

# Transcript of Innomet Advanced Materials Earnings Conference Call H2 FY2026

**Mr. Vinay Choudary, Managing Director**

**Mrs. Saritha Chilakapati, Director and CFO**

**Mr. Ajay Jindal, Wisdom IR**

**Mr. Ajay Jindal (Moderator):** Good afternoon and a warm welcome to the Q4 FY26 Earnings Conference call of Innomet Advanced Materials Limited hosted by Wisdom Smith Advisors. It is a pleasure to welcome you all to today's call. We sincerely appreciate your participation and continued interest in the company. Joining us today from the management team are Mr Vinay Choudary, Managing Director, Mrs Saritha Chilakapati, Director and CFO. As a reminder, this conference call is being recorded. The audio video recording of the call will be made available on the company's website shortly after the session concludes along with the transcript in due course.

All participants will remain in listen and only mode during the management commentary. Following the management's opening remarks, we will open the floor for an interactive Q&A session. Before we begin, I would like to draw your attention to the customary Safe Harbour statement. Certain statements made during this call may be forward looking in nature and a subject to risks and uncertainties. Actual results may differ materially from those expressed or implied. The company undertakes no obligation to publicly update these statements based on subsequent developments or events.

With that, I would now like to hand over the call to Mr Vinay Choudary for his opening remarks. Over to you, Vinay.

**Mr. Vinay Choudary:** Thank you, Ajay. Good evening everyone and thank you for joining us today. It is my pleasure to welcome you to Innomet Advanced Materials' FY26 earnings discussion. For those joining us for the first time, Innomet is a Hyderabad-based specialty powder metallurgy company with over two decades of experience in advanced materials manufacturing. Through our two manufacturing divisions — Innomet Powders and Innotung — we serve more than 100 active customers across 10 countries with a portfolio of more than 60+ products. Our Innomet Powders division manufactures specialty metal and alloy powders through water, air and gas atomization processes. These powders serve industries such as powder metallurgy components, diamond tools, welding, brazing, catalysts, coatings, additive manufacturing and several other industrial applications.

Our Innotung division manufactures Tungsten Heavy Alloy products used in defence, aerospace, radiation shielding and engineering applications. Over the years, we have deliberately focused on specialized, value-added materials rather than commodity products. This strategy has helped us build strong customer relationships, technical expertise and sustainable competitive advantages. FY26 and the first few months of FY27 have been particularly significant because many of the strategic initiatives we have invested in over the last several years are now beginning to translate into visible commercial outcomes. In many ways, we believe Innomet is transitioning from a phase of capability creation to a phase of capability monetization. Here I would like to hand it over to our CFO, Mrs. Saritha Chilakapati to present us the financials. Over to you, Saritha.

**Mrs. Saritha Chilakapati:** Thank you, Vinay. Good evening everyone. FY26 was a year of strong revenue growth for the company. Revenue from operations increased by 66% year-on-year to ₹53.86 crore compared with ₹32.52 crore in FY25. This growth was driven by higher business volumes across both Metal Powders and Tungsten Heavy Alloys, along with a substantial increase in exports. EBITDA increased to ₹5.61 crore from ₹5.06 crore in the previous year.

However, EBITDA margins declined from 15.6% to 10.4%. The primary reason was the sharp increase in raw material prices, particularly tungsten, which witnessed extraordinary inflation during the year, along with higher copper and base metal prices. We also incurred higher business development, certification and international marketing expenses as part of our efforts to accelerate export growth and strengthen our global market presence. Depreciation increased by 45% due to investments made in manufacturing infrastructure and capability enhancement initiatives over recent years. Despite these challenges, we continue to maintain a disciplined approach towards capital allocation and long-term value creation. The acquisition of Swastik Tungsten is an excellent example of this philosophy, combining strategic backward integration with significant future growth opportunities.

With a healthy order book, growing exports and increasing participation in strategic sectors, we believe the company is well positioned for the future. With that, I would like to hand the call back to Vinay.

**Mr. Vinay Choudary:** Yeah, thank you, Saritha. So this is the management commentary. FY26 was an important year for Innomet. Despite a challenging global environment and unprecedented volatility in raw material prices, particularly tungsten, copper and other base metals, we delivered strong revenue growth and continued strengthening our long-term market position. More importantly, we believe FY26 marks an inflection point in the company's journey. Over the last several years, we have invested in certifications, product development, manufacturing capabilities, technology and international business development.

Today, those investments are beginning to translate into meaningful business opportunities. A clear indicator of this momentum is our current order position. Within the first two months of FY27, we have already secured orders exceeding ₹35.99 crores, which is more than half of our entire FY26 revenue. This provides strong visibility entering the new financial year and reinforces our confidence in the business outlook.

