

Vinyas Innovative Technologies Ltd.

(Formerly known as Vinyas Innovative Technologies Pvt. Ltd.)

CIN: L26104KA2001PLC028959

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13 November 2025

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 September 30th, 2025 held on Monday, November 10, 2025.

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
Company Secretary & Compliance Officer

Note: This is not a complete revision, only the digital signature has been attached in the respective letter.

Customer **S**atisfaction is our **D**esignature



“Vinyas Innovative Technologies Limited Q2 FY '26 Earnings Conference Call”

November 10, 2025



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

MODERATORS: **MS. JANHAVI PATIL – ORIM CONNECT**

Moderator: Ladies and gentlemen, good day, and welcome to Vinyas Innovative Technologies Limited H1 FY '26 Earning Call.

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 ‘*’, then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Janhavi from Orim Connect. Thank you and over to you, ma'am.

Janhavi Patil: Thank you. Good afternoon everyone and warm welcome to all of you. I am Jhanvi Patil from Orim Connect representing the Investor Relations team of Vinyas Innovative Technologies Limited. On behalf of the company, I would like to thank you all for joining us for the Earnings Call of H1 FY '26.

Before we begin, I would like to state a brief cautionary statement:

Some of the statements made during today's call may be forward-looking in nature. These forward-looking statements are subject to certain risks and uncertainties that will cause actual results to differ materially from those expressed and implied. These statements are based on management's current expectations, assumptions, and information available as of now. Listeners are therefore advised not to place undue reliance on these forward-looking statements when making any investment decisions. The purpose of this call is to share insights into the company's business performance and financial results under review.

Now, I am pleased to introduce the members of the Management Team present with us today. Mr. Narendra Narayanan - Managing Director; Mr. Sumukh Narendra - Whole-Time Director; Mr. Balaji Bhat - Executive Committee Member; Mr. Amitava Majumdar – CFO; Mr. Subodh - Company Secretary and Compliance Officer.

With that, I now hand over to Mr. Sumukh Narendra for his opening remarks. Thank you and over to you, sir.

Sumukh Narendra: Thank you Janhavi. Good afternoon, everyone and thank you for joining the Vinyas Innovative Technologies Limited Earnings Call for the first half of FY '26. I am Sumukh Narendra - Whole-Time Director. I look forward to taking you through the key developments and performance highlights for the period.

The first half of FY '26 has been an important period for Vinyas in terms of both performance and strategic development. As many of you know, Vinyas has built its foundation on supporting mission-critical programs across defense, aerospace, industrial and medical segments. The nature of our work demands process discipline, strong quality systems, and a high degree of

reliability in every aspect of execution. These are the principles that have guided the company over the years and they continue to shape our evolution as the organization scales. During H1, we strengthened this foundation in two significant ways. These developments not only reinforce the capabilities we have built so far, but also position Vinyas to participate in higher value compliance intensive programs in the years ahead.

- The most significant milestone of the period is the successful achievement of the NADCAP AC7120 accreditation for electronics in printed board assemblies. NADCAP is globally regarded as the highest benchmark for aerospace manufacturing quality. Achieving this accreditation places Vinyas among a very select group of electronics manufacturers worldwide that meet the stringent requirement. It validates the depth of our traceability systems, documentation practices, inspection controls, and process discipline. Importantly, NADCAP accreditation now enables Vinyas to qualify for regulated commercial aerospace and export control defense programs where the certification is a mandatory prerequisite. This marks a structural upgrade in our capability profile.
- The second key development is the success of our Rs. 150.04 crores capital raise. This strengthens our balance sheet and provides the financial flexibility required to support the increasing scale and complexity of our customer programs. It enhances our working capital position and enables the capacity-related investments necessary to meet future demands with confidence.

Together, these two developments, strengthening capability and reinforcing financial resilience, place Vinyas on a stronger and more competitive footing.

Now, to the financial performance of the first half of the year:

The total revenue for H1 FY '26 was Rs. 214 crores 41 lakh, reflecting a 43% year-on-year growth. The EBITDA for the period was Rs. 23.90 crores with an EBITDA margin of 11.15%. Profit after tax was Rs. 9.35 crores, an increase of 33% over the same period last year. Order inflow for the half year amounted to Rs. 411 crores and our order book stood at Rs. 1,062 crores as on 30th September 2025, providing healthy multi-year visibility. Operationally, defence and aerospace remained the largest contributors to revenue. We onboarded new Tier-1 customers in commercial aerospace and industrial electronics and our medical electronics portfolio continued to progress steadily across verticals, structure planning and consistent delivery supported the performance through the period.

