VIVID ELECTROMECH LIMITED | ELECTRIFYING THE FUTURE

Date: 3rd November, 2026

To,

The Manager,
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.

NSE Symbol: VIVIDEL

Subject: Transcript of Earnings Conference Call pertaining to the Un-audited Financial Results of the Company for the half year ended September 30, 2026

Dear Sir / Madam,

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), enclosed herewith is the transcript of audio recording of the Earnings Conference Call held on Wednesday, October 28, 2026, pertaining to Un-audited Financial Results of the Company for the half year ended September 30, 2026.

Kindly take the above information on record.

For Vivid Electromech Limited

PRANJUL GUPTA
Digitally signed by PRANJUL GUPTA
Date: 2026.11.03 12:48:49 +05'30'

Pranjul Gupta
Company Secretary
and Compliance Officer
M. No.: A35912

VIVID ELECTROMECH LTD NAVI MUMBAI

“Vivid Electromech Limited
H1 FY27 Conference Call”
October 28, 2026

MANAGEMENT: **MR. SAMEER ATTAVAR – CHAIRMAN AND MANAGING DIRECTOR – VIVID ELECTROMECH LIMITED**
MR. VARUN MISHRA – CHIEF FINANCIAL OFFICER – VIVID ELECTROMECH LIMITED

MODERATOR: **MR. AKHILESH GANDHI – STELLAR IR**

Moderator: Ladies and gentlemen, good day and welcome to the H1 FY27 Conference Call hosted by Vivid Electromech Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I now hand the conference over to Mr. Akhilesh Gandhi from Stellar IR. Thank you, and over to you.

Akhilesh Gandhi: Thank you, Yashashri. Good afternoon, everyone. This is Akhilesh Gandhi. I'm talking on behalf of Stellar Investor Relations. I would like to welcome you all for the Vivid Electromech H1 FY27 Earnings Conference Call. We shall be sharing the key operating and financial highlights for the half year ended on 30th September 2026.

Today, we have with us the senior management team of Vivid Electromech Limited namely Mr. Sameer Attavar, he is our Chairman and Managing Director. With him, we also have Mr. Varun Mishra, he is our Chief Financial Officer. Before we begin, I would like to state that this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions and expectations as of today.

The statements made in today's call are not a guarantee of future performance and also involve unforeseen risk and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect development that occur after the statement is made. Document relating to the company's financial performance is already uploaded on the stock exchange. With that, I now invite Mr. Sameer Attavar ji to share his initial and opening remarks on the company's performance for the half year ended on 30th September. Thank you, and over to you, sir.

Sameer Attavar: Yes. Good afternoon, everyone. A very warm welcome to Vivid Electromech Limited 's first Earning Conference Call following our listing on NSE Emerge platform in April 2026. I would like to thank all our shareholders, investors, analysts and other participants for joining us today. We sincerely appreciate your interest in Vivid Electromech and the confidence you have placed in our company.

We are pleased to share our financial and operational performance for the first half of FY27, along with the key developments in our business and the progress we have made on our growth initiatives. Today, I will briefly introduce our business, share the key operational and strategic developments during the first half and discuss our growth priorities. Thereafter, our CFO, Mr. Varun Mishra will take you through our financial performance in detail.

Vivid Electromech is an established electrical engineering and manufacturing solutions provider specializing in low-voltage and medium-voltage electrical panels, power distribution systems and industrial automation solutions. Our product portfolio includes power control center, motor control center, variable frequency drive, VCB panels and ring main units.

We also specialize in power distribution units for the data center field. Coming to the industry we serve, our solutions find application across data center, industrial manufacturing, infrastructure and construction, metro rail, renewable energy and utilities. Each of these

industries require reliable electrical distribution, control and automation systems and our diversified product portfolio enables us to address these requirements.

Data centers have emerged as one of our most important business segments and a key growth driver for the company. With increasing investment in cloud computing, artificial intelligence and digital infrastructure, we see significant opportunities in this segment while continuing to strengthen our presence across the other end markets.