Next slide, please. This slide captures three important milestones. First, our order book has crossed ₹35.99 crores, including the landmark Tungsten Heavy Alloy export single order from Scope Metals, Israel, valued at approximately ₹15 crore. Second, we received the AS9100D aerospace certification during FY26. This certification significantly enhances our credibility with global aerospace and defence customers and enables engagement with leading international OEMs and defence supply chains. Third, Innomet, in collaboration with IIT Hyderabad and the Defence Metallurgical Research Laboratory, or DMRL, has been selected for a DRDO-supported project with a sanctioned outlay of approximately ₹8.73 crore.

The project aims to establish an advanced inert gas atomization facility for aerospace, defence and additive manufacturing applications. When fully operational, the facility is expected to produce approximately 200 to 250 tonnes of clean metal powders annually and will be among India's most advanced indigenous facilities in this segment. For us, this is not merely a manufacturing project. It is a strategic technology platform that strengthens our position in advanced materials and high-performance applications.

Next slide please, Swastik Tungsten acquisition. This acquisition is perhaps one of the most strategically significant developments in the company's history. In February 2026, we acquired a 57.5% stake in Swastik Tungsten through the NCLT process. This significantly strengthens backward

integration and secures a critical raw material source for our tungsten business. However, the strategic value extends far beyond supply security. The acquisition opens an entirely new business vertical for Innomet.

In addition to supporting our internal requirements, Swastik manufactures tungsten metal powders, tungsten carbide powders, ready-to-press powders and tungsten carbide components with an annual combined capacity of 120 TPA. These products can be sold directly to third-party customers and address markets that are substantially larger than the Tungsten Heavy Alloy market we currently serve. As a result, the acquisition not only strengthens our existing tungsten business but also creates a new standalone revenue platform with significant long-term growth potential.

So these are some of the initiatives we have taken for you know international marketing. So we have participated in a product metallurgy conference in Phoenix, USA. Then we have participated in the world's biggest defence exhibition DSEI, London. Then we have participated in a conference in European product metallurgy conference. Of course it was not exhibition but it was just attending that conference. So we with all these efforts are continuously being done to push growth of our top line, you know, acquiring customers, acquiring new technologies, new products and all these things.

Can you go to the next slide, Next one. So for somebody who is new to this company, I would just like to very quickly give them a background. So till 1996, we were a general engineering company since 1996 to 2004, we did diamond tools manufacturing and sales. In 2004, we started with the metal powders company. And then 2010, we kind of a forward integrated into making tungsten heavy alloys. So currently we have these 2 divisions, both metal powders and tungsten heavy alloys.

And then R&D is also a revenue stream for us and very recently we have acquired the Swastik Tungsten. A majority is taking the Swastik Tungsten to secure our supply chain and also it offers a huge potential into making components to the wear industry. Next slide.

So some of our senior management we have shown here myself, I'm a mechanical engineer Saritha, she is an MBA in finance. Mr Ramesh is a Vice President marketing for Tungsten Heavy Alloy Division. He is an M Technology from IIT Bombay and Sanjana Chilakapati. She is Material science engineer from University of Illinois Urbana Champaign. She is actually taking care of the transformation of the company into a new age company. Next.

So Innomet it has 2 divisions. One division we make metal powders and the other division we make tungsten heavy alloys. Next so powders we have a lot of metal powders like a copper and it's alloys like bronze bras and another other metal powder. Then various alloys for of nickel and cobalt and some tin powders, grazing powders, diamond tool matrix powders. We have more than 50 regular products from our metal powder division. Some of the major industries we get to our atmosphere components, diamond tools, self-lubricating bearings, surface coatings, chemical catalysts, additive manufacturing, aesthetics and energetics. Next slide please.

The tungsten heavy alloy is a dense material basically it finds application in defence, aerospace, radiation shielding and engineering applications. It's like this.

So this is the various R&D's we are doing for the many years. So right from developing some special alloys, we are also doing, you know we, engage with many defence laboratories, CSIR laboratories to acquire technologies to do R&D for them. So in, in many ways we continue to do R&D. Very recently, we have been identified and then sanctioned a project of about 8,00,00,000 for developing a indigenous gas atomiser for producing powders, basically nickel and cobalt alloy powders for aerospace industry with oxygen lesser being less than 150 ppm. So yeah, like this we continue to do many, many R&Ds as we continue to grow our sales.