As we progress through the remainder of the financial year, our efforts are directed towards maintaining delivery consistency and ensuring strategic progress made in H1 translates into sustained operational strength. With NADCAP accreditation secured, we have begun engaging with customers on qualification pathways for regulated aerospace and defence programs. The

capital rates provides the needed flexibility as these programs evolve. Throughout this period, our emphasis will remain on quality, integrity and disciplined financial management.

With a reinforced balance sheet, a strong order book and a significant enhanced compliance profile, Vinyas enters the second half of FY '26 on a stable and confident footing. We remain focused on disciplined execution and expanding our participation across high-value programs. Based on the visibility we have, we expect to sustain 35% year-on-year growth and maintain strong momentum over the next couple of years. This outlook is supported by our deepening customer engagements, expanding capability set and the increasing relevance of quality-driven high-reliability manufacturing in strategic sectors.

Before we open our floor to questions, I would like to thank our employees, customers, partners and shareholders for their continued commitment and trust. H1 FY '26 has been an important step forward for Vinyas and we look forward to building on this progress. Thank you.

Moderator: Thank you very much, sir. We will now begin with the question-and-answer session. Our first question comes from the line of Sanket Gupta, an Individual Investor. Please go ahead, sir.

Sanket Gupta: Thank you for the opportunity. I want to understand the EBITDA margin sustainability and part of EBITDA margin in the long term. Like you said, the new certifications and all and you can enter now to commercial aerospace. So, I want to understand what should be the EBITDA margin pathway in the long term, maybe 2, 3, 4 years?

Sumukh Narendra: Sir, currently our EBITDA margin, because of the mix, we have a varied mix of programs that we do. So, the EBITDA margins would remain between 9%-11%. We are working on certain system integration programs and vertical diversification where we see EBITDA margins grow over the next 4-5 years. And the internal target for us to reach is at least an uptake of 3 basis points on the EBITDA margin size in about 4 years.

Sanket Gupta: And I want to understand the market size opportunity as you regularly mentioned about 10k opportunity. Is the new certifications opportunities are also included in that or it is above that?

Sumukh Narendra: The market opportunities will be beyond that. Primarily based on the programs that we have as a part of our pipeline, that is the opportunity size that we have earmarked. We are very new to the whole commercial aerospace program. We will need some time to get a stronger foothold. Currently, we will be adding better visibility on the commercial aerospace side in some time to come.

Sanket Gupta: And on the gross margin side, what actually impacted the gross margin this half year?

Sumukh Narendra: The gross margins, as I indicated at the beginning of the call, the gross margin profile varies and the mix of the programs that we run indicate the gross margins that we have. So, based on the

mix, the first half was primarily we had a lower gross margin mix, which resulted in a slightly lower gross margin for the first half.

Sanket Gupta:

Actually, it is the product mix?

Sumukh Narendra:

Yes.

Sanket Gupta:

Thank you for answering. I will join the queue.

Moderator:

Thank you, sir. Our next question comes from the line of Agam Shah from Raj Trading. Please go ahead.

Agam Shah:

Thanks for the opportunity. Sir, good question. So, I think in your opening remarks, you mentioned that we have planned to grow by 30%-35%, but this half-yearly, we have grown by 43%. So, are we under-grading?

Sumukh Narendra:

We are in defense and aerospace programs where we sometimes see unexpected push-outs and based on that, on a year-to-year basis, we have been given guidance of about 30%-35% growth. We expect the growth to be on the same line, sir.

Agam Shah:

So, this is just a conservative thing, right?

Sumukh Narendra:

Correct.

Agam Shah:

Keeping in mind the, and also you can talk about in terms of capabilities. So, I believe we need a fundraiser. So, how much is this funded? Is it okay to, so let us say, have we started calling out this money? And also in terms of capabilities in the defense aerospace protocol, are we there? What is the one tick which is your left-to-tick or which is stopping to go full throttle? And how is the enquiry and the order book pipeline looking like?

