November 05, 2026

To
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

Scrip Code: INNOMET
Dear Sir/Madam,

Sub.: Submission of Transcript of Earnings Call

Ref.: Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In continuation of our letter dated October 29, 2026, intimating the Earnings Call scheduled to be held on Tuesday, November 03, 2026, to discuss the financial performance and unaudited financial results (both standalone and consolidated) of the Company for the half year ended September 30, 2026, we hereby submit the transcript of the aforesaid Earnings Call.

Further, we wish to inform you that the video recording of the said Earnings Call was already submitted to the Stock Exchange vide our letter dated November 03, 2026, and has been made available on the Company's website.

The transcript of the Earnings Call is also being made available on the Company's website and can be accessed at the following link:

https://www.innomet.net/wp-content/uploads/2026/11/Innomet_H1_FY27_Concall_Transcript_Nov3_VF.pdf

This is for your information and records.
Thanking you,

Yours faithfully,
For Innomet Advanced Materials Limited

SARITHA DEVI CHILAKAPATI
Digitally signed by SARITHA DEVI CHILAKAPATI
Date: 2026.11.05 17:55:44 +05'30'

Mrs. Saritha Devi Chilakapati
Whole-Time Director & CFO
DIN: 08432017

Innomet Advanced Materials Limited

H1 FY27 Earnings Conference Call – Transcript

3 November 2026 (Hosted by Wisdom IR)

Participants

Management – Innomet Advanced Materials

- Mr. Vinay Chowdary Chilakapati – Chairman & Managing Director
- Mrs. Sarita Devi Chilakapati – Whole-time Director & CFO

Moderator

- Mr. Muthukumar K – Wisdom IR

Questions received via chat by Analysts / Investors (audio)

- Bhavya Sonawala – Samaasa Capital
- Hardik Agrawal – Param Capital
- Darshil Jhaveri – Crown Capital
- Ankur Gulati – Genuity Capital
- Aryan Raj – Individual Investor
- Soumil Jain - Lucky Securities
- Ayush Agarwal –Mittal Analytics Private Limited
- Nupur Karnani – Aarth Growth Fund
- Navendu Mondal – Undisclosed
- Lakshya Bhanot – Undisclosed
- Shubham Gupta – Undisclosed
- Vileh Rai – Undisclosed
- Jagdeesh M – Undisclosed

OPENING REMARKS

Moderator (Wisdom IR) [0:56]

I hope I'm audible. Good afternoon everyone and welcome to the H1 FY27 earnings call of Innomet Advanced Materials. I'm Muthukumar from Wisdom IR. We are joined today by Mr. Vinay Chowdary Chilakapati, Chairman and Managing Director, and Mrs. Sarita Devi Chilakapati, Whole-time Director and CFO.

Before we begin, a reminder that today's discussion may include forward-looking statements. These involve risks and uncertainties, and actual results may differ. The full safe-harbour statement is on the last slide of the presentation.

All participants will be in listen-only mode during the opening remarks. The question-and-answer session will follow, and I will explain how to ask a question at that point. If you would like to type a question in the meantime, you may post it in the chat box. We have a very large number of participants today, so management will keep the opening remarks brief and leave ample time for your questions. I now hand over to Mr. Vinay. Over to you, Sir.

MANAGEMENT COMMENTARY – BUSINESS OVERVIEW

Vinay Chilakapati (Chairman & Managing Director) [2:02]

Thank you, Muthu, and good afternoon, everyone. Thank you for joining in such good numbers.

Let me begin with a short story. In 1976, Innomet was a small engineering workshop in Hyderabad, making parts for BHEL. Every generation since has taken one deliberate step up the technology ladder: diamond tools in the 90s, specialty metal powders in 2004, and in 2010 a step no private company in India had taken before – tungsten heavy alloys. That is why our cover reads “Building the next frontier in advanced materials.” For us, it is not a slogan; it is our history, and it is our plan.

Today I will tell you how that climb has accelerated. Sarita will show you the numbers behind it, and then we will open the floor to you.

And it has accelerated sharply. In six months, we did more business than in the whole of last year. Revenue more than doubled to ₹55.7 crores. Profit after tax of ₹4.7 crores is three times what we earned in all of FY26. And after a difficult second half last year, when tungsten prices squeezed our margin to just 4%, EBITDA margin is back at 14.8%.

What changed? Almost half of what we sold this half went abroad, up from under a fifth last year. The world is looking for reliable, certified suppliers of critical materials outside China, and Innomet is one of the very few that fit that description.

Four shifts sit behind this. Both our businesses grew together: powders more than doubled and tungsten heavy alloys grew six times. We secured our most critical raw material by bringing Swastik Tungsten into the group, and it is already producing. We have begun moving into new materials that India does not make today. And with ₹55.7 crores already delivered and ₹36.7 crores of orders waiting to be shipped, ₹100 crores this year is within reach. That is why I call this half a step change for Innomet.

Sarita will now show you what it looks like in the numbers. Sarita, can you go ahead please?