Before our manufacturing footprint, we had established an execution presence across more than 15 states in India, enabling us to serve customers across different industries and geographies. Over the years, we have also established strong associations with leading OEMs, global OEMs, including ABB, Hitachi and Lauritz Knudsen, while complement our engineering and manufacturing capabilities.

Our strength lies in our ability to understand customer-specific requirements and deliver customized electrical solutions while maintaining high standard of quality, safety and reliability. Building on this established foundation, we are now focused on scaling our manufacturing capabilities, expanding our product offerings and strengthening our presence across key growth industries.

Coming to our business performance during the first half of FY25*, our growth was supported by continued execution of customer orders, demand across key industries, and increasing participation in international markets. Data center remained our key growth driver, supported by our relationships with established operators, including STT Global Data Centres, CtrlS Datacenters, and AdaniConneX. Capabilities in customized electrical distribution systems and specialized PDUs continue to support our presence in this segment.

Beyond data center, we continue to execute our projects across industrial infrastructure, industrial manufacturing, and renewable energy, serving customers such as NCC, Afcons, JSW, and SpenoMatic Solar. This diversified industry exposure provides us with multiple avenues for growth.

Another encouraging development was the expansion of our international business with increased exports across African markets, including Tanzania, Kenya, Mali, Burkina Faso, and Ghana. Coming to our order book, as of October 26, 2026, our executable order book stood at approximately INR307 crores, providing healthy revenue visibility for coming 2 quarters.

Our typical execution cycle ranges between 2 to 9 months, depending on project requirements and delivery schedules. Moving to our strategic initiatives, we are focused on expanding our manufacturing capacity, strengthening our product portfolio, and enhancing our technical capabilities.

*Referring to FY2027.

A key development in our new manufacturing facility at Ambernath, where phase one has entered the equipment installation and operational readiness assessment stage. Subject to requisite statutory approvals, commercial operations are expected to commence by the end of November this year. Upon completion of the facility, the facility will add 15,000 verticals annually, taking our total installed capacity from 7,500 verticals to 22,500 verticals per year. With advanced automation, robotic fabrication, and in-house testing capabilities, the facility is expected to improve manufacturing efficiency and strengthen our ability to execute larger and more complex orders.

On the product development front, we have introduced 800-volt low-voltage panels type-tested at CPRI, Bhopal, as per IEC 61439, strengthening our offer for energy applications. We have also acquired a 99% partnership interest in Mechtech Infrasolutions, a Siemens licensed partner for SIEPAN 8PU low-voltage switchboards.

This acquisition is aimed at broadening our product capabilities and strengthening our presence in industrial, electrical, and automation solutions. Looking ahead, our growth strategy remains centered on three key priorities, strengthening our position across existing industries, expanding our geographical reach, and scaling our manufacturing capacity.

Our immediate focus is on converting our order pipeline into timely execution while continuing to deepen relationship with existing customer and pursue new business opportunities. The upcoming Ambernath facility, combined with our technical expertise and OEM partnerships, will enhance our ability to address larger projects, improve operational efficiency, and expand our product offering.

We believe our established engineering capabilities, diversified industry presence, and growing order pipeline provide a solid foundation for the next phase of growth. With that, I would now like to hand over the call to our CFO, who will take you through our financial performance for the first half of FY25* in greater detail. Over to you, Varun.

Varun Mishra: Thank you, sir, and good afternoon, everyone. Let me now take you through our financial performance for the first half of FY 2027, followed by our revenue composition, operational metrics, balance sheet, and cash flow position. Starting with our financial performance, revenue from operations stood at INR91.53 crores, registering growth of 29.7% Y-o-Y compared to INR70.57 crores in half year FY26.

And total income stood at INR92.15 crores, registering growth of 30% Y-o-Y compared to INR70.89 crores in half year FY26. EBITDA increased by 37.5% Y-o-Y to INR19 crores compared to INR13.82 crores in half year FY26.

*Referring to FY2027.

EBITDA margin improved to 20.62% from 19.49% in the corresponding period last year. Profit after tax grew by 38.5% Y-o-Y to INR13.08 crores compared to INR9.44 crores in the corresponding period last year, with PAT margin improving to 14.2%. Revenue growth was supported by execution of orders across key industries, while improved product mix, operating leverage, and execution efficiencies contributed to stronger profitability.