Next page please. So some of our major customers for metal powders are Hoganas, TVS Group, ATUL, many, many, we are more than 150 customers. And then we are also exporting to various countries like USA, Europe, Middle East, Australia and New Zealand. In tungsten heavy alloys. We have all marquee clients like HAL, BDL, Keltron, Israel, IAI, IMI Solar Industries. We are also working with Reliance and Adani companies for their new products next.

Before I hand over to Saritha, I would like to highlight an important structural shift in our business. The contribution of tungsten heavy alloy increased from 21.6% of revenues from FY25 to 24.6% in FY26, representing a 300 basis point increase. This is significant because tungsten products generally carry higher value addition and stronger marginal potential. At the same time, exports increase their contribution from 9.7% of revenues in FY25 to 18.3% in FY26. As exports and tungsten continue to grow, we believe the quality of our revenue mix will continue improving. This gives us confidence not only in future growth, but also in the long term profitability potential of the business.

At this stage, I would like to invite our CFO, Saritha Chilakapati to discuss the financial performance of FY26.

**Mrs. Saritha Chilakapati:** Thank you. So can I just talk about that slide? Yeah, so this is the breakup of our revenue for FY26. So I think tungsten heavy alloys we did about 24.6 and metal powers around 75.4. Earlier it was in the proportion of 78 and 22 proportion and even significantly if you notice our exports have, I mean literally doubled. I mean previous year we did about 9.7 and this year we did about 18.3 as a percentage and even our exposure to markets as significantly increase.

So I think we are still anticipating more revenues from export. In fact, whatever order book that we have mentioned of 35.99 crores, after that almost the export revenue is close to 77%. And in fact, if we were to see the proportion over here where the tungsten heavy alloys is 24% or say ticked as 25 and metal powers are 75. Whereas the existing order book is the other side where the tungsten heavy alloy is 75 and metal powder is 25%. So that that's the detail that I can talk about based on our current order book. And just a minute, I think I would like to hand it over to Mr Vinay to talk about our growth strategy.

**Mr. Vinay Choudary:** Looking ahead, we believe Innomet is entering a fundamentally different phase of growth. A few years ago, our focus was on building capabilities. Today, those capabilities are translating into orders. We have multiple growth drivers in place. A strong order book entering FY27. Rapidly growing exports.

Increasing participation in global defence and aerospace supply chains. New product opportunities arising from the Swastik Tungsten acquisition. Additional revenues from capacity expansions and advanced powder manufacturing initiatives. Emerging opportunities in strategic materials, hydrogen technologies and advanced engineering applications. Our medium-term objective remains to cross ₹100 crore in revenue without significant additional capex by leveraging the infrastructure and capabilities we have already built. More importantly, we believe the quality of growth is improving through greater exports, higher-value products and stronger technological differentiation.

The company today is significantly more diversified, more globally connected and better positioned than it was even a few years ago. We believe the foundations are now firmly in place for sustained long-term growth and value creation.

Coming to sustainability and we will go to the next slide. Sustainability remains deeply embedded within our manufacturing philosophy and operations. Powder metallurgy is inherently a resource-efficient manufacturing process that minimizes material wastage, reduces energy consumption and supports recyclable product design. During FY26, our 280 kW solar power installation generated approximately 2.65 lakh units of electricity. As a result, solar energy contributed nearly 25% of our total power requirements during the year FY26. In addition, our facilities incorporate circular water

management systems, including rainwater harvesting, wastewater recycling and zero-discharge initiatives that help optimize resource utilization and reduce environmental impact. We also continue to benefit from extensive scrap reutilization practices, which contribute to both sustainability and operational efficiency.

As global industries increasingly focus on sustainability and responsible sourcing, we believe these initiatives strengthen both our environmental performance and our competitiveness in the industry.

In closing, FY26 has been a year of strong progress and strategic transformation. Exports have tripled and are becoming an increasingly important growth driver for the company. The tungsten business continues to gain scale and strategic relevance, while the acquisition of Swastik Tungsten has strengthened our position across the tungsten value chain and opened new growth opportunities. Our investments in certifications, technology, product development and international marketing are beginning to translate into tangible orders and business opportunities. Most importantly, we believe Innomet is better positioned today than at any point in its history to participate in global advanced materials, defence and aerospace opportunities. As we pursue growth opportunities, we remain equally committed to responsible manufacturing, with solar power now meeting nearly 25% of our electricity requirements, alongside several sustainability initiatives that contribute to both environmental stewardship and operational efficiency.

On behalf of the entire management team, I would like to thank our customers, employees, shareholders, business partners and all stakeholders for their continued trust and support. Thank you for joining us today. We will be happy to take any questions from the stakeholders, please.