MANAGEMENT COMMENTARY – FINANCIAL PERFORMANCE

Sarita Devi Chilakapati (Whole-time Director & CFO) [4:36]

Thank you, Vinay, and good afternoon to each and every one. The story Vinay described shows up clearly in our P&L. These are consolidated, limited-review numbers, with Swastik Tungsten included only from late September – in fact, Swastik Tungsten added only three days to our consolidated results.

Revenue grew from ₹23.5 crores to ₹55.7 crores. But for me, the more important story is in the margins. Last year, tungsten prices rose so fast that by the second half our EBITDA margin had fallen to 4.4%. We responded firmly: we now buy raw material only against confirmed orders, we cut quote validity from a month to a few days, and we brought tungsten powder in-house.

This half, gross margin recovered to 30.1% and EBITDA margin to 14.8%, on EBITDA of ₹8.24 crores. That is still below the 18% of a year ago, but we are comfortable with it for two reasons: the higher tungsten cost, and a deliberate investment in marketing and exhibitions abroad. That investment is exactly what built the export book Vinay just spoke about. Profit after tax came in at ₹4.75 crores, and EPS more than doubled to ₹3.64.

Now, where did the growth come from? Obviously from both our divisions. If you look at the slides, you can see that both have increased in parallel, in volume as well as in value. In metal powders, we sold 39% more by tonnage and earned 55% more per kilo. Revenue more than doubled to ₹38 crores, and we won 18 new customers, including Oerlikon and Medicoat from Switzerland and here in India.

Tungsten heavy alloys grew sixfold to ₹17.6 crores and now make up a third of revenue, up from 14%. That really matters, because tungsten heavy alloy is a higher-margin business. As its share grows and the order book is executed, it lifts the quality of our earnings. Now I request Vinay to take the presentation forward.

MANAGEMENT COMMENTARY – GROWTH ENGINES, CAPACITY & OUTLOOK

Vinay Chilakapati (Chairman & Managing Director) [6:58]

Yeah, thank you. Let me explain why we believe this growth is durable. I see four engines.

The first is exports. A year ago, exports were 15% of our revenue. This half they were 46%, and export revenue rose sevenfold to almost ₹26 crores. Three forces are behind it: countries are rebuilding their defence stockpiles; China's export controls are sending buyers in search of dependable alternatives; and our AS9100D aerospace certification has opened doors to aerospace companies like Airbus, Thales and Safran. Today, 87% of our tungsten heavy alloys go overseas, and our powder exports in six months are already above last year's total.

The second engine is defence, here at home. India is spending more on defence than ever – ₹7.85 lakh crores this year – with a strong push to manufacture in India, and our defence exports grew 63% last year. Our tungsten heavy alloy fragments already fly in the Pinaka rocket system and in Astra, and we are now developing penetrators and targets. Defence has been 30–40% of our tungsten heavy alloy business, and we expect it to nearly double this year.

All of this depends on one material: tungsten. China mines nearly four-fifths of the world's supply. It restricted exports in 2025, and prices have risen almost fivefold. So our third engine is control of our own tungsten supply. When Swastik Tungsten, our vendor for over a decade, went into insolvency, we acquired 57.5% of it. Today it is producing again. It will reach 10 tons a month by the end of this year, and our sourcing base has grown from two or three vendors to more than 60. It also opens the door to carbide products – a market many times the size of tungsten heavy alloys.

The fourth engine takes us to the next rung of the ladder. We are acquiring a production-scale spark plasma sintering furnace from Germany, among the first of its kind in the country. We are piloting tungsten hexafluoride, a gas essential to semiconductor manufacturing, and developing 99.999% – five-nines – pure tungsten. These will take time to mature, but they mark Innomet's move from making metals to making advanced materials.

To capture all of this we need capacity and we need capital. Sarita, can you take over please?

Sarita Devi Chilakapati (Whole-time Director & CFO) [9:38]

Yeah, thank you, Vinay. We are building capacity ahead of demand. Powder capacity rises from 620 tons a year to 800 tons this year, as a 50-ton gas atomisation line comes on stream alongside 750 tons of water atomisation. It then rises to 1,350 tons by FY28, and to about 1,600 tons once the DRDO-backed gas atomiser (IIT Hyderabad) comes in. Tungsten capacity rises tenfold this year alone, from 18 to 180 tons, with the first tungsten powder feeding our THA lines.

We are funding this prudently. H1 CapEx of ₹7 crores came from internal accruals, bank lines and customer advances of about 30% on export orders. Investors have committed ₹37.5 crores through preferential issues, of which about ₹14 crores has already arrived and the rest is due. Apart from this, DRDO is separately funding our gas atomisation project.

The balance sheet still remains strong. Debt-to-equity is 0.36 times and net worth has grown 28% to ₹55 crores. You will notice inventory has risen by almost ₹20 crores – that is raw material and work-in-progress bought against orders we already have on hand, and it turns into sales as those orders are shipped over the coming months. Meanwhile, receivables actually fell even as revenue more than doubled. Thank you.

