Vinyas Innovative Technologies Ltd.
(Formerly known as Vinyas Innovative Technologies Pvt. Ltd.)
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17 November 2026

The National Stock Exchange of India Ltd
Exchange Plaza, 5th floor, Plot No. C/1
G- Block, Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051.

Scrip Code: VINYAS

Sub: Transcripts of Earnings Call.

Please find enclosed transcripts of earnings conference call, in connection with financial results of the Company for the half year ended 30 September 2026 held on Thursday, 12 November 2026.

The said information will be made available on the Company's website at www.vinyasit.com

This is for your information and records.

For Vinyas Innovative Technologies Limited

SUBODH M R Digitally signed by SUBODH M R
Date: 2026.11.17 17:50:27 +05'30'

Subodh M R
Company Secretary & Compliance Officer

“Vinyas Innovative Technologies Limited

H1 FY27 Earnings Conference Call”

November 12, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchanges on November 12, 2026, will prevail.

MANAGEMENT: **MR. NARENDRA NARAYANAN – MANAGING DIRECTOR – VINYAS INNOVATIVE TECHNOLOGIES LIMITED**
MR. SUMUKH NARENDRA – WHOLE TIME DIRECTOR – VINYAS INNOVATIVE TECHNOLOGIES LIMITED
MR. BALAJI BHAT – EXECUTIVE COMMITTEE MEMBER – VINYAS INNOVATIVE TECHNOLOGIES LIMITED
MR. AMITAVA MAJUMDAR – CHIEF FINANCIAL OFFICER – VINYAS INNOVATIVE TECHNOLOGIES LIMITED
MR. SUBODH M. R – COMPANY SECRETARY AND COMPLIANCE OFFICER – VINYAS INNOVATIVE TECHNOLOGIES LIMITED

MODERATOR: **MS. KASHMIRA – ADFACTORS INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to the H1 FY27 Earnings Conference call of Vinyas Innovative 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 this conference call, please signal an operator by pressing star then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Kashmira from Adfactors Investor Relations. Thank you, and over to you, ma'am.

Kashmira: Good evening, everyone. And thank you for joining us for the H1 FY'27 Earnings Conference call for Vinyas Innovative Technologies Limited. Today, we have with us the senior management team represented by Mr. Narendra Narayanan, Managing Director of Vinyas, Mr. Sumukh Narendra, who is the Whole-Time Director, Mr. Balaji Bhat, Executive Committee Member, Mr. Amitava Majumdar, the CFO, and Mr. Subodh M. R., who is the Company Secretary and Compliance Officer.

Before we begin, please note that the certain statements made during this call may be forward-looking in nature. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results or projections to differ materially from those statements.

Vinyas Limited will not be in any way responsible for any actions taken based on such statements and undertakes no obligation to publicly update this forward-looking statements. With that, I would like to hand over the call to Mr. Sumukh Narendra for his opening remarks. Thank you, and over to you, sir.

Sumukh Narendra: Thank you, Kashmira. Good evening, everyone and thank you for joining us today for Vinyas Innovative Technologies Limited H1 FY27 Earnings call. I am Sumukh Narendra, Whole-Time Director of the company, and I am pleased to take you through our performance for the first half, along with some key business developments and strategic initiatives we have undertaken during this period.

This is a particularly a special year for us as Vinyas completed 25 years of operation in October 2026. Over the past two decades, we have evolved from an electronic manufacturing company into a high reliability manufacturing and system integration partner, catering to our customers across defense, aerospace, industrial, medical segments, both in India and internationally.

This journey has been shaped by our people's commitment, our continuous investments in capabilities and most importantly the trust the customers have placed on us over the years. Today, we complete this important milestone, we remain focused on building on this foundation and positioning Vinyas for its next phase of growth.

Starting, I would like to highlight some of the business developments for the first half of FY27. The first half has been an important period for Vinyas, not only from an operational perspective, but also in terms of strengthening our manufacturing footprint and expanding our participation in higher value programs.

I would first like to highlight three key developments during this period. First, our expansion into the United States. One of the most significant developments during this period was the establishment of the manufacturing presence in the United States through United Vinyas Technologies, our joint venture in which Vinyas holds 49% stake.

We have established approximately 18,000 square feet of manufacturing facility at Elk Grove Village, Illinois. As a part of the initial set up, our production and quality teams from Mysore have worked closely with the US team to facilitate the transfer of manufacturing process, establish quality systems and prepare the production line.

We commenced our first article builds in October and we expect the facility to be complete and ready for series production by the end of the calendar year. This expansion is strategically important to us. It strengthens our proximity to our customers in North America and enables us to cater to programs where local manufacturing capabilities are required. While our Mysore facility will continue to support these programs through the supply of assemblies.