**Mr. Ajay Jindal (Moderator):** Yeah, thank you, Vinay. So we can now begin the Q&A session. Participants who wish to ask a question may please use the raise hand feature. Once unmuted, we request you to kindly introduce yourself and proceed directly with your questions to the management. There is also ability to a box where you can write in your questions if you don't want to speak, but we encourage you to raise your hand and ask your questions. To ensure that everyone gets an opportunity to participate, we request participants to limit themselves to 2 questions at a time.

You are welcome to rejoin the queue for any follow up questions. Participants may also post the questions in the chat box and we will take them up during the session. We now open the floor for questions, right? So I think we have a few in the queue in the chat box queue. So let me go with the first thing from Nitya. Nitya Shah, do you plan on acquiring full stake in Swastik Tungsten?

Could you throw some light on cost savings due to backward integration? What would be the steady state margins for Tungsten business? I think Nithya has 2-3 questions. This is the first one.

**Mr. Vinay Choudary:** So Nithya, thank you for your question. Apart from ensuring supply chain efficiency and supply chain security, we also believe that it has its own potential to grow as a vertical like because it has its own products like tungsten metal powder, you know, tungsten carbide powder ready to press powders and you know, parts made from tungsten carbide powder. So tungsten carbide parts. So it is a huge possibility in itself. So we want management, you know, who have been in that business for the past 20-25 years to take that vertical forward. So it is not only acquiring the company, but it is also, you know, working with the management as well.

Management who had experience, connections and all that, which will, you know, bring a lot of value to the table. So we do not intend to you know, acquire more at the moment unless there is some reason we want our partners to grow with us. What was the next question,

**Mr. Ajay Jindal (Moderator):** Vinay, Nitya wanted to understand what will be the cost savings due to this and what kind of steady state margins do you see for that Tungsten business cost savings due to

the backward integration? Vinay so I think I think it's some Internet issues. Saritha can Vinay is there  
Yeah, Vinay,

**Mr. Vinay Choudary:** yeah, I'm there yeah, yeah. If you have a problem hearing me Hello.

**Mr. Ajay Jindal (Moderator):** Right. So, so Nithya's other question was how does this backward integration, what impact does it have on margins and cost savings for tungsten?

**Mr. Vinay Choudary:** So can you hear me now? Yes, Nitya, can you hear me?

**Mr. Ajay Jindal (Moderator):** Yeah, you're, you're audible. Yes.

**Mr. Vinay Choudary:** All right. So the most important part of acquiring tungsten was to make sure that our supply chain for our tungsten heavy alloy division is not you know troubled because of late tungsten has been a biggest problem because of the geopolitical situation and particularly China, you know putting holds on exporting tungsten. So suddenly it has become a big problem. You know, getting that is how that that is the reason why we have gone into you know, acquisition of Swastik. So definitely we will have a few, few percentage benefit from acquiring from our own company, but that is not the main intention. The main intention is to make sure our supply chains are better and then our tungsten heavy alloy business grows right.

**Mr. Ajay Jindal (Moderator):** And his next question is competition in tungsten carbide tools. Is canon metal the main competitor? How do you see this business coming?

**Mr. Vinay Choudary:** Well, Canon metal is very strong. There are multinational companies, but there are some certain niche areas where we can be important players. We can also look at exports, but, this is a very, very large canvas. Tungsten carbide is a very large canvas. So there is a lot of requirement. And then of course, competition is there particularly there is a huge competition on China.

But today is given the geopolitical situation, India is kind of a positioning itself as a China plus one country. So that's where we will have a lot of opportunity there. So I don't want to comment anything about how we position ourselves as can metals competition. There is there is a huge convey to for so many players to you know, thrive there, right.

**Mr. Ajay Jindal (Moderator):** Thank you very. So we will move on to some questions by Navendu model. Nitya will probably take your other questions later if time permits. So Nabindu wants to know what percentage of the order book will be delivered in the current financial year. That's his first question.

**Mr. Vinay Choudary:** The current whatever this thing is there, we want to, we have to do it before the end of half year, not even the end of this financial year. So they're, they're all these things have to be delivered before the end of the 6 months.

**Mr. Ajay Jindal (Moderator):** So in effect, you're saying first year you're giving some sense of the first half revenues. Fair enough. What capacity utilization do you see for the 2 businesses powder metal and THA division for FY27?

**Mr. Vinay Choudary:** So we are actually, so I will talk about metal powders first. So currently we have about 50 tons per month capability and we are actually doing around 40-42 tons. So which we will hit the limits.