Vinay Chilakapati (Chairman & Managing Director) [11:18]

A company growing this fast needs people who have done it before, so this year we have strengthened our bench. Mr. P. Radhakrishna, who ran production at Bharat Dynamics and served as its CMD, has joined us as Strategic Advisor. Dr. Tapas Kumar Nandy, who has worked on tungsten heavy alloys at DRDO since 1985, now leads our R&D, and Dr. B.R.V. Narasimhan brings four decades of tungsten chemistry to Swastik. Each of them is tied to one of our four engines.

We are not blind to risks. Metal prices can swing, working capital can stretch, defence orders can be lumpy and qualifications take years. We have built the answers into how we run the business – from order-backed buying and customer advances to a spread of products and markets. What protects us is what took us decades to build: furnaces running at up to 1,800°C, aerospace certification, defence qualifications that take years to earn, and equipment we design ourselves. No other private company in India has this combination.

So where does the story go from here? Our first-half revenue and pending orders already cover more than 90% of ₹100 crores for this year, before we count a single new order. As tungsten heavy alloys, exports and scale grow, we see EBITDA margins of 16–20% over the long term, and beyond that we hold ourselves to a long-term vision of ₹1,000 crores.

Fifty years ago, we were a workshop making parts for someone else's machines. Today, our materials go into India's rockets and missiles, into aircraft, and into supply chains on four continents. This half showed what happens when demand, capability and capacity come together. The demand is there, the capability is proven and the capacity is being built. We have climbed many rungs to get here, and we are confident that the most rewarding part of the climb lies ahead of us. The best of Innomet is still to come. Thank you, Muthu – let us open the floor to questions.

QUESTION & ANSWER SESSION

Moderator (Wisdom IR) [13:29]

Thank you, Sir. We will now begin the question-and-answer session. If you would like to ask a question, please use the raise-hand option and we will unmute you in turn. When you are unmuted, please introduce yourself and the organisation you represent, and then go ahead with your question. So that as many participants as possible get a chance, we request you to keep to two questions at a time. You are welcome to rejoin the queue for follow-ups. You may also type your questions in the chat box and we will take them up during the session. The floor is now open for questions.

I can see there is a question. Bhavya Sonawala, I have just unmuted you. Bhavya, you can ask the question and introduce yourself.

Bhavya Sonawala (Participant) [14:29]

Am I audible?

Moderator (Wisdom IR) [14:31]

Yes, yes, please go ahead.

Bhavya Sonawala (Participant) [14:34]

Hi, I'm Bhavya Sonawala from Samaasa Capital. Just a couple of questions. … [brief audio/video interruption]

Moderator (Wisdom IR) [14:54]

Yeah, thank you. I can see you.

Bhavya Sonawala (Participant) [14:58]

On the long term, I think you have spoken about 16–20% EBITDA margins. As we scale up, where do you see the margins coming from? Is it just the backward integration, or also product development?

Vinay Chilakapati (Chairman & Managing Director) [15:20]

Margins are actually coming from producing new products and going to new geographies. As we continue to develop new products, we look at what is being imported into the country – that naturally carries a good margin if it is coming from the West. That's the primary thing. Apart from that, as our turnover goes up, we naturally go beyond the break-even point. So that's the way forward. Of course there are many more things, but these are the main ones.

Bhavya Sonawala (Participant) [15:47]

Understood. Now that our pace has been quite stable and we also have a decent order book – I know it's very difficult to spell out, but what can we take as a long-term or medium-term growth rate going ahead?

Vinay Chilakapati (Chairman & Managing Director) [16:13]

I know it is very challenging to keep this kind of growth momentum going. But as I told you, we have been working on many new things that our country needs and which have natural export potential – for example, tungsten hexafluoride for the semiconductor industry, high-temperature spark plasma sintering for refractory materials, and tungsten carbide at our Swastik unit. All of these will add to our top line and bottom line. So it is more about new products and new geographies – the same answer, I think.

Bhavya Sonawala (Participant) [16:59]

OK, I will join back in the queue. Thank you.

Vinay Chilakapati (Chairman & Managing Director) [17:01]

Yeah, thank you.

Moderator (Wisdom IR) [17:02]

The next question is from Hardik Agrawal. Hardik, you can ask the question and switch on your audio and video. … If not, Vileh Rai has also asked a question – either Hardik or Vileh can go ahead. … You're not audible.

In the meantime, while the audio comes in, I'll read some questions from the chat box. There's a question from Navendu Mondal: "What kind of revenues do you expect from Swastik Tungsten? Will it be used for internal consumption, or also sold outside?" The follow-up: "Will Swastik Tungsten be manufacturing tungsten carbide powder?"

Vinay Chilakapati (Chairman & Managing Director) [18:21]

Yes. Swastik was acquired primarily to feed our tungsten heavy alloy division. But we are looking at growing Swastik significantly – not only starting with tungsten carbide scrap as raw material; we are also trying to engage with Australian and African mines to start from ore concentrate. So the canvas for Swastik is much, much larger than what we have for tungsten heavy alloys at Innomet. We are firing on all cylinders, and we have a great team to take care of all that.