Second, strengthening our capabilities in the defense segment. We have established Nexus Advanced Technologies, a joint venture with an Israel-based defense technology company in which Vinyas holds a 26% stake.

The objective of this venture is to build capabilities across manufacturing, assembly, system integration, maintenance and lifecycle support for advanced defense programs. As a part of this arrangement Vinyas will supply electronics subsystems to the JV, enabling us to participate more directly in these programs and expand our presence across the defense manufacturing value chain.

Thirdly, strengthening our long-term engagements. During the period, we've also entered into a long-term agreement with Hindustan Aeronautics Limited, Korwa for the supply of electronic systems for the heads up display and IFF applications. This agreement reinforces our relationship with an important customer for Vinyas in the defense and aerospace ecosystem.

Taken together, these developments represent meaningful progress in our strategic priorities. Our US expansion strengthens our geographical presence and customer proximity, while NEXUS and our long-term agreements with HAL deepen our participation in the India's defense and aerospace eco- ecosystem.

As we move forward, our focus will remain on translating these strategic investments and partnerships into execution capabilities and program wins and sustainable business growth. Coming to the financial performance of the first half of FY27, on a consolidated basis, the revenue from operations for H1 FY27 stood at INR 290.3 crores.

EBITDA for the period stood at INR 35.5 crores, translating to an EBITDA margin of 12.2%. Profit after tax stood at INR 14 crores. Since the group established its subsidiaries during the second half of FY26, consolidated financial statements were not prepared for corresponding period of the previous year.

Overall, we have delivered healthy growth during the first half, while continuing to strengthen our operational capabilities and prepare for the next phase of business expansion. Our order book, during the first half, we secured new orders worth INR 411 crores, both from existing and new customers, reflecting continued traction across the business segments.

As on 30th September 2026, our order book stood at INR 1,430 crores, providing a strong base of business visibility as we enter the second half of the financial year. Our focus now is on ensuring disciplined execution and timely conversion of this order book into revenues. We are currently expanding our manufacturing infrastructure with an additional 25,000 square feet facility. This facility is dedicated for system integration and mechanicals assemblies, further strengthening our ability to undertake large and more complex programs.

Coming to the working capital management, we've seen an improvement in customer collections during the first half, with receivables reducing by almost INR 62 crores. At the same time, we have built up inventory and work-in-progress to support planned dispatches during the second half. Our immediate focus is on converting this inventory into customer dispatches and collections through H2. This will remain an important area of operational focus as we work towards improving our working capital efficiencies.

Our credit rating was upgraded by CRISIL to an A minus stable during the period. We believe this reflects the progress made by the company and further strengthens our positions position with our lenders and other stakeholders. Along alongside strengthening our infrastructure, we are also investing in organization and people.

During the period, we strengthened our leadership team, including the appointment of Chief of Business. We have also onboarded experienced talent from across the globe, particularly in our operations to support our expanding business requirements and the execution requirements of larger and more complex programs.

We believe that the building the right organizational capabilities is equally important as expanding our manufacturing infrastructure, particularly as we scale our operations. Over the years, Vinyas has evolved beyond board level manufacturing and expanded its capabilities across cable harness, electromechanical assemblies, system integration, and tested subsystems. The broader range of capabilities allow us to participate in a larger portion of our customers' programs and take on more comprehensive manufacturing responsibilities.

At the same time, we continue to explore opportunities beyond our established sectors, with an emphasis on expanding into new geographies, emerging segments such as transportation and semiconductors. These initiatives are part of our broader effort to diversify our business and build additional growth opportunities over the medium to long term.

Looking ahead to the second half, our priorities remain clearly defined. Our primary focus will be on disciplined execution of existing orders, maintaining consistencies in quality and delivery, expanding our manufacturing capacity, and translating our strategic initiatives during the first half into sustainable operational performance.

We will also continue to monitor the availability of semiconductors and critical electronic component, given their importance to manufacturing schedules and timely program execution. As we enter the second half, we do so with a strong order book, improved customer collections, enhanced manufacturing capabilities, a stronger organizational structure.

The strategic investments and partnership established during the first half provide an important foundation for the next phase of growth. While execution will remain our immediate priority, we are confident about the opportunities ahead and remain focused on building a larger, more diversified, and higher value Vinyas.