But very soon we will actually plan to go to 75 and 100 tons per month. So capacity utilization we will be current capacity utilization will be full in the next one or 2 months and about tungsten heavy alloys we have added a huge capacity last year from one and a half ton to we can we have gone to 5 tons per month. So currently we are operating about but every month of the scenario is changing for THA

is because of the China you know situation people are looking at India as an alternative to this specialty material and then we are the only 1 in the country at least in the small scale sector to do this material. So we are looking at capacity utilization of about you know 50%.

**Mr. Ajay Jindal (Moderator):** His next question is how do you plan to protect margins given the sharp increase in tungsten and some other metal prices in the last one year. So how, how will we protect margins this year?

**Mr. Vinay Choudary:** So we what, what normally we have done in, in the past 20 years is we have never looked at, you know, trying to make money by, you know, buying material or buying the material later. So whenever we get an order, we, we give a quotation, there is a certain validity to do it. Within that validity, we get the order and then once we get the order, immediately we book our material. So basically we don't want to take any risk with raw materials. But within that 10-15 days gaps, if something happens, sometimes small hit is there, which we had actually experienced in a small way last year. But generally, we don't take any risks.

**Mr. Ajay Jindal (Moderator):** OK. Next, we'll take a question from Nupur Karnani. She's asking, during FY26, we observed 2 notable accounting adjustments, a reversal of approximately 1.92 crore of previously capitalized development expenditure and a reversal of approximately 2.96 crores of unbilled revenue recognized earlier. Could management elaborate on the underlying reasons for these reversals and whether they indicate any change in accounting, accounting judgments, project execution, customer acceptance or internal controls? Maybe Saritha.

**Mr. Vinay Choudary:** Saritha, could you answer these questions?

**Mrs. Saritha Chilakapati:** Yes, I will answer this. So yeah, these are 2 valid questions. And let me answer it one. The first question is about 1.92 crores of CapEx. See, we had actually spent a lot of money on product development and you know, a lot of validations had to be received and all. So from the management perspective, we had developed more than 7 products which are actually commercialised in that we are actually seeing the benefit out of it during this financial year.

But as per stat audit guidelines and all though the preliminary verification was done, but it was not completed by end of September and it could not be validated. So the reversal has been made by, so for that reason, whatever 1.9 to go that you see which was supposed to be as CapEx has been written off in other expenses. I mean it's been part of other expenses because our stat auditor could not validate the entire amount towards product development. So that is one thing because those are as per stat audit guidelines. So we have not changed any accounting methodologies or any judgments. But yes, yeah this change has but the second one is about 2.96 crores unbilled revenue.

Yes actually Innomet had offered us you know facility I would not say facility revenue mode where we actually have in form of technology transfer and that actually since it was not materialised we had to reverse that. So you see these go differences from half yearly to otherwise there is no other difference.

**Mr. Ajay Jindal (Moderator):** OK, thank you. Thank you. OK. Next is a question from Kapil Ahuja. He's asking Tungsten segment can derive how much revenue in FY27 and EBITDA margins likely for this segment. So let's take this as one year something else also. Yeah.

**Mr. Vinay Choudary:** So, so Tungsten Heavy Alloy business is actually saying is serious Spike, particularly with our Israeli customers. We have a dealer in Israel, and then there is a lot of China plus one policy that's helping us you know get orders. We have already given samples and then we have a lot of exercise in the last 2 years which is taking significant shape right now. So we are going to continue to see this spike whatever that 37 and a half crores current order is there a large part of it is coming from THA if I am right Saritha, it is about 70-80% of that is coming from THA.

**Mrs. Saritha Chilakapati:** Yes, what 77%, yeah.

**Mr. Vinay Choudary:** So out of that, a large part of it is again coming from Israel. So the Indian companies are still waiting to settle on the increased prices and then all that, whereas the Israeli people are already moving ahead with placing orders. So that is what we are seeing. So definitely it is going to be much bigger and definitely EBITDA will be much better than what we have seen last year.

**Mr. Ajay Jindal (Moderator):** And he also wants to know about EBITDA margins likely

**Mr. Vinay Choudary:** The EBITDA is definitely it will be beyond 20% particularly for a tungsten heavy alloy division.

**Mr. Ajay Jindal (Moderator):** OK. Kapil is also asking, are we selling tungsten for Pinaka rockets?

**Mr. Vinay Choudary:** Yes, yes we do. We, we are qualified to produce pre fragments for Pinaka rockets. We already have supplied a lot of material to Solar and Ordnance factory Ambajari. So definitely it is there, yeah.

**Mr. Ajay Jindal (Moderator):** And his final question is in FY26 margins were depressed. So were we not able to pass on increase in metal prices.