Moderator (Wisdom IR) [19:02]

Darshil Javeri, please ask the next question. … Yes, Darshil, you can ask the question.

Darshil Javeri (Participant) [19:17]

Hi – am I audible? … Hello? Thank you so much. Firstly, congratulations on a great set of results, Sir. I think our FY27 target was around ₹100 crores revenue, and with the H1 performance we are fairly likely to beat it. Is there any revision to the guidance?

Vinay Chilakapati (Chairman & Managing Director) [19:43]

Naturally, at the current run rate we should be going past ₹100 crores. Not an issue at all.

Darshil Javeri (Participant) [19:54]

And Swastik was not fully accounted for in H1, right? So what contribution can we expect from Swastik going forward?

Vinay Chilakapati (Chairman & Managing Director) [20:06]

Sarita, do you want to answer the question from a revenue point of view?

Sarita Devi Chilakapati (Whole-time Director & CFO) [20:13]

All the Swastik shares were legally transferred only by the end of September, so we hardly had a week or ten days of revenue from Swastik. But Swastik has a bigger potential. It can go up to 25 tons of tungsten metal powder and allied products. So it has a much bigger canvas, is what I will say at this point.

Darshil Javeri (Participant) [20:47]

Specifically for Swastik – it is currently a feeder factory, and I assume you are in conversations with others for its own revenue. That should also help boost the margins we achieved in H1, right? If you could give a range or quantification of the margin improvement from that, it would help.

Vinay Chilakapati (Chairman & Managing Director) [21:17]

If we are only looking at Swastik selling tungsten metal powder, it will not be a great bottom line. The top line will be high because of the cost of raw materials. But when we come up with products like tungsten carbide, pure tungsten or tungsten carbide inserts, that's when we will see a significant improvement in Swastik's bottom line. That will take some time – a few months, at least let's say six months – because we are investing in getting into those technologies and products.

Darshil Javeri (Participant) [22:02]

And in H2 we will be doing the groundwork at Swastik, so most of the operational revenue will come from the standalone entity, right? So for FY28, what growth range are we targeting, if you could help us with that?

Vinay Chilakapati (Chairman & Managing Director) [22:23]

A comfortable growth of about 30–50% is quite reasonable, is what I will say at this point.

Darshil Javeri (Participant) [22:30]

30 to 50%, right?

Vinay Chilakapati (Chairman & Managing Director) [22:33]

Yeah, yeah.

Darshil Javeri (Participant) [22:34]

And margins also improving, right?

Vinay Chilakapati (Chairman & Managing Director) [22:37]

Margins will definitely improve, since we have crossed the break-even point and we are looking at new geographies and more advanced materials. So definitely we will have better margins.

Darshil Javeri (Participant) [22:51]

That's good to know. I will join back for some more questions.

Vinay Chilakapati (Chairman & Managing Director) [22:54]

Yeah, thank you.

Moderator (Wisdom IR) [22:58]

Thank you. Ankur Gulati, can you ask the next question please?

Ankur Gulati (Participant) [23:05]

Am I audible?

Moderator (Wisdom IR) [23:07]

Yes, please.

Ankur Gulati (Participant) [23:10]

Thanks a lot. There is a reference to ₹1,000 crores of revenue. Strategically, is that a five-year view or a ten-year view?

Vinay Chilakapati (Chairman & Managing Director) [23:19]

We are looking at around two to three years, because we are actively talking to international parties about many, many things. Even if one of them goes live, we are looking at those kinds of numbers. It doesn't come from what we currently have; we are actively talking to many international players on many advanced materials, which will take us to that spot.

Ankur Gulati (Participant) [23:47]

And there is a capacity roadmap given up to FY31. As and when this capacity comes on stream, should we believe the ₹1,000 crores will come somewhere around FY29? Is that the right way to look at it?

Vinay Chilakapati (Chairman & Managing Director) [24:06]

No. With the current set-up, we can look at around ₹400–500 crores. The ₹1,000 crores is essentially going to come from something significant that we are actively talking about setting up. It is not even on the drawing board yet.

Ankur Gulati (Participant) [24:28]

Sir, for that will you have to do more fundraising, or will the current capital raise suffice?

Vinay Chilakapati (Chairman & Managing Director) [24:33]

No, no – for ₹1,000 crores, definitely we will go for a fundraise. We are talking of a greenfield project to get to ₹1,000 crores.

Ankur Gulati (Participant) [24:45]

And especially on tungsten, any visibility on when we can start getting production schedules from some of these clients? Today we are doing it more order by order – purchase order by purchase order. In the next 12 months, can we get into a phase where we have production schedules from some of the bigger clients that give us monthly or quarterly visibility?

Vinay Chilakapati (Chairman & Managing Director) [25:14]

Bigger plants? What exactly do you mean – bigger clients?

Ankur Gulati (Participant) [25:19]

Clients, yes.

Vinay Chilakapati (Chairman & Managing Director) [25:19]

Yes. We are talking to many as of now, but these are all aerospace and defence customers, so there will be a lot of testing and trials. But yes, given the China-plus-one situation, we are better poised to reach out to big players around the world, and slowly it will get traction.