Before I conclude, I would like to thank our employees whose hard work, commitment has been instrumental in our progress. I would also like to thank our customers, partners for their continued trust and association, our shareholders for their confidence and support. As we move to the next phase of our journey, we remain committed on creating a sustainable long-term value for all our stakeholders. With this, I would be happy to take your questions. Thank you.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question comes from the line of Rishab Tibrewal with Daksham Capital. Please go ahead.

Rishab Tibrewal: Hi, am I audible?

Sumukh Narendra: Yes, Rishabh.

Rishab Tibrewal: Yes. Thanks for the opportunity. I was my question is, what could be the target revenue for Nexus in FY28 and what is the growth path going forward with that?

Sumukh Narendra: I think we would like to concentrate more on Vinyas here. It's an investment that we have made into Nexus. It's a defense organization and we would like to discuss particulars about Vinyas here during this call, please.

Rishab Tibrewal: Okay, sure. Sure. Okay, that's it from my side then.

Moderator: The next question comes from the line of Mayuresh Raut with Invest4Value. Please go ahead.

Mayuresh Raut: Thank you for the opportunity, sir. Sir, my first question is with the existing order book of INR 1,400 crores and this fresh order book that we secured in H1 of INR 400 crores, what percentage of this order book do we expect to convert into revenue in the upcoming couple of years?

Sumukh Narendra: The order book is primarily extendable between 18 months to 24 months. So, we expect to execute all the orders that we have in a time frame of 1.5 to 2 years.

Mayuresh Raut: Okay. Sir, one more question. So, has our customer concentration evolved along with the order book, or are we seeing a broadening of customer base particularly in the global OEMs and defense customers?

Sumukh Narendra: Yes, we've seen a broader base of customers, especially in our defense and aerospace segment. I think post our NADCAP certification, we have received a larger visibility among the defense and aerospace customer base as well as the OEM base. As you know, on the defense side. The

conversion from an initial discussion to a purchase order is a fairly long duration, and we have started to see the fruits of this process right now, and we expect in FY28 to have a larger benefit with a larger base of our customer base increasing with some of the initiatives we took last year.

Mayuresh Raut: Okay. Thank you, sir. And last question. Sir, so how much of this expected margin expansion can come from business mix improvement versus the operating leverage and scale benefits?

Sumukh Narendra: I think at this point of time, the business mix is what is driving primarily the operating margin improvements. And I think, right now, for the immediate one year, we expect the EBITDA margins to be in between 11% to 12%. The operating leverage, we did improve our margins last half year, and we expect it to be at the same range going forward as well.

Mayuresh Raut: Okay. Thank you so much, sir, for taking my question.

Moderator: The next question comes from the line of Karan with Niveshaay. Please go ahead.

Karan: Yes. Thank you for the opportunity and congratulations on good set of numbers. I have a couple of questions. Starting with you talked about the rising inventory due to -- complete the orders in the second half. Is this rise also due to the supply chain issues that you were highlighting in the last call, or is it just to complete the orders for the second half?

Sumukh Narendra: It's a mix. We see challenges on the semiconductor side, especially the memories. And to some extent, we have had a push in the lead times. What was generally 10 weeks to 12 weeks has now pushed to 18 weeks to 24 weeks. And in the cases of certain semiconductors which have come, gone into allocation, we have had to secure those components and hold them in inventory. Also, there has been a larger execution cycle every month, and to cater to that, we have also pulled in some inventory to ensure that the manufacturing line is running continuously to cater to the higher monthly revenues that we are achieving.

Karan: Understood. Sir, do we expect this supply chain challenges to ease out maybe next 6 months to 9 months?

Sumukh Narendra: I don't see the supply chain challenges easing out in the next 6 months to 9 months. We expect it to worsen sometime in 6 months to 9 months. But right now, the situation is more looking like the start of a tough period for a semiconductor's supplies. But Vinyas being in the high-mix, low-volume side of things, the availability of components for the volume of manufacturing that we do is better than what we would have seen if we were doing a volume manufacturing as such.

Karan: Understood. So, basically, what you are referring to is we would be able to maintain this 30%, 35% growth despite these challenges, right?

Sumukh Narendra: Yes.

Karan: Okay. So, okay. Understood. So, these other non-current assets also rose from INR 20 crores to INR 54 crores in the balance sheet. So, any specific line item which is contributing to that part?

Amitava Majumdar: Yes. This is primarily a large portion the differential major portion of the differential is due to advances paid to the suppliers to secure the supply, as Mr. Sumukh has already mentioned, that due to semiconductor and supply chain issues, this we need to secure the supply. Otherwise, the prices can go up and the uncertainty in terms of lead times can also increase. Therefore, we have paid the advances to supplier to secure and get replies all times.