Sumukh Narendra:

Sure, sir. So, out of the Rs. 150.04, about Rs. 61 crores has been the first tranche of money that has been received by the company in the month of September 2025. And this is going to be used towards the working capital, the capacity expansion primarily. These are the two main aspects and some administrative expenses. We are putting in further infrastructure to increase our capacity right now, which would take about 18 months for us to get it fully qualified and approved by our existing customers. On the defense and aerospace side, we are primarily a manufacturing partner on the PCB assembly side. And now we have started moving up the value chain where we are working on system integration requirements where we make subsystems for our customers. So, currently, our capabilities lie on electronic systems and subsystem manufacturing for our customers. And we look to add more engineering capabilities to our portfolio and grow over the next 3-4 years where we add more and more engineering capabilities to our customers. As on 30th September 2025, our order book was at around Rs. 1,062 crores. And a large portion of it primarily comes from defense and aerospace requirements.

- Agam Shah:** But how is the order book looking like going ahead? Anywhere you are L1 or you can give some color?
- Sumukh Narendra:** Forward looking some of the programs till we have any kind of very clear clarity. And I would not like to comment on these things. We are a part of lots of defense programs where there is a repeat requirement that would come. And in a lot of cases, we are the only approved vendor. So, we would be participating as a single tender opportunity in a lot of cases. So, we have a very clear visibility for the next 5 years to fuel our growth of between 30%-35%. And we are very confident that the order book will be sufficient to fuel this growth.
- Agam Shah:** So, for the next 5 years, our working capabilities will also be reduced in capabilities. And the money we have raised, so will this money be enough for the next 5 years growth? And how should the working capital look like?
- Sumukh Narendra:** In terms of working capital, we are working on a couple of, there are different ways to look at it. We have started receiving advances from our customers as well. For the short period, for another 3 years, the working capital requirements should be more than sufficient. We will evaluate the requirements as and when the programs get approved. And the kind of working capital requirements are needed for those respective programs.
- Agam Shah:** Typically, what will be the customer diversification for us? So, who will be our largest customer or who will be our top 5 customers? Anything you can share?
- Sumukh Narendra:** The top customers would be the defense public sector undertakings. And the second would be the private defense companies in India.
- Agam Shah:** So, typically, you will be working with everyone, right?
- Sumukh Narendra:** Yes, correct.
- Agam Shah:** For all the programs?
- Sumukh Narendra:** Yes.
- Agam Shah:** Sure, sir. Thank you.
- Moderator:** Thank you, sir. Our next question comes from the line of Bijal Shah from RTI Investments. Please go ahead.
- Bijal Shah:** Yes, hi, thanks for the opportunity. First, a clarification. You said that you will grow 30%-35%. So, I could not understand. Do you mean that that is a conservative number or that is the minimum number you will grow or probably some years the growth could be 20% and other years 40%. So, on an average, on an annual basis, it will be around 30%-35%?

- Sumukh Narendra:** So, we are looking at a growth of 30%-35% every year. There is not going to be any fluctuation. This is what we are expecting to grow over the next short term of about 3-4 years. And that is what we are trying to indicate here.
- Bijal Shah:** Sir, second question is, you have this Rs. 1,000 crores order book. What is the timeline? Does it get executed? Does it contain certain long term orders or it is like this is going to be executed in next 1 year, 1-1/2 years or something like that?
- Sumukh Narendra:** It is a mix. There is short term as well as long term. The highest going all the way out between 18-24 months.
- Bijal Shah:** 18-24, so entire order book will get executed only in maximum 24 months?
- Sumukh Narendra:** Correct.
- Bijal Shah:** Sir, you mentioned that in some of the contracts, some of the tenders, you would be the sole bidder or sole person, sole company which is qualified. So, I just want to understand what are these capabilities which you have? If you can give us some understanding that you have and others don't have and how long that advantage could sustain, maybe others also are looking at defense. So, is it possible that they may not be able to catch up even in next 3-4 years?
- Sumukh Narendra:** Sir, we have been at this business for the last 15 years. Each program has its own gestation period and once the program starts, you are a part of it when you are doing the initial qualification, you are doing the initial pilot and then going into series manufacturing. Vinyas has been a part of some of the programs where it has been through the complete gestation period of the program. That is why we are a single vendor to some of these programs. There is going to be competition that is going to come, but it takes quite a bit of time. Each of the programs have generally a gestation period of 24-36 months to mature to a level of series production as well as there is the qualification from the foreign OEMs as well as the domestic public sector undertakings and the private players which is a significantly high entry barrier segment. So, this is where we see the advantage that we have here at Vinyas.
- Bijal Shah:** And lastly, on the civil aviation which you are trying, you would be looking and now you will be talking to Tier-1, Tier-2 suppliers to Airbus and Boeing or are there any, I understand these are the only commercial flights, commercial aircraft manufacturers are there. So, you would be talking to their suppliers. Is that correct understanding?
- Sumukh Narendra:** That would be right, sir.
- Bijal Shah:** And there again, you have to go through the entire process for each of them individually or the certification which you have got is good enough for you to just go and start supplying to them?

