rate compared with peers
- An increase in the share of women directors on the Board

Downward factors

- A material controversy or regulatory penalty
- A significant increase in complaints from key stakeholders with low redressal rate
- Decline in average attendance of independent directors at the Board and committee meetings to below 80%

Note: Data on the composition of the Board and various committees as on August 27, 2025

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Crisil ESG Ratings serves institutional and retail investors, asset managers, lenders and corporates (including issuers) using its proprietary ESG rating methodology to assess companies across sectors.

For more information visit CrisilESG.com

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