Karan: Understood. And related to that question, there's also an increase in debt and subsequent increase in interest cost. So is it also due to this working capital constraint? And, do we expect it to come the debt to come down maybe by the end of this year?

Amitava Majumdar: Yes. The interest cost has gone up, primarily there is some increase in borrowing, as we can see from the balance sheet, as well as most of our working capital limits were renewed during the first half. So the related cost of stamp duty and processing fees have also got played a part into it. And we are expecting this to - reduce during by the year-end.

Karan: Okay. It's more of the processing cost that have contributed to the interest cost this quarter?

Amitava Majumdar: Yes, processing, stamp duty, and also the borrowing has gone up. Relevant interest cost has also contributed to the gain.

Karan: Okay. Sir. Do we expect the debt to come down, or do we expect the interest cost to come down at the end of this year?

Amitava Majumdar: Obviously, the interest cost will be coming down, because most of the processing fees, annual processing fees have already been paid. So, there is hardly anything left. So, that part would be -- there'll be no increase on that part. So, by the end of March '27 and therefore, we expect the overall interest cost compared to the H1, it will be decreased.

Karan: Understood. One last question from my side. Due to this supply chain challenges, the cost of the components would have also gone up. So we have already assured that in the previous call that these are passed on to the customers. So, is the situation similar like the rising cost are also passed on currently to the customers?

Sumukh Narendra: Yes. That's the way our contracts are. So, if there are any changes in the component prices that is a direct pass on to our customers.

Karan: Understood. Great. Thanks. All the very best.

Moderator: The next question comes from the line of Rahul Jain with Credence Wealth. Please go ahead.

Rahul Jain: Hello. Yes. Thanks for the opportunity. Sir, first question is with regards to the pipeline. So, we are currently sitting on about INR 1,430 crores of order book. And also that we are kind of a single source vendor on a lot of large defense programs.

So, any kind of large procurements tenders which are in the system and we expect to get those kind of orders or if you could just give us insights on what kind of pipeline and what kind of probability in terms of that pipeline, we winning those orders in next 6 months?

Sumukh Narendra: Currently, the existing programs that we are working on, we are expecting there has been a certain push out of the second round of renewal of these programs. So, we're looking at certain programs to be renewed by the government early 2027.

With Vinyas, getting the purchase orders mostly towards, Q1 FY28. The second half will primarily be repeat orders that we would be receiving from our customers to cater to the existing procurement that the Indian defense programs are in play.

We would see larger purchase orders primarily coming from our export side of the business and some of the new initiatives that we have taken. We would see the larger purchase orders flowing down into Vinyas from those initiatives during the second half, and not primarily from some of the new programs that would get signed for the next 6 months.

Rahul Jain: Any kind of range of likely order wins you could put into?

Sumukh Narendra: At this point of time, range would be somewhat similar to what we had last year. We are looking at order inflows between INR 500 crores to INR 550 crores for the second half of FY27. Some of it may be split into smaller purchase orders, so we may not see a large single purchase order during the second half of this year.

Rahul Jain: Sure. And sir, in your presentation and earlier discussions, you have been talking about moving up the value chain, from typically, and I'm not that well versed with the technicalities of it, but moving in from the PCBA to say, a system level manufacturing subsystem integration, and complete integration kind of system box build versus pure play PCBA.

So, where do we stand in that journey in terms of currently what proportion of order book, what proportion of sales in the first half is from the integrated system integration segment or system integration part? And what is the kind of difference in the realization as well as gross margins between the system integration box build versus the pure play PCBA?

Sumukh Narendra: Sure. So, I think we have made progress over the last 2 years. And with the purchase orders converting, we saw a healthy H2 last year. And during the H1 of this year, we're looking at between 35% to 40% of our business coming from system integration work. The system integration work is primarily us building either a subsystem, including PCBA, cable harness as well as the mechanical integration.

And with this, we also do the testing and supply to our customers. We see an improvement of gross margin almost 3 to 4 basis points taking it all the way between 24% to 26% gross margin on these programs. (Errata: Actual number to be read as 300 to 400 basis points) So, that is where we see. We see that improving over the next financial years to almost getting to 45% to 50% of our revenue coming from system integration.

Rahul Jain: So, you said, gross margin are roughly 3% to 4% higher compared company gross margin. Is that understanding right?

Sumukh Narendra: Yes, that's right.

Rahul Jain: Okay. So, on the margin side, sir, I think first half, we have already recorded 12% plus margin. In fact, on consolidated, it's 12.2%. And typically, your second half is generally about 60% of the revenues. So, first, on the revenue part, are we headed towards given that in the first half, we have done about INR 290 crores of revenue, can we expect the revenue somewhere around INR 700 crores for the full year given that 60% comes from the second half? And with higher revenues, can we expect the optic leverage to help us to move higher than that 12% margin for the second half?