- Sumukh Narendra:** No, the process would remain the same. The only difference is the initial gestation period to start would be shorter in this case, would be significantly reduced because this is an entry barrier to even start discussions with any of those Tier-1 and Tier-2 suppliers.
- Bijal Shah:** Thanks a lot and all the best, sir.
- Sumukh Narendra:** Thank you.
- Moderator:** Thank you, sir. Our next question comes from the line of Jalaj Manocha from Svan Investment. Please go ahead.
- Jalaj Manocha:** Thanks for the opportunity. I hope I am audible.
- Sumukh Narendra:** Yes, sir, you are. Please go ahead.
- Jalaj Manocha:** Sir, firstly, I wanted to understand that we have already done our CAPEX, I see that the plant and property equipment looks to have increased and there is another CWIP of Rs. 21.06 10 crores. So, when do these capacities come online and what sort of revenue streams do we see at the current capacity? What is the maximum revenue we can take out from this revenue capacity right now?
- Sumukh Narendra:** The current capacities that we are working on, we would come online in about 18 months. So, we are expecting it to come online by post-March 2027, fully available to us. For us, we are looking to the current capacity would take us to between Rs. 1,100-Rs. 1,200 crores in revenue and the current CAPEX round that we are doing will help us double that capacity that we have right now.
- Jalaj Manocha:** So, the current base which is operational right now would take us to Rs. 1,100-Rs. 1,200 crores of revenue?
- Sumukh Narendra:** Yes.
- Jalaj Manocha:** Thanks for that. And sir, could you give us some flavor of the topline growth of the numbers right now across verticals? Sorry, you had given that I missed out?
- Sumukh Narendra:** So, about 70%-75% came from defense and aerospace and the second largest contributor was industrial electronics. I think that at around 15% and the balance would be medical and others.
- Jalaj Manocha:** And the order book also would have a similar flavor or would it be much different from this?
- Sumukh Narendra:** The order book would be a little different where defense and aerospace will be a large portion of the order book and since industrial and medical primarily work on shorter conversion cycles, there would be a rotation cycle on the industrial and medical electronics side.

- Jalaj Manocha:** Understood. And sir, I understand that defense by its nature is a little lumpy in nature. So, what steps are we taking to just to ensure that there is less volatility or surprises in the business? And I am not talking about 6 month or a next quarter perspective, maybe a longer perspective like 4 years, 5 years plus?
- Sumukh Narendra:** So, primarily, there is a couple of things that we are doing. On the defense and aerospace side only, we are trying to add more programs so that we diversify the number of programs that we are working on which will help us reduce the effects on the lumpiness. The second thing is we are going for vertical expansion that is the number of verticals that we are working on. The industrial portion of it is we are trying to build on top of our capabilities there. The medical device side, we have made significant progress where we see this segment, our targets are to reach a good 10% of our revenue from medical devices. We have also made some vertical expansion on, we are working towards commercial aerospace and railways as well. So, these vertical expansions will help us soften the blow from some of the lumpiness on the defense and aerospace side.
- Jalaj Manocha:** So, any potential targets you have or any internal targets for what sort of?
- Sumukh Narendra:** Internal targets we have, 5 years, we want to reduce the defense and aerospace to about 60% and these 4 segments contributing to about 40% of our revenue.
- Jalaj Manocha:** Understood. And last question quickly, maybe some new program or a client you landed up during the quarter or since last week onwards, anything you would want to talk about?
- Sumukh Narendra:** I think most of it we have put it across the last half quarter has been good and if there is something very specific, we will reach out. We will share that information with everyone.
- Jalaj Manocha:** Got it. Anything very interesting or coming up in the pipeline specifically because defense looks like at least in India, the government is full blown ready to increase the expense there. So, anything specific which has come up or you are looking for?
- Sumukh Narendra:** No, we have certain things in the pipeline, but all of it we need to get to maturity state of those programs where we can actually discuss the potential of those programs.
- Jalaj Manocha:** Got it. Thank you and best of luck.
- Sumukh Narendra:** Thank you.
- Moderator:** Thank you, sir. Our next question comes from the line of Mahendra Chajjed, an Individual Investor. Please go ahead.