Coming to our revenue composition, low-voltage panels contributed 82% of revenue, followed by medium-voltage panels at 17%, with the balance coming from traded products and services. From an industry perspective, data centers contributed approximately 52% of revenue, followed by infrastructure and real estate at 24%, industrial manufacturing at 17%, and the remaining 7% from solar and other industries. Geographically, Maharashtra contributed 77% of revenue, while domestic business accounted for approximately 91% of revenue, while exports contributed 9%. Export revenue stood at approximately INR 8.1 crores during half year FY27 compared to INR2.5 crores for the entire FY 2026. During the first half year, we served 71 customers, with average revenue per customer of approx INR1.28 crores.

On the manufacturing front, capacity utilization at our Navi Mumbai and Pune facilities stood at 95% respectively. Coming to the detailed composition of our order book, of the approximately INR307 crores executable order book mentioned earlier, data centers accounted for INR115 crores, metro rail INR46 crores, and other industries INR146 crores.

From a geographical perspective, export orders stood at approximately INR66 crores, accounting for nearly 22% of the total order book. Our order book comprises 43 customers, with approximately 89% of the order value coming from the existing customers, and the remaining 11% from the new customers.

Now coming back to our balance sheet, we have significantly reduced our long-term borrowings during the first half. Long-term borrowings declined to INR1.76 crores as of September 30, 2026, compared to INR19.66 crores as of 31st March 2026, with repayments of approximately INR23.02 crores during the period.

Our total borrowings reduced to INR24.27 crores compared to INR33.30 crores as of March 2026, despite an increase in short-term borrowings to INR22.51 crores. This increase in short-term borrowings was primarily to support working capital requirements, including procurement and execution of ongoing customer orders.

On the working capital front, inventories increased to INR17.29 crores from INR6.66 crores, while trade receivables stood at INR119.75 crores compared to INR116.5 crores as of March 2026. The increase in inventories was primarily driven by procurement ahead of scheduled project execution and despatches, while receivables remained broadly stable.

Trade payables reduced following settlements with suppliers during the period. During half year financial year '27, net cash flow from operating activities stood at negative INR55.49 crores. This outflow reflected higher inventories and short-term advances, a reduction in trade payables, and increase in other bank balance and income tax payments.

With a healthy order book and increasing pace of project execution, our working capital requirements have remained elevated in the near term, particularly towards procurement and ongoing projects. However, as execution progresses and customer collection materialize, we expect working capital pressures to gradually ease and operating cash flows to improve over the coming quarters.

Cash outflow from investing activities stood at negative INR28.23 crores, reflecting investments in property, plant, and equipment, intangible assets, and capital work-in-progress, partly offset by other investing inflows. Capital expenditure during the period stood at approximately INR34 crores, primarily towards manufacturing expansion and related investments.

Our focus remains on improving working capital efficiency and strengthening our operating cash flow as project execution progresses. Now coming to our IPO utilization proceeds, so out of the fresh proceeds of INR104.56 crores, approximately INR81.64 crores had been utilized as of 30th September 2026, with INR22.92 crores remaining unutilized.

The proceeds have been deployed towards repayment of certain borrowings, capex, working capital requirements, and other approved purposes. As approved by our shareholders on 36th AGM dated 25th August 2026, INR9 crores were reallocated from the manufacturing facility capex allocation towards working capital requirements.

Our focus remains on disciplined capital allocation, efficient working capital management, and maintaining financial flexibility as we scale our operations. Overall, we remain focused on translating business growth into sustainable profitability and improving operational efficiency and strengthening our financial position. That concludes our financial overview for the first half of financial year '27.

With that, now I would like to hand over to our CMD, Mr. Sameer Attavar ji, for his concluding remarks. Over to you, sir.

Sameer Attavar: Thank you for the financial overview. As we look ahead, we remain confident about the long-term growth opportunities for Vivid Electromech, supported by our established business fundamentals, expanding manufacturing capacity, and presence across key growth segments. With a healthy order pipeline and established customer relationship, our immediate priority remains the timely execution of orders, securing repeat business, and expanding our customer base.