Sumukh Narendra: The second half, as you said, is usually between close to 60% to 65% of our revenue. We are looking at year-on-year growth to be about 30% to 35%. So, we expect revenues in the same range as compared to last financial year. The margin profile would continue to remain closer to 12% because of the mix remaining somewhat similar. We would have a PCBA as well as a system integration mix. We foresee a certain larger PCBA mix for the second half, but we expect the EBITDA margins to be between 11.5% to 12% for the second half.

Rahul Jain: Okay. And as we move onto the next year, FY28.

Moderator: Sorry, to interrupt. Rahul, I would request you to rejoin the queue. The next question comes from the line of Gaurav Bhansali with Augmont Enterprises. Please go ahead.

Gaurav Bhansali: Sir, my question would be, going ahead, we would be an aerospace and defense focused organization, or we'll be expanding into newer verticals?

Sumukh Narendra: Our primary focus will continue to remain high mix, low volume and medium volume manufacturing. Aerospace and defense is a large portion of our business and will continue to be a large portion. We are working towards expansion into new segments, commercial aerospace, the transport segment, and we are looking at expansion into new verticals like the medical and industrial side of manufacturing as well. We the growth on the defense side will continue, but the expansion is being worked on internally to ensure that the defense and aerospace segment doesn't become a large, very large portion of the business.

Gaurav Bhansali: And then on the European expansion that one of our acquisition, so do we have any develop [inaudible 0:30:55].

Moderator: I'm sorry to interrupt, Gaurav, you are not audible. Please use your phone on the handset mode.

Gaurav Bhansali: Can you hear me now?

Sumukh Narendra: Yes.

Gaurav Bhansali: Yes. Thank you. My second question would be, sir, about our European ambition which we've outlined, are we in advanced stages of some acquisition or a particular setup or that's just in discussion stage?

Sumukh Narendra: Currently, we're trying to secure our foothold primarily on the North American market. The European market is something that we foresee in 12 months to 18 months becoming a market that we would be securing a foothold. Right now, it is primarily initial discussions that we are

having, both in terms of having discussions with customers as well as exploring opportunities in Europe. But the focus of the organization right now is to strengthen the North American expansion that we've done very recently.

Gaurav Bhansali: Okay, sir. That helps. Thank you very much.

Moderator: The next question comes from the line of Chintan Jain with Sagun Capital. Please go ahead.

Chintan Jain: Hi. Am I audible?

Sumukh Narendra: Yes.

Chintan Jain: Hi, sir. Good afternoon. Thank you for taking my questions. Sir, just a couple of questions. Sir, first, if you could be able to highlight the capex outlay for the for the expansion of 25,000 square feet of manufacturing capacity.

Sumukh Narendra: I think, to a large extent, the capex has been completed. This is a manufacturing facility that would do system integration. We look at the capex to be between INR 2 crores to INR 3 crores, primarily it is in expansion in the existing building and preparing that floor for mechanical assembly. There aren't any machinery that are being outlined for this manufacturing line and this is primarily going to be workstations and work tables to support this process.

Chintan Jain: Understood, sir. Sir, next question would be on the capital investment we are looking at, for the US -- for the newly launched US subsidiary.

Sumukh Narendra: So, we are in the process of investing about USD 1.5 million into the US facility, primarily for the infrastructure and upgrade of the facility. That is the stage one that we have we have planned and we have started the process and we hope that by the end of this calendar year we would have completed the complete upgrade of the facility there.

Chintan Jain: Understood, sir. So, just one last question on what is the additional capex you are looking at over the medium term, let's say, over the next 3 years to 5 years, to sustain a 35% growth guidance?

Sumukh Narendra: On the medium term, I think we did a large portion of our capex last financial year and some to most of it has been capitalized this financial year. In the medium term, we look at around INR 5 crores to INR 6 crores of capex that we will be doing every year. Primarily, this is coming towards upgrade of our quality systems as well as some upgrades that are required on the manufacturing line.

Chintan Jain: Got it, sir. Thank you from my side, and all the best to you.

Moderator: The next question comes from the line of Siddharth Singh with Maitri Investments. Please go ahead.

Siddharth Singh: Hello. Hope I am audible.

Sumukh Narendra: Yes, sir.

Siddharth Singh: Hello, sir. Congratulations on the great set of numbers. So, my question is on the long term view of the management. So, where do we see ourselves in the next 3 years to 5 years?