- Mahendra Chajjed:** Yes, I think most of my queries have been answered. The only question now left is whether our products are exportable in the future. Can we think of exporting it or it is an import substitute only for India?
- Sumukh Narendra:** Sir, we are primarily a services company where we provide manufacturing services to our customers. Today, we have a defense industry license for manufacturing in India and we have the necessary licenses and the approvals to manufacture globally to their requirements. Some of the programs that we manufacture today are dual source where we supply certain programs to the domestic customer and certain portion of the program goes to the OEM and we export it. So, currently, we supply to both the requirements. As we are not a product company, there is no question of an import substitution or our product being capable of being able to meet any export requirements. From a capability standpoint, we are approved and the NADCAP certification is a big accreditation for any electronics manufacturer on the capability to globally supply to any defense and aerospace company globally.
- Mahendra Chajjed:** Thank you. And what is our internal target of orders? What rate of order booking we expect in the coming years? I have heard that Rs. 1,062 crores order in hand, but what is our targeted order, taking orders for every year?
- Sumukh Narendra:** The order intake, the internal targets is to keep in line with the revenue targets and ensuring that we have a sufficient order booking. Some of it is primarily dependent on government approving certain orders. Currently, the internal target is to ensure that we have sufficient order book to cater to 24 months of requirements keeping in mind the growth that we have in them.
- Mahendra Chajjed:** But earlier you have indicated that you have 3%-4% EBITDA margin growth, but since volume will increase with 35% growth and turnover, will it not translate into higher EBITDA margins just because of volume?
- Sumukh Narendra:** Sir, our EBITDA margins are primarily dependent on the mix of the program that we do. We are looking at improving our mix where we do higher gross margin programs as a mix as a whole which will help us improve the EBITDA margin as such and that is where we are working towards.
- Mahendra Chajjed:** Thank you so much. Seems to be a very interesting story and all the best to you and your entire management. Thank you.
- Moderator:** Thank you, sir. Our next question comes from the line of Sanket Gupta, an Individual Investor. Please go ahead.
- Sanket Gupta:** Thank you for the opportunity again. I want any commentary on the inventory side that has gone up significantly?

- Sumukh Narendra:** Sir, primarily, the inventory has gone up because the revenue tranche every month has also gone up. The inventory is about 2 months of inventory based on the revenue that we are clocking right now on a monthly basis.
- Sanket Gupta:** And any commentary on the debtor days that is in future it is going to go down or it will remain on the same line as last year?
- Sumukh Narendra:** Amit, can you help me out with this?
- Amitava Majumdar:** Yes, sure. If you see the receivables compared to last March marginally reduced and our endeavor is to keep on reducing this. If you can manage to avoid the lumpiness of revenue, we should be able to reduce the receivable days under 4 months.
- Sanket Gupta:** And any commentary on the raw material source from which country, how much its worth and like that?
- Sumukh Narendra:** There is a diverse supply chain that we have. On the defense and aerospace side, we are limited by non-import of material from China. So, what I can give this one is we have a diversified supply chain. We have some country specific made-to-order parts, but we procure from Southeast Asia, we procure from the US, Europe, Israel. So, we do procure from a lot of countries to supply the raw material that are required. Domestically as well, we do procure certain requirements that can be manufactured in India for electronic manufacturing. We do the procurement domestically as well.
- Sanket Gupta:** Actually, the reason of this question is that is there any dependency on one country like that for supply chain too much?
- Sumukh Narendra:** No. See, on the defense and aerospace side, we do have what we call as made-to-order parts where you have components which are made to order from one single supplier. So, any kind of, we do have such dependencies, not country specific, but it can be also supplier specific. So, this is a part of the defense business and this is going to be a part of our supply chain as well.
- Sanket Gupta:** Thank you so much.
- Moderator:** Thank you, sir. Our next question comes from the line of Umang Gada from Avener Investment Management. Please go ahead.
- Umang Gada:** Thank you for the opportunity and congratulations on good set of numbers. I just wanted to understand if you can give some light on the products and the programs you are participating, especially in the aerospace segment, if you can share some insights that which kind of programs are we participating and which kind of products are we providing manufacturing services to that would be helpful to us?