The completion of our phase one of our Ambernath manufacturing facility marks an important milestone in our growth journey. Our focus will now be on progressively scaling production, improving manufacturing efficiency, and leveraging the expanded capacity to pursue larger and more complex orders. I would like to thank all our shareholders, investors, and other stakeholders for their continued trust and support.

With that, we would now be happy to take your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We'll take our first question from the line of Nishita from Sapphire Capital. Please go ahead.

Nishita: Hello.

Moderator: Yes, we can hear you.

Nishita: Yes. My first question was on the new manufacturing facility. I just wanted some more color on the facility. What is the total capex that we are spending on that facility? In phase one, what sort of capacity, out of the 15,000 modules capacity, what sort of capacity is commercializing in phase one?

Sameer Attavar: Okay, I'll answer this question. Till now, we have spent INR34 crores on the capex part. The phase one facility, we have already received the machines from our vendors, it's under installation. What we have done is broken up the complete factory into phase one and phase two, whereas the complete PEB structure, the shed, everything is getting constructed at one go. Only we are starting operations on the ground floor as of now.

Hopefully, by this next month-end, we have already started the machines. By this month-end, the first dispatches will, from November-end, the first dispatches will start happening from the new facility. And this will take our, the phase one will take our additional capacity to roughly around 5,000, and then subsequently it will be total 100% utilization by the phase two.

Nishita: Right. In phase one, out of the 15,000, we can expect 5,000 capacity to be commercialized, to be utilized?

Sameer Attavar: Yes, correct. The phase one and phase two are running in parallel. If you're talking about phase one, that is by this month-end. And the phase two without the office block, without the experience center office block and all, is supposed to be done by December-end. It is not something which is split into too many phases or too much different timelines.

Nishita: Okay. Understood. How fast can we expect the ramp-up of this 15,000?

Sameer Attavar: Utilization is spread over, it is spread over complete 100% utilization, if you're talking about, we are talking about at least a year, year and a half to completely utilize the 100% capacity.

Nishita: Okay, understood. And at peak.

Moderator: Nishita, I request you to rejoin the queue, please as we have participants waiting for their turn.

Nishita: Thank you.

Moderator: We'll take our next question from the line of Mithil Doshi from Share India Institutional Desk. Please go ahead.

Mithil Doshi: Yes, hello.

Moderator: Yes, please go ahead.

Mithil Doshi: Yes. Can you explain the receivable numbers on why the numbers seem, current numbers are very high? It seems that the company hasn't received any cash in H1?

Sameer Attavar: Yes, sir, we have received. In fact, our March 31st our outstanding was 116 crores. Then after that, we have even dispatched INR91 crores plus GST. That goes to roughly about 124 crores. And now our receivables as of September is again is 119. 116 and 119 is practically same. We have recovered that 120 crores in the last six months.

Mithil Doshi: Okay. And one more question I would like, then rest questions I will ask after. With export, as your export share is also improving, what is the difference in the revenue per unit and the EBITDA per unit?

Sameer Attavar: We don't do segment bifurcation, but export orders are basically only supply orders, and they are LC-backed orders. So it is an aggressive market. We have a better cash flow in the export market as well as better margins, which is comparable to our infrastructure segment in our current order books.

Mithil Doshi: Breakup is not possible, you're saying? Revenue per.

Sameer Attavar: No, we have not yet started. We are implementing manufacturing facility-wise breakups from this quarter we have started, and segment-wise breakup will be starting a couple of quarters down the line.

Mithil Doshi: Okay.

Moderator: Mithil, I request you to re-join the queue, please.

Mithil Doshi: Yes, sure.

Moderator: Thank you. Next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thank you for the opportunity. Yes, am I audible?

Moderator: Please use your handset mode, audio is not very clear.

Ankit Gupta: Is it better now?

Moderator: Yes, please go ahead.