Moderator (Wisdom IR) [25:53]

Ankur, can you ask one last question before you rejoin the queue? There are lots of participants asking questions.

Ankur Gulati (Participant) [25:59]

Yeah, that's it. Thank you.

Moderator (Wisdom IR) [26:02]

Thank you so much. Aryan Raj, can you ask the question?

Aryan Raj (Participant) [26:05]

Hi, good afternoon. Am I audible?

Moderator (Wisdom IR) [26:09]

Yes, you are audible.

Aryan Raj (Participant) [26:10]

First of all, congratulations on a great set of numbers. There is one disconnect I see in the margins. You guided on the June call that THA margins would be beyond 20%, and THA is now 32% of revenue with exports at over 40%. Yet the blended margin is just 14.8%, below H1 FY26's 18%. So what is the segment split between THA and powders, and why isn't a richer mix showing up in the blended numbers?

Vinay Chilakapati (Chairman & Managing Director) [26:48]

It will come, it will come. We are in the process of getting there. Definitely it will come. 20% is not very far off from 14%, is what I believe.

Sarita Devi Chilakapati (Whole-time Director & CFO) [26:59]

I would like to answer this question as well, if you allow me. Even though you mention the margins are low, if we do the math, metal powders come to around 12% and tungsten heavy alloys about 22%. So the EBITDA margin of almost 15% falls in that bracket.

Aryan Raj (Participant) [27:23]

So that's the blend – that's what I wanted to know, basically the split of the margin.

Sarita Devi Chilakapati (Whole-time Director & CFO) [27:28]

Yeah, it is well within the range, Sir. A little bit on the lower side, definitely, but it will be covered when we complete executing all the orders.

Aryan Raj (Participant) [27:36]

Is any part of the 30% gross margin an inventory gain from tungsten prices, or is it a clean operating margin? What is the gross margin excluding inventory gains?

Sarita Devi Chilakapati (Whole-time Director & CFO) [27:48]

Not significant, we would say, because we procure material only against confirmed orders. So we don't hold much inventory.

Aryan Raj (Participant) [27:58]

But we do see an inventory build-up of ₹30-odd crores in this quarter.

Sarita Devi Chilakapati (Whole-time Director & CFO) [28:05]

Yes, that is true – that is what we have to execute now, in H2. That's the reason for the inventory.

Aryan Raj (Participant) [28:14]

OK, OK, thank you. That's it.

Moderator (Wisdom IR) [28:17]

Thank you. Can Soumil Jain ask the question to the management?

Soumil Jain (Participant) [28:22]

Hi, thank you for the opportunity and congratulations on a great set of numbers. My first question is on the availability of tungsten and price volatility. Could you throw some light on how the current environment is shaping the business trajectory for you?

Vinay Chilakapati (Chairman & Managing Director) [28:46]

That has been answered by acquiring Swastik Tungsten. That problem is solved; I do not see much of an issue. In fact, we are going ahead with bigger plans to manufacture tungsten metal powders from ore concentrates in a big way. So I do not see that as an issue at all right now.

Soumil Jain (Participant) [29:13]

And the availability of ore concentrate, Sir – is that a challenge?

Vinay Chilakapati (Chairman & Managing Director) [29:17]

No, it is not a challenge. The only thing is that you need bigger infrastructure and bigger plants, and the technology is slightly different from what we are currently pursuing. Those are the challenges. Otherwise, the availability of ore concentrate is not an issue. People are willing to invest in India to de-risk their China dependence, so we are poised for a good opportunity there also.

Soumil Jain (Participant) [29:54]

Sure. Noted on the engagements you mentioned – you have several engagements that could take your revenues from ₹100 crores to ₹1,000 crores. Without getting into specifics, could you give me some sense of the nature of those clients, projects or product segments?

Vinay Chilakapati (Chairman & Managing Director) [30:26]

We are trying to get more customers in India and abroad for our existing products – tungsten heavy alloys and metal powders – and there is a lot of development happening on each front. In tungsten heavy alloys, we are coming up with some new products. In metal powders, we are currently at a run rate of 50 tons per month and we are shooting for 100 tons per month. We have also added a 50 kg gas atomiser, and we are going to set up the DRDO project of 100 kg vacuum melting and inert gas atomisation in the next year or so. Apart from these, we are working on materials like tungsten hexafluoride, very-high-temperature materials processing, and even bigger projects for tungsten metal powder from ore concentrates, and germanium. We are talking about many things, but it's too early to comment on any one thing that will add to our turnover. These are all being actively considered and are needed by our country.

Soumil Jain (Participant) [31:46]

Got it. So for this year's target and next year's growth aspiration, how should we think about it? Do you have strong visibility on gaining that wallet share, or have you already made large customer acquisitions that give you that confidence?