- Sumukh Narendra:** Currently, we are still at the initial phases of the customers on the aerospace side, the initial phases of the customers performing what we call as first article inspection with Vinyas. So, at the subsystem level or at the system level, I would not be in a position to comment on what are the subsystems that we are evaluating because it is still in the evaluation stage. Once we pass the evaluation stage and when we have the necessary approvals for manufacturing those systems, I would be in a better position to comment on those systems.
- Umang Gada:** So, you would not be able to give some highlights on the fact that you have the orders for aerospace segment. You would not be able to discuss that right now?
- Sumukh Narendra:** Currently, we will not be in a position to disclose that. We will have to complete the necessary, the first article inspection approvals and then, we will be in a position to comment on these aspects.
- Umang Gada:** Fair. And on the defense side, can you give some highlights over there that which kind of products and programs are you participating in?
- Sumukh Narendra:** So, across the board, we are a part of defense programs starting from aerospace programs for the local requirements or the Made In India programs, the helicopters as well as the aircrafts. On the ground base, we are part of communication systems. We are part of imaging systems. We are also part of fire control systems that are available. On the Navy side, we are primarily part of radars. We are part of quite a few radar systems. So, I can't get into the specifics of the programs that we are in, but as a whole, as a product line, we manufacture some of these products for our customers.
- Umang Gada:** Understood. And one clarification, I guess this would be an extension to a previous question asked by the participant that most of your customers are the OEMs or the component manufacturers who in turn supply to OEMs?
- Sumukh Narendra:** It is a mix of both. That is why I said we have defense public sector undertakings. We have private sector in India as well as we have foreign OEMs that we supply to. It is a mix of all 3. So, they can be Tier-1 suppliers in India. We can be directly working with the OEMs or directly working with the public sector as well. There is a mix and it is an equal mix among all 3 of them.
- Umang Gada:** It is an equal mix. So, there is not a heavy weight in all those customers?
- Sumukh Narendra:** Yes.
- Umang Gada:** Understood. One last thing I wanted to understand that most of the manufacturing services we give, we don't own the IP ownership over here, right?
- Sumukh Narendra:** No. So, we are primarily a service provider. We get what we call as we do build to print, where the customer gives us the specifications. We build it as per the print that they have provided.

- Umang Gada:** Understood. So, many of the peers are also trying now to diverge from this kind of model. So, you plan in the near future to get into a build to spec kind of a model?
- Sumukh Narendra:** On the commercial, industrial, and medical devices, we are working towards it. We are building our capabilities. On the defense and aerospace side, we first want to build capabilities on the other verticals and then explore that opportunity. Right now, in the short term, we don't intend to get into it.
- Umang Gada:** Understood. And one last question that on the utilizations part, you mentioned that our current capacities can do a nearly Rs. 1,100 crores kind of revenue. So, if I can understand, if I am understanding it rightly, we are at around 35%-40% utilization levels. So, can you give some light based on the visibility and the discussion that you are holding? When can we reach the maximum utilization on current capacities?
- Sumukh Narendra:** I think we should reach about 55%-60% capacity utilization, 50% at least by the end of this year and reach about 70%-75% utilization by end of next year. And that is one of the main reasons why we have started the process of adding the capacity that is required and the timeline for the capacity approval is significant. So, we have started the process right now.
- Umang Gada:** Understood. Very helpful, sir. Thank you and all the best.
- Moderator:** Thank you, sir. Our next question comes from the line of Mudra from Trinetra Asset Managers. Please go ahead.
- Mudra:** How the planned CAPEX will translate into value for the business, especially what part of the business this CAPEX is intended for and how it is expected to support the targeted doubling the capacity to revenue?
- Sumukh Narendra:** Primarily, on the electronic manufacturing side, the CAPEX goes towards 2 main sectors. One is the SMT line, which is the major CAPEX. The second is your testing and quality inspection equipment's. We are primarily working on adding SMT lines to our CAPEX, which will help us produce more boards and increase the capacity of the organization.
- Mudra:** And secondly, by when the CAPEX will become operational and start contributing to revenue?
- Sumukh Narendra:** It would take us about 18 months. So, that is why we are indicating that it would be April 2027 when it would be operational and available.
- Mudra:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Kishan Bang, an Individual Investor. Please go ahead.