**Mr. Vinay Choudary:** So this that's what I told you last year, the spike of the metals particularly tungsten and copper happened within days. You know there's something which is never happened. So we in in few cases we got caught. That is one thing. And of course we have spent a lot of money on international marketing, product development and all those things, a lot of money we have spent. So all those things are going to become our strength in the coming years.

We are already seeing significant increase in our in our order book position because of our efforts certification for example, AS standard certification, taking into our fold very senior people. A lot of lot of expenses have been made you know, to support our growth. So I hope I have answered your question there.

**Mr. Ajay Jindal (Moderator):** Next we have a question from Jagdish and he's saying hi Vinay. Based on the filings and previous PPT in December 25, I see an order book of 10,00,00,000 at that time December. But in H2 company reported 30,00,00,000 of revenue. So may I know where, what exactly contributed to these numbers increase,

**Mr. Vinay Choudary:** Increase sales more than order? Is that the question?

**Mr. Ajay Jindal (Moderator):** Much, much more than the order book.

**Mr. Vinay Choudary:** Yeah, Yeah, yeah.

**Mrs. Saritha Chilakapati:** Answer that.

**Mr. Vinay Choudary:** Yeah. Go ahead.

**Mrs. Saritha Chilakapati:** So here I would like to tell you that whatever order book is published is the ones that we receive by email or you know, as a confirmation, but they're recurring orders that we receive every month, which is not published. Like whatever, you know, what we execute in metal powders. You know, I mean, not everything is not, I would not say it is not published because you know, I would say, you know, it is the, the orders are in the tune of between 20 to 30,00,000 or 40,00,000. So anything about 50 to 60,00,000 is what we actually report to the NSE.

So that is the reason you would see that big difference. And I think our order book between 20 to 50,00,000, we have multiple orders which we execute literally on a day to day basis. So I think that is the big spike that you see.

**Mr. Vinay Choudary:** For example, I will explain to you that say today or 37 and a half crores metal powders is about may be 8,00,00,000 or 9,00,00,000. But THA is 27-28,00,00,000. So that does not mean metal powders is it is only 10,00,00,000 it is every month we get that kind of this thing. So not every month 10,00,00,000 but we keep getting every month. So which we don't get we are not publishing. So a large part of it is not published.

**Mr. Ajay Jindal (Moderator):** Yeah, thanks. Next question is from Sarath Amaravadi. He is saying hi, this is Sarath from Hyderabad. My question is on VC management raise equity holding, what drove this and in coming days are you still planning to increase shareholding?

**Mr. Vinay Choudary:** Well, I am that you want to answer that.

**Mrs. Saritha Chilakapati:** Yeah, I must admit that we have only increased by 0.25%. Of course, you only see a big number because the KMP is earlier where under public it has been shifted to promoter holding. But otherwise as equity, I mean as promoter shareholding, I think we have not gone beyond 0.25% in the last 5. That's what I can answer you. And do you plan to increase? Yes, of course, we still have confidence in our company.

We would be happy to increase our shareholding going forward.

**Mr. Ajay Jindal (Moderator):** Nitya Shah is asking Capex plans for FY27 and 28.

**Mr. Vinay Choudary:** It's 27 and 28 will be too far-fetched for now. We are actually looking at a much bigger canvas. Of course our tungsten heavy division is growing and we have to build redundancy into the system because we are getting big orders there. Suddenly if our big furnace, you know, for whatever reason there is a breakdown, we do not have a backup. So definitely some something will be there, but there is nothing not, to a significant amount just to build up more redundancy, just to build up more, more build more automation, you know, like these things. But otherwise we don't have a significant plan right now.

**Mr. Ajay Jindal (Moderator):** We have some questions from Rakesh Jain. He's saying so 37,00,00,000 order book is of 50,00,000 plus type special orders not covering recurring orders.

**Mrs. Saritha Chilakapati:** Yes, yes, it is.

**Mr. Vinay Choudary:** It does. No, no, no recurring orders in that because recurring orders we don't have everything everyone.

**Mr. Ajay Jindal (Moderator):** Well interesting.

**Mr. Vinay Choudary:** Our metal powder business is like every month we get orders. It is not like they give a blanket order and then we keep supplying. So it is not like that. Whereas tungsten heavy alloys, it is one orders which are significant and also that they need a few months to deliver. So that is why I think tungsten seems to be much bigger, but eventually metal powders will catch up.

**Mr. Ajay Jindal (Moderator):** Right, right. And sort of related question from Diya Jain. And we look at 35 to 40% growth in FY27?