Vinay Chilakapati (Chairman & Managing Director) [32:08]

These are all things in the pipeline that are already happening. Talking to customers is one; teaming up with some really big players and setting up a plant in India or elsewhere is another. Those are the big things I bank on when we talk of ₹1,000 crores. Otherwise, with the infrastructure available plus a little more addition in floor space and so on, we should be growing at around 35–50% for the next two to three years. But the larger chunk is where I am hoping some big thing will happen – that's too early to predict.

Soumil Jain (Participant) [32:52]

Got it. And finally, one last question please.

Moderator (Wisdom IR) [32:55]

Yes – there are many people in the queue.

Soumil Jain (Participant) [32:57]

Sure, sure. One last question: within the powders business, can you split revenue between water-atomised and gas-atomised powders?

Vinay Chilakapati (Chairman & Managing Director) [33:09]

Currently it is almost 100% – about 99.5% – water-atomised. Only very recently have we started our 50 kg gas atomiser and begun giving samples to potential customers. So probably in the next two to three months we should see trickles of that. But for now it is almost 100% water-atomised.

Soumil Jain (Participant) [33:37]

OK, just one final follow-up on that. For gas atomisation, can you mention the industries or the nature of customers you are working with?

Vinay Chilakapati (Chairman & Managing Director) [33:47]

There is a wide variety of customers – parts manufacturers who make parts out of metal powders, including spherical powders; additive manufacturing; and surface coatings. These are the three major areas we are targeting.

Soumil Jain (Participant) [34:10]

And the end industry, Sir – the parts or surface coatings are for which end industries?

Vinay Chilakapati (Chairman & Managing Director) [34:14]

There are a thousand-plus applications; it's an endless list. In fact, we may not even know. We only talk to our customers, who are part builders – where the part goes, we do not know.

Soumil Jain (Participant) [34:38]

OK, thank you.

Vinay Chilakapati (Chairman & Managing Director) [34:39]

Thank you.

Moderator (Wisdom IR) [34:40]

Thank you so much. Can Ms. (Nupur) Karnani ask the next question to the management?

Ms. Karnani (Participant) [34:50]

Hello?

Moderator (Wisdom IR) [34:52]

Yes, you're audible.

Ms. Karnani (Participant) [34:56]

Firstly, congratulations to the management on a good set of numbers. I have two or three questions. You have mentioned that realisation for metal powders rose from ₹959 to ₹1,487 per kilogram. What was the realisation for tungsten heavy alloys?

Vinay Chilakapati (Chairman & Managing Director) [35:18]

Tungsten heavy alloys don't go only by weight, because we also sell parts per piece. It's a totally different business, so you cannot draw a parallel like you have for metal powders.

Ms. Karnani (Participant) [35:32]

I totally understand that it's not just by weight. But just for a basic understanding in terms of weight, what was the realisation?

Vinay Chilakapati (Chairman & Managing Director) [35:55]

It should be anything between ₹25,000 and ₹35,000 a kilogram.

Ms. Karnani (Participant) [36:01]

OK. Can you also throw some light on the recently purchased spark plasma sintering furnace – its use case, the margins you expect going forward, and the end-user industries?

Vinay Chilakapati (Chairman & Managing Director) [36:19]

The spark plasma sintering furnace we are buying is a very special furnace, one of its kind in the country. We can go up to 2,400°C in vacuum and under pressure. So we can produce a lot of materials – tungsten, tungsten composites, silicon carbide and many other high-temperature materials. Defence, aerospace and the electronics industry, where they use sputtering targets – all of these are our target markets. So again, a very, very niche area.

Mr. Karnani (Participant) [36:58]

Understood. In our balance sheet, over the last six months, other current assets have increased from roughly ₹6 crores to ₹12 crores. What was the reason for this increase?

Sarita Devi Chilakapati (Whole-time Director & CFO) [37:19]

Let me answer this question. If you have gone through the cash flow statement, you will see an increase in inventory of ₹19.88 crores, and inventory is shown separately within current assets. Of the ₹12 crores [in other current assets], part went into supplier advances, there is a GST credit component lying in our GST ledger, and some other advances and prepaid expenses. That is the big chunk lying there, and it will come down by the end of this financial year, because the suppliers will be supplying the material and we expect the GST credit to be absorbed by the end of this financial year as well.

Mr. Karnani (Participant) [38:18]

Understood. I'll join back the queue. Thank you.

Moderator (Wisdom IR) [38:20]

Thank you. For the next question, can Ayush Agarwal unmute and ask the question?

Ayush Agarwal (Participant) [38:31]

I hope I'm audible.

Moderator (Wisdom IR) [38:32]

Yes, Sir.

Ayush Agarwal (Participant) [38:34]

Great. First of all, many congratulations on the results. Firstly, on going from 60 tons to 120 tons in tungsten heavy alloys– I understand it's not easy to quantify how many kg of tungsten material we dispatched, but at least some understanding of utilisation: at 120 tons with the product mix you desire, what kind of revenue can we do at current prices?

Vinay Chilakapati (Chairman & Managing Director) [39:13]

120 is a futuristic number; the current number is around 60 tons. And 60 tons per annum is not sacrosanct, because depending on the size and shape of the part and many other things it can vary significantly. But if you take one size, just to arrive at a number, it is 60 tons per annum. Currently we are doing about 2 to 2.5 tons per month. As shown in the presentation, that is about six times more production than last year. Does that answer your question?