- Kishan Bang:** Good evening, sir. I would like to understand the order pipeline, which we have in hand right now?
- Sumukh Narendra:** The current order book, we have about Rs. 1,062 crores in order at Vinyas, which is to be executed over the next 18-24 months.
- Kishan Bang:** The order pipeline.
- Sumukh Narendra:** We are a part of multiple programs and based on the 5 main categories, that is the existing defense business, the system integration business, the vertical expansion, as well as some of the technology transfers that we are expecting over the short and medium term, these are going to be the main drivers for the order book. The PCBA business will be a major portion of the pipeline, where we hope that the system integration side of the business will grow and grow to help us over the next 3-4 years.
- Kishan Bang:** Sir, may I know the details of CAPEX?
- Sumukh Narendra:** I didn't understand what.
- Kishan Bang:** Sir, as we are planning for CAPEX, can I get to understand what is the source of funds for CAPEX?
- Sumukh Narendra:** So, we currently did a round of Rs. 150 crores in which Rs. 30 crores has been earmarked for CAPEX and the source of funds will be the Rs. 30 crores from the capital raise that has been done, sir.
- Kishan Bang:** Fine. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Priyankar Sarkar from Square 64 Capital. Please go ahead.
- Priyankar Sarkar:** Hi, good afternoon. Just a couple of questions on this NADCAP certification. So, how many companies have this NADCAP certification in India apart from us? That is one. And also, could you elaborate on some of the stringent norms that we have to go through in order to get this certification?
- Sumukh Narendra:** So, the NADCAP certification is the North American Defense Contractors Accreditation Program. This is one of the benchmarks for aerospace and defense manufacturing and it is an accreditation program which we have worked for about 2 years to get the accreditation. The main aspects of this is to provide, it is a process level audit where the audit is performed on the traceability as well as the process adherence across every aspect of the manufacturing process at Vinyas. This is a very unique accreditation program where globally we have hardly maybe a little over 30 companies which are NADCAP accredited and 2-3 companies on the electronic

side which are NADCAP accredited in India. So, there was a large portion of our manufacturing shop floor where we went through digitization of the plant where we ensured that every aspect that is man, machine, material, there is traceability provided for every process that is involved in our manufacturing process. Today, we consider that the manufacturing facility is at around 80%-85% digital and we hope to get it to a good 95% plus digitization over the next 1 year.

Priyankar Sarkar: Right. So, I am assuming that this certification has actually strengthened our credential in order to compete for larger and more sophisticated projects, right?

Sumukh Narendra: Yes. So, this certification allows you to, it also puts across to other OEMs. This is a clear entry barrier to larger OEMs where without NADCAP, they do not entertain for certain programs as well as certain capabilities. And also there is the list of companies that are NADCAP certified available to all the OEMs which subscribe to NADCAP. So, this puts us in a very unique position where they have access to the players who are having NADCAP certification as well. It makes it far easier because there is a recognition for this certification when we go and reach out to larger OEMs when we start discussions with them on certain programs.

Priyankar Sarkar: Great. Thank you and wish you all the best.

Sumukh Narendra: Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, due to the time constraint, that was the last question for today. I now hand the conference over to Ms. Janhavi from Orim Connect. Thank you and over to you, ma'am.

Janhavi: Thank you, everyone, for joining the call today. On behalf of Vinyas Innovative Technologies Limited, we appreciate your time and participation. For any further queries, please reach out to us at letsconnectadirectoem.in. Thank you, everyone.

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