Sumukh Narendra: See, in the next 3 years to 5 years as we have outlined in our presentation as well, we are looking to move up the value chain. Some of the strategic investments that we have done is primarily to support us to move from a pure PCBA assembly house to a sub-system and a system-level manufacturing organization.

Move up the value chain with our customers and expand our geographical presence to, not just catering the Indian defense programs, also to look at catering to the global defense programs that are coming. The confidence in the Indian supply chain has been very strong and some of the investments and the quality initiatives taken at Vinyas, we are very confident that we will be able to achieve these objectives laid down by us.

Siddharth Singh: Okay. Great, sir. So as you mentioned that the Indian defense export become an increasing opportunity for Indian manufacturers, so what role do you see Vinyas playing primarily as a contract manufacturer, subsystem supplier, potentially as a system level partner?

Sumukh Narendra: So, it will be a mix. So, every relationship starts with a customer at different levels. So, we are now trying to push with our new customers to start as subsystem manufacturers where we manufacture subsystems and supply to us and wherever there is a strategic interest from the customers, we're also looking at system level manufacturing for them. It will be a mix, but a larger portion will be subsystem manufacturing for our customers.

Siddharth Singh: Okay. Great, sir. And sir on the Nexus front, so will Nexus currently create an incremental business for Vinyas to subsystem supply or could it eventually result in Vinyas participating in higher value system integration and life support contracts?

Sumukh Narendra: It will primarily generate opportunities for Vinyas to supply subsystems for different programs. we will be moving up the value chain there, but primarily Vinyas would be continuing to supply some of the electronics subsystems that we are already manufacturing, but this manufacture will be across a larger scope of programs that we will be doing as compared to what we have right now.

Siddharth Singh: Okay. Sir, last question, so as we scale from the PCBA towards system integration, so how do we plan working capital intensity? It will be increased or it will be stretched further, or it will be remained on the same level?

Sumukh Narendra: We expect it to remain the same levels primarily coming from we continue to be a manufacturing house. There is a larger value add that we are adding with some of the small with the improvement in gross margins, we expect that we will be able to fund certain portion of this working capital requirements through internal accruals but the working capital cycles we are working towards improving it, but I don't see any negative effect of us moving into the system integration side of the business.

Siddharth Singh: Okay. Great, sir. Sir, one last question if may I squeeze in, so how do you see the artificial intelligence play a role in the -- as we are saying that the larger player are integrating artificial

intelligence in their system, so how do Vinyas will integrate artificial intelligence in their service?

Sumukh Narendra: See, AI has changed the way the world has looked at things. It has also changed to a large extent how we are able to define processes and also define quality aspects of our manufacturing process. We have taken some initiatives internally for process improvements as well as reducing some of the mundane aspects that are there of the manufacturing process as well as the complete business process that is there. So, there are certain initiatives that we have taken, but primarily we are looking at AI being a decision support system to our manufacturing line and that has made a significant difference over the almost the last 6 months for Vinyas.

Siddharth Singh: Okay. Great sir, and all the best. Thank you.

Moderator: The next question comes the line of Jenil Patel with Aavya Advisors. Please go ahead.

Jenil Patel: Yes. Hi sir. Am I audible to you?

Management: Yes.

Sumukh Narendra: Yes.

Jenil Patel: Thank you for the opportunity, sir. So my question is, like the 25,000 additional square feet expansion that you are doing, so what is the timeline for this? And this is for this one specific business and this is for all of our business like PCBA, cable assembling, mechanical assembling, and all?

Sumukh Narendra: We expect the 25,000 square feet to be ready by the end of this financial year. This is primarily being set up to cater to our mechanical and system integration requirements that we will have. Currently they are being executed within the same manufacturing floor, but since the volume of the business has been increasing, and some of the vertical expansion that we have been doing over the last year.

We see that a dedicated system integration floor, with large levels of digitization, will benefit and give a confidence to our customers. Since it's within the same manufacturing setup in Mysore, it also gives us the flexibility of being able to manufacture electronics on a certain floor and then transfer it for system integration to a different floor within the same building.

Jenil Patel: Okay. And after the expansion, what will be our targeted revenue, like we are targeting at 35% pace, right? But after the expansion, what we are targeting for the revenue?

Sumukh Narendra: So the growth will remain the same…

Jenil Patel: Whenever it will be grow at our full utilization, so after that, any guidance?

Sumukh Narendra: No. The growth -- no, what we're trying to do here primarily is to cater to a change in the mix of our business that is coming. So the growth in the business, we expect it to be between 30% to 35%. But the mix in our business is what we are trying to address through this expansion in the manufacturing shop floor.