Ayush Agarwal (Participant) [40:00]

So in H1 we have done about ₹18 crores at H1 prices – I don't know how much prices have moved since then. What you're saying is that after this expansion, our turnover potential at the current run rate would be around ₹150 crores or so?

Vinay Chilakapati (Chairman & Managing Director) [40:19]

Yes, yes. Correct.

Ayush Agarwal (Participant) [40:22]

OK. And when you mention that the existing capacity can take us to ₹400–500 crores, I want to bridge that number. If tungsten heavy alloys are ₹150 crores of that ₹400–500 crores after this expansion, where would the rest come from?

Vinay Chilakapati (Chairman & Managing Director) [40:43]

Metal powders are also growing. Then we are going to add spherical gas-atomised powders, and the high-temperature spark plasma sintering facility. All these things will incrementally add up to ₹350–400 crores.

Ayush Agarwal (Participant) [41:03]

OK. So this is in addition to all the CapEx we are planning this year and next year?

Vinay Chilakapati (Chairman & Managing Director) [41:07]

Yes, yes – little ones.

Ayush Agarwal (Participant) [41:08]

Understood. Sir, going ahead, out of this ₹400–500 crores, metal powders will also contribute significantly, and we don't see metal powder players making a lot of margin. Are you confident that as we grow, we will be able to maintain our aspiration of 16–20% margins?

Vinay Chilakapati (Chairman & Managing Director) [41:37]

Yeah. I think that's been our hard work, I'll say, because we never looked at iron powder or copper powder, which is the bulk business in the country. We are looking at specialty metal powders, pushing a couple of notches above – powders like titanium, vanadium, aluminium alloys or niobium alloys. These are what we are going to target. We are also looking at new geographies, which will add to a better bottom line. That's been our constant push – not to make something somebody else is already making in the country. All our efforts have been to make what is being imported into the country, and that naturally becomes export potential. I hope that answers your question.

Ayush Agarwal (Participant) [42:30]

Yeah, it does. Another interesting product you mentioned in the presentation is the use case in semiconductors. Could you highlight where we are in the development process, and how long before we start manufacturing and supplying customers, in India or abroad?

Vinay Chilakapati (Chairman & Managing Director) [42:51]

That's a very, very early-stage thing. We are still doing pilot trials to understand the fundamentals of making that material – it is actually a gas. Pure tungsten is available with us, so once we have a better understanding of manufacturing at pilot scale, we don't want to scale it up ourselves. We would want to tie up with somebody in Japan or South Korea to hand-hold us, or, if you may, form a joint venture. That's a better way of doing things than scaling it ourselves. We might do it, but that's not the plan for now. It's a long – it's a moonshot for now.

Ayush Agarwal (Participant) [43:59]

Understood. And Sir, based on the orders in hand, do you expect H2 to be better than H1, or in line?

Vinay Chilakapati (Chairman & Managing Director) [44:14]

If everything goes well, it will be much better than H1, yes.

Ayush Agarwal (Participant) [44:20]

And how are tungsten prices behaving now, Sir? Is that affecting us?

Vinay Chilakapati (Chairman & Managing Director) [44:26]

They have stabilised – they are not rising, at least, but they are staying there. So people are coming to terms with it and at least they are talking now; for the last four or five months people had stopped talking because it was completely unpredictable. Now that prices are holding, those who need it urgently, or have projects with timelines that cannot wait, are starting to talk to us. So hopefully in the next few months we should get some really good orders.

Ayush Agarwal (Participant) [45:02]

Thank you.

Moderator (Wisdom IR) [45:02]

Would you mind rejoining the queue? We have a couple of questions on the chat box. There's a question from Lakshya Banu: "After Swastik, do we have any acquisition in the pipeline?"

Vinay Chilakapati (Chairman & Managing Director) [45:17]

Well, no – nothing as of now.

Moderator (Wisdom IR) [45:21]

OK. Shubham Gupta has asked: "As you answered last time, this year we should be able to achieve ₹10+ crores PAT. Can we do ₹30+ crores PAT next year, as our margins will also increase?"

Vinay Chilakapati (Chairman & Managing Director) [45:39]

I think that's wishful thinking for now. We will leave it at that.

Moderator (Wisdom IR) [45:45]

OK. If anybody has more questions, you can put them in the chat box or use the raise-hand option.

Nupur (Participant) [45:54]

Can we ask one question?

Moderator (Wisdom IR) [45:56]

Yes, yes. I think Nupur is also waiting. Nupur can ask the next question, and then you can follow up.

Nupur (Participant) [46:02]

Yeah, sure.

Moderator (Wisdom IR) [46:07]

Yes, Nupur, you can go ahead.

Nupur (Participant) [46:17]

Sure. Just one question from my end. For tungsten heavy alloys, we have a couple of projects in India where we are qualified, and there will be a huge requirement coming up. Any thoughts on when they can start contributing meaningfully for us?