**Mr. Vinay Choudary:** Much more than that, much, much more than that I can say.

**Mr. Ajay Jindal (Moderator):** So in short, this is achievable. Fair enough.

**Mr. Vinay Choudary:** Yeah, Yeah.

**Mr. Ajay Jindal (Moderator):** Then a question from Rakesh Jain, whether any revenue and business plans for Swastik, whether these whether those revenue or order booking also undertaken for your order booking. So I think basically saying getting trying to get some sense of Swastik and to just to clarify, none of these order books are for Swastik, right. So what we are talking about so well, well none of these numbers are for Swastik.

**Mr. Vinay Choudary:** But out of these, we could actually place some orders on Swastik as a raw material supplier. But otherwise all these are orders to Innomet. Yeah, Swastik is completely by itself. So probably in the probably in the next few months, we will start operations. In fact in the next 15 days, we are starting some basic operations. So where, where, where we will buy an intermediary from outside and then we will do some partial operations probably in the next 2-3 months we should be full-fledged, you know 10 tons per month operating.

So yeah, to answer your question, there is nothing of Swastik, in whatever we have projected here.

**Mr. Ajay Jindal (Moderator):** And so in terms of revenue plan and business plan to Swastik. So you are saying that maybe in 2 to 3 months it will start operations. Anything more you want to add there and use the road map for Swastik?

**Mr. Vinay Choudary:** Well Swastika has a potential of about for 10 tons per month of metal powders, RTP and carbide parts all together. Now you know we are going to start off with tungsten metal powder to begin with and probably take it up from there. I think it is too early to comment anything on, you know, projections right now. Definitely, we will try and reach probably at least a few tons a month to begin with because we ourselves need that material, right, Right.

**Mr. Ajay Jindal (Moderator):** There's a question from Atul Rastogi, some ideas of financial. So Swastik I guess means historical. And what was the acquisition cost?

**Mr. Vinay Choudary:** So acquisition cost was about 1.6 crores, am I right?

**Mrs. Saritha Chilakapati:** 1.5 crores, 457 and a half percent

**Mr. Vinay Choudary:** And some debt we have given secured debt we have given for clearing of some bank loans and all that all secured loan. But otherwise this is only 1.5 crores, 1.6 crores.

**Mr. Ajay Jindal (Moderator):** Then we have some follow on questions. Let's say from Nupur is asking since export invoices are denominated in in USD, can you please help us understand the pricing mechanism? Is the INR realization linked to spot exchange rate on invoice rate, shipment date or realization date? Also what percentage of exports is hedged and how sensitive our margins to currency fluctuations?

**Mr. Vinay Choudary:** So yeah, go ahead. We, we normally take current USD into account and then give our offer or offer is valid for 4 or 5 days. So I do not think there will be much difference there. And then whenever we get an order, we will immediately place order for our material. So that that way we are safe for say safe, you know, making sure that the increase in metal prices or the reduction in dollar prices will not hamper us.

**Mrs. Saritha Chilakapati:** Now one more thing is I would like to clarify that, you know, how do we cover up our currency fluctuations? Well, for us, the currency it is the realization date. It is not the date of shipment or invoice date. So it is a combination of we receive advance or you know, sometimes, you know, we offer rate of 30 days or 40 days depend case in case and you how to safeguard ourselves. Well, for now, we have not been able, yes, we want to get into hedging and we've

been, we actually lifted to Stanhard Bank who are guiding us in this procedure. And yeah, that is where we want to take some expert guidance for this.

**Mr. Ajay Jindal (Moderator):** There's a question from Navendu, Navendu Mundal, we had in the past mentioned about opportunities in green hydrogen and BES is best opportunities. How are developments progressing in these areas? And do you see any meaningful revenues from them in the next 2 to 3 years?

**Mr. Vinay Choudary:** Yes, we are still working on R&D only R&D projects, but they are to come into a commercial aspect definitely. I don't see it in the next 6 months. After 6 months maybe something 2 years is too early to comment about 6 months I don't see any revenue, big revenue, R&D revenue, I don't talk about it. But any significant revenue coming out of hydrogen economy business, I don't see in the next 6 months, yeah, maybe 2 years, yes, but nothing for sure right now.

**Mr. Ajay Jindal (Moderator):** Rakesh Jain has a question on the capacity utilization we mentioned earlier. So he's saying capacity determination is based on single shift or let's say the capacity utilization numbers you mentioned the based on a single shift.

**Mr. Vinay Choudary:** So currently when I said 50 tons, we are operating 2 shifts. The main melting process and the rest of the things are 3 shifts. But we have, we have already you know acquired and build some redundancy into the metal powder thing where we can actually move it to 75-100 without much of a CapEx addition and of course melting also when we do it in the 3rd shift, it will go out to those numbers 75-100 whereas tungsten heavy alloys it is a 3 shift one. Yeah. When we operate, it is 3 shift. It got to be 3 shift.