Jenil Patel: Okay. And this change in mix will improve our margin. Is that right?

Sumukh Narendra: Yes. We should see an improvement in our margins. I think to some extent, we have already seen it. But the PCBA side of the business is a significant portion and we're working towards improving the mix.

Jenil Patel: Okay. And sir, one question on our industry side, the current whatever the geopolitical situation is going on. So how it is affecting our raw material prices, sir? And how we are hedged with the increase in raw material prices, sir? Are we able to pass on the prices, and what is the situation in this side, sir?

Sumukh Narendra: So, the geopolitical situation, I think a large portion of it has eased out. But primarily the semiconductor shortage and the allocation that we are seeing on the memory side, I wouldn't say semiconductor shortage, but semiconductor increase in the lead times that we are seeing has resulted in price increases.

With our customers, we have a direct pass-through of the price increase that would come through. So we are protected on that aspect, and we see that the semiconductor pricing will continue to increase in the short term. So, wherever we see any such price increase, we usually pass that price increase along to our customer.

Jenil Patel: Is there any time lag between the price increase and the pass-through method?

Sumukh Narendra: Yes, there will -- it's a reconciliation process that happens usually every quarter or every half year.

Jenil Patel: Every quarter? Okay.

Sumukh Narendra: And there will be a time lag, but it is reconciled and completed immediately.

Jenil Patel: Okay. And one question on our global business, in our H1 revenue, how much revenue came from the US business, sir?

Sumukh Narendra: The US business is very small right now, because…

Jenil Patel: Okay.

Sumukh Narendra: It has been 3 or 4 months since we've started, we've incorporated the organization. Out of our total revenues, US exposure right now is, I think, close to 20% of our revenue.

Jenil Patel: H1 revenue?

Sumukh Narendra: We would see a larger portion -- yep. We see a larger -- it's not coming out of the US facility, it's our exposure to the US market.

Jenil Patel: Correct, sir.

Sumukh Narendra: We expect that to improve FY28 with a larger exposure coming through our US facility.

Jenil Patel: Okay. But the margins are same in US and India, both, right?

Sumukh Narendra: No. The export margins are slightly better.

Jenil Patel: Better?

Sumukh Narendra: Or usually better. And with increase in business coming in, we would see, maybe towards the last part of FY28 and into FY29, an improvement in the margins also, as well.

Jenil Patel: Okay. So, we can say that FY28-'29 numbers will be with the greater margins, right, as compared to this 12%?

Sumukh Narendra: It will slowly transition. I would say it would be primarily in FY29.

Jenil Patel: Okay. Thank you for the detailed answer, sir. And best of luck for the future, sir.

Moderator: The next question comes from the line of Rishabh Aggarwal with Suraag Capital. Please go ahead.

Rishabh Aggarwal: Hello. Hi. Am I audible, sir?

Moderator: Yes, Rishabh.

Sumukh Narendra: Yes.

Rishabh Aggarwal: Awesome. Yes. I just wanted to understand on the intersection or the delineation of the work we have between the standalone entity and the JVs which we have now. One is with the US entity, the other with the Israeli entity.

Sumukh Narendra: So, the US entity is a JV where we would be doing programs which are primarily local programs in the US and export restricted programs that are needed in the US. The capabilities and the manufacturing process would be a subset of what we do at Vinyas. As with regard to the other JV that is primarily a Tier 1 supplier into the Indian Defense. We would be supplier into that JV, but we will continue to keep our scope limited to electronics systems and subsystem manufacturing there.

Rishabh Aggarwal: Got it.

Sumukh Narendra: Vinyas as such will continue to hold onto it.

Rishabh Aggarwal: Understood. Related to this only, sir, is it possible that some of the movement of -- is it possible that any program or revenue from standalone entity moves to any of these JVs?

Sumukh Narendra: No, not really, because the electronics manufacturing will continue to happen. The US JV has been primarily set up for an exposure to the US market. So, the non-restricted parts of those programs we intend to push it back into Mysore and manufacture it out of the India facility.

Rishabh Aggarwal: Understood. So, rather these both JVs will lead to a new order book funnel for the…

Sumukh Narendra: Yes.

Rishabh Aggarwal: Standalone entities, would that be a right way to look at it ?

Sumukh Narendra: That is a right way to look at it.

Rishabh Aggarwal: Got it. All the very best. Thank you for the clarification.

Moderator: The next question comes from the line of Rahul Jain with Credence Wealth. Please go ahead.

Rahul Jain: Yes. Thanks for the opportunity again. Sir, just to get a clarification in terms of that capex, so typically in your first half results, we have this capital program of about INR 4.5 crores that has moved into the fixed assets part. So, in the first half, what capex has been completed?