Vinay Chilakapati (Chairman & Managing Director) [46:36]

Like I just answered, people are only now coming out of the shock – the 8x increase in tungsten metal prices put everybody in a shock. Slowly people are reconciling to it, depending on their urgency and the sector they belong to, and they have started talking. There is no one-to-one substitute for tungsten, so they have to come to terms with it and start talking. It's happening in little ways; it's already happening.

Nupur (Participant) [47:21]

And what about our customers in Israel, Sir? Have we got in touch with other programmes or other customers through them, and how will that scale up?

Vinay Chilakapati (Chairman & Managing Director) [47:32]

We are already supplying Israeli customers regularly. This is a test for us, and it is going to grow significantly. Whatever we are seeing right now is them testing whether we can actually deliver. We have been delivering consistently for the last four months, so they are gaining confidence, and many things are in the pipeline. We are hoping that very soon we will have some big orders.

Moderator (Wisdom IR) [48:12]

There is a question from the chat box. Vileh Rai has asked: "What are our CapEx requirements for FY28 and FY29?"

Vinay Chilakapati (Chairman & Managing Director) [48:25]

Well, not much. We are talking of expansion at Swastik and some other expansion – for example, we are talking to a potential supplier for EIGA (electrode induction-melting inert gas atomisation). So all these things are there. But otherwise we are already funded, because we have recently raised some funding. We are sufficiently funded for the next year's growth of our current plants. When something really big comes up, we will probably need to go for further funding, but for both our current divisions we are adequately funded.

Moderator (Wisdom IR) [49:14]

OK. Jagdeesh had a related question on CapEx, and has followed up with one more in the chat box: "The PPT mentions spark plasma sintering. Are we acquiring any German firm or entering a collaboration? And how is the product validation feedback from the USA and Israel?"

Vinay Chilakapati (Chairman & Managing Director) [49:35]

On the first question – we are not acquiring a plant. We are just purchasing one machine; "acquire" is not the word. That machine is for high-temperature processing. We can go up to 2,400°C, and many materials like niobium, tantalum and zirconium become amenable to manufacture. But I didn't get your second question – something about the USA. Can you come again?

Moderator (Wisdom IR) [50:10]

How is the product validation or feedback from the USA and Israel?

Vinay Chilakapati (Chairman & Managing Director) [50:14]

Which product? … Israel – yes, we have been supplying and there are no issues. More enquiries are in the pipeline. The USA, not much yet for tungsten heavy alloys. For metal powders, yes, there is a lot of progress in US sales. People are accepting – in spite of the 50% tariff, people are still buying metal powders from us, and increasingly so. So it may be a good idea to think about setting up a plant in the USA to take advantage of that 50%… I am kidding.

Moderator (Wisdom IR) [50:58]

We have almost come to the end of the session. We will wait for a few minutes – if you have any questions, you can use the raise-hand option or put them in the chat box. Any follow-up questions can also be addressed to the management.

Navendu Mondal has asked one more question: "Can you throw some light on the recent board addition of Dr. Kiran? What capabilities does this addition bring to the Innomet board?"

Vinay Chilakapati (Chairman & Managing Director) [52:02]

Dr. Kiran is a serious metallurgist in the first place. He has a PhD, he has worked on different materials and their manufacturing in particular, and he has experience in jet engines and the like at Skyroot. So we talk a lot of technology, and of course he guides us in terms of customers and potential customers.

Moderator (Wisdom IR) [52:32]

One question from Vileh Rai: "What are we planning to do in the new reactive powder segment of titanium and zirconium?"

Vinay Chilakapati (Chairman & Managing Director) [52:41]

Yeah. EIGA – electrode induction-melting inert gas atomisation – is the technique for those kinds of powders. We are actively working in that space to acquire one. If everything goes well, probably within a month we will have an investment in that.

Moderator (Wisdom IR) [52:59]

OK. Shubham Gupta – I think we have addressed it, but the question is: "Can you tell us your revenue aspiration for the next three years and the next five years?"

Vinay Chilakapati (Chairman & Managing Director) [53:13]

Well, ₹1,000 crores is what we have set for ourselves over a three-to-five-year horizon, but it doesn't come from what we are talking about right now. Unless we get some really big opportunity, ₹1,000 crores will not be realistic from what we are currently doing – that may grow to ₹400–500 crores. To get to ₹1,000 crores, we have to look at other options, which we are actively looking at.

CLOSING REMARKS

Moderator (Wisdom IR) [53:46]

There are no further questions. Thank you so much for attending today's investor call. Vinay, could you give us your closing address before we close the session?

Vinay Chilakapati (Chairman & Managing Director) [54:00]

Yeah. I would like to thank each one of the investors for having confidence in us. We really work hard to live up to your expectations and for the growth of the company. Thank you, ladies and gentlemen. Thank you, Moderator. Thank you, everyone.

Moderator (Wisdom IR) [54:18]

Thank you, everyone. With this, we close the session. Have a great evening and a happy Diwali.

Vinay Chilakapati (Chairman & Managing Director) [54:24]

Happy Diwali.