**Mr. Ajay Jindal (Moderator):** There's a question on how do you see your affiliation with Scope metal groups. Can you give some light on how big this partnership can become, what can be the pipeline from them and whether this is sustainable?

**Mr. Vinay Choudary:** Well, the product is what speaks. It's not about our relationship with Scope but the product, what we carry and then we have given exclusive dealership to them for complete Israel. All the difference industries, we go through them. So they are working hard. It is a big company, they have a large team to work on that front and we are the only ones you know in India at least you know to service that kind of product. So I think the strength is in the product than the then the dealer of course dealer is important.

You know they have to do a lot of spade work and all that which is a scope is a fantastic company. I think it's a it's a win win for both of us.

**Mr. Ajay Jindal (Moderator):** Rakesh Jain is asking why is the time frame 3 years or so far the gas, gas that I mean they should plan to become operational and what be the benefit tournament and can you use its capacity for commercial purpose when it is operational I guess.

**Mr. Vinay Choudary:** So gas atomization, we already have a gas atomization, 10 kg gas atomization which we are converting it into a 50 kg atomization, gas atomization in the next one or 2 weeks. So that that will go on the commercial, active commercial production of gas atomization will start in the next probably one to 2 weeks. What we are talking about the DRDO project is a very special material where the oxygen levels have to be very low basically for application in aerospace industry. So there are a lot of see. So we have the whole thing was projected for 3 years. That does not mean that we have to spend all the 3 years.

We have actually planned to do it around one, one and a half year, the trials and all that. And to ask answer your next question, yes, we are we are allowed to use that for commercial production. Of course anything on the DRDO front they, require we have to take it as a priority. But otherwise this is

for commercial production or whatever infrastructure we are building, it will be in our in house and it will be used for commercial productions.

**Mr. Ajay Jindal (Moderator):** Nupur is asking this thing that the Swastik transaction, the stipulated timeline was 30th June 2026. So will it happen within the timeline?

**Mr. Vinay Choudary:** It's all over. I mean, some paperwork is remaining. Otherwise everything is over. All the payment is long done, all the on the all the NCLT process is over. Only some internal paperwork is happening, shares and all those things. But otherwise there is nothing from the transaction point of view, there is nothing to be done there.

**Mrs. Saritha Chilakapati:** It will be completed. If the filing parts and you know, the share transfers and all that, everything will be completed.

**Mr. Ajay Jindal (Moderator):** So we're on track.

**Mrs. Saritha Chilakapati:** Yeah, Yeah.

**Mr. Ajay Jindal (Moderator):** Another question is, other current assets declined by approximately 11.5 crore during the year. So some explanation of this.

**Mr. Vinay Choudary:** Yeah, what? What come again please.

**Mr. Ajay Jindal (Moderator):** Other current assets declined by 11.5 crores during the year. So can you throw some light on this one stock?

**Mr. Vinay Choudary:** Stock is it?

**Mrs. Saritha Chilakapati:** Yeah, inventory has definitely reduced and

**Mr. Vinay Choudary:** yeah, we are doing better inventory management and then lot of we did, we did buy a lot of material all that was cleared. So I think that is what is showing as reduction other, Yeah.

**Mrs. Saritha Chilakapati:** So let me be clear here. So when it comes to other current assets, it was mostly the IPO money that we had for last FY close to 8,00,00,000 was lying as deposits in as other current assets for FY25 which was consumed during FY26. That is why you see that sharp decline.

**Mr. Ajay Jindal (Moderator):** So I think we're mostly covered the questions and I think some of the they, could be some of the following questions and we could, you know, reach out to some of the individual participants in the call subsequently like Navendu Nupur. I think they're if we have missed some questions, we'll check them out and we'll get in touch with you after the call from us one to one separately. So I think maybe with this we can look at wrapping up the call. Yeah. So I think on behalf of Innomet advanced materials, we would like to thank you. Thank everyone for joining us today and for your continued interest in support.

We wish you a pleasant evening. We will be in touch with the participants individually for any follow on questions. So rest assured if you missed anything right now, we will address that in the coming days. Thank you and goodbye and any last.

**Mr. Vinay Choudary:** Thank you gentlemen, Ladies and gentlemen. Thank you, Ajay.

**Mr. Ajay Jindal (Moderator):** Yeah, yeah.

**Mrs. Saritha Chilakapati:** Thank you everyone for attending the call. Thank you.

**Mr. Ajay Jindal (Moderator):** Thank you.