And you mentioned just to one of the previous questions that we will complete this Mysore 25,000 dedicated facility by this year-end. So, what additional capex -- or what is this total capex program? And it is getting completed in March '27, so with that completion and the infrastructure built in and the employees in, what kind of peak sales is possible?

Sumukh Narendra: So, if you look at it, the primary capex is being done in the commissioning of SMT lines. Some of the other capex that we are doing, especially the 25,000 square feet of space is primarily capex being done to augment the back-end operations that are being done and also support some of the system-level manufacturing requirements that the organization requires. So that is the thought process behind it.

And if you look at it for every aerospace and defence line, currently we are in the process of going from 2 to 4 lines. We look at between INR 500 crores to INR 600 crores in revenue coming from each line. And, we expect it to be the capacity that we will have to cater to revenues between INR 2000 crores to INR 2400 crores of revenue by the end of this year.

Rahul Jain: Okay. That's it. And kind of employees currently which is required to deliver say INR 2,000 crores to INR 2,400 crores of revenue, what kind of employee additions further will be required?

Sumukh Narendra: Sorry, what addition?

Rahul Jain: The employee additions would be required further for this INR2,000 crores to INR2,400 crores

Sumukh Narendra: Yes, that will be a portion of the manufacturing floor. On the back end we will need support of employees, we would need the engineering staff to be enhanced as well. We will see an increase in the workforce. But in general we look at every line being backed up by about 60 to 70 employees for the aerospace and defence manufacturing.

Rahul Jain: Sure. And one more clarification with regards to the JVs, both, one the US and the Israel. So, the US JV where we have a local manufacturing facility of roughly 18,000 square feet. So, and you mention that the revenues from that entity, the local manufacturing US, will be seen in FY28 and FY29. So, what kind of revenue outlook can the JV we can look for the US JV?

And if you can share some more insights with regards to the Israel JV, what are we doing over there? Who's our partner? And what kind of segment product which we are trying to do in that JV? And what business potential that JV would have?

Sumukh Narendra: Sure. So starting with the US JV. This is primarily, again, another contract manufacturing house. Currently we are looking at in the PCB assemblies and subsystem manufacturing for some of the US customers. And we expect we are looking at a business outlook of between $4 million to $5 million for FY28 to start that financial year off. And with the two lines and the capacity that we have put in, we expect it to grow and increase to maybe in three to four years to about $40 million to $45 million of revenue out of that facility.

Again Vinyas holds 49% holding in it and we are bringing in the know-how and the manufacturing process into that JV. With respect to the JV in India I would not like to comment on the outlook as well as what we see there because it is a confidential facility that we are still setting up and I think at a later part of this year, we would be in a better position to comment on that.

Rahul Jain: Sure sir. All the best. Thank you.

Moderator: Ladies and gentlemen, we will take the last question from Gaurav Bhansali with Augmont Enterprises. Please go ahead.

Gaurav Bhansali: Yes, thank you so much, sir, for giving me the chance again. So, I just wanted to ask as you said earlier to a participant that in the next 3 to 5 years we will be moving up the value chain. So are you targeting any kind of margins particular number within your team like primarily about the margins? Will we see improvement over there?

Sumukh Narendra: We are working towards the target is to go into the mid-teens in our EBITDA margins. That is our internal target in 3 to 4 years primarily coming from the system integration mix as well as the value mix that we are working on. And some of it coming from our exposure into our US market, as well as some of the new geographies that we are working on.

Gaurav Bhansali: Thank you, sir. And last question will be like you said in the next 3 to 5 years, we will be moving up the value chain. Will we still see 30% to 35% growth? For all this time?

Sumukh Narendra: In the medium term, yes, we do. We see 30% to 35% growth in the medium term going up to FY30 with a better mix and a lot more exposure and the maturity of the Indian supply chain, a better exposure to the Indian supply chain. I see that we will be in a better position in a couple of years to give guidance post FY30.

Moderator: Thank you. Ladies and gentlemen, I would now like to hand the conference over to Mr. Sumukh for the closing remarks.

Sumukh Narendra: Thank you everyone for joining us today and for your continued interest in Vinyas. We are we remain confident and we continue to be confident on our growth journey, supported by our healthy order book and a strong pipeline and some of the ongoing capacity expansion we are doing right now. We hope, that we have addressed your queries and look forward to your

continued participation in our future earnings calls. For any further queries, please feel free to reach out to Adfactors, our investor relationship advisors. Thank you. Have a good evening everyone.

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