Ankit Gupta: Thanks for the opportunity, sir, and congratulations for a good set of numbers. On the order book side, we have seen a significant increase in our orders on half-yearly basis. But given how the traction that we are seeing on the local India DC side, I still feel that the order inflow could have been better. Is it that because our capacities are still coming in, we are constraining ourselves in taking new orders, and once the new capacity is online, let's say by end of November, the order inflow should accelerate significantly?

Sameer Attavar: In this, it is a personal call the management has taken. There are two factors in this. There are orders we are not got into the picture, or rather we are not interested to get into the data centre segment where the complete solution is there, where you supply the transformers on a skid solution, what you're talking about.

Those orders, you might have seen other players in India taking those orders with one year, two years delivery timelines. Because of the price volatility in this market, we are not comfortable in that. Second, coming to the orders what we are supplying is basically SITC of low-voltage panels and PDUs.

In this particular segment, orders do not go exceeding more than six months delivery, the final deliveries. If I take any order right now, and I'm not taking skid orders, I'll have a horizon of six months. As of now, what order books we have done, executing that order is my priority. And maybe from Jan onwards, we'll start booking orders for further two or three quarters down.

Ankit Gupta: Sure, got it. Sir, on the receivable side, I think for the DC orders we do have 10% retention money with our customers for a year or two. I think you were talking about getting into bank guarantee, giving bank guarantees in lieu of this 10% retention money that the customers take from us?

How is the progress on that? Because what happens is once you scale up from last year's 200 crores to whatever, we are targeting significant 30%, 40% growth over the year or two, once that happens, a lot of our money might get stuck in the receivables. So, we were working on that plan, giving bank guarantee in lieu of 10% retention money. So, what is the progress on that, and what other steps are we taking to improve our receivables?

Sameer Attavar: Okay, we are taking -- we have become very conscious about our receivables and you will see those numbers in the coming next balance sheet. There will be a drastic improvement. First, what we have done is we are banking with ICICI and Kotak, both. We have applied and already got the limits enhanced for the non-fund-based limits for the giving, issuing performance bank guarantees. Now we have already started processing bank guarantees, so that thing also will start coming into our pipeline.

Second is, though this is only 10%, balance 20% is also milestone-based in a data center field, whereas after commissioning is another 10%, and after IST, when it's the final integrated test in front of the end user, then the 10% is released. But looking at the delays after we supply, even 3 months, 6 months also the data center people are not able to do their final commissioning's because of other site-related factors.

So, there also we are pushing in for the new negotiations what we're doing with current orders what we have got. It is what we uploaded I think 2 days, 3 days back for a Chennai data center what we got. In that, we have started negotiating for better payment terms, whereas it's completely LC-backed payment terms up to 90%. That is a conscious decision we have taken. Maybe we had to sacrifice say 0.25% margin on that, but the cash flow will be at least two to three times faster than a regular data center project.

Ankit Gupta: Sure, sir. I have more questions, I'll come back in the queue.

Moderator: Thank you. Next question is from the line of Nirvana Laha from Badrinath Holdings. Please go ahead.

Nirvana Laha: Hi, sir. Thanks for the opportunity. Sir, my first question is on these African orders that you have won recently. Who is the counterparty here, sir? Is it Indian EPC players like Afcons, etc., or are you directly supplying to African companies? And you mentioned LC, so if you can just tell us the LC terms, how soon do you get paid, is there any advance, etc?

Sameer Attavar: Yes. All these export orders, we don't do it on an open credit. It's absolute LC. There are direct customers also. About 50% to 60% is direct customers established in Africa. They might have a couple of procurement agents in India, but the registered office, the offices and all are in the East African region, like I mentioned, Spenomatic Solar.

And the rest 30% to 40% comes from EPC contractors established in India, like your NCC, Shapoorji, and your Afcons, all these players. Whereas they, it's a 10% advance terms minimum what we get in forex, US dollars. And the subsequent 90%, complete 100% payment, that is 90% is given in some cases 60 days LC and some cases 90 days LC also.

Nirvana Laha: Okay, understood. And you don't see any foreign currency or currency risk, because in certain cases with African customers, we have seen that they're not able to access USD and there are some defaults, etc?

Sameer Attavar: No. We have done some due diligence on the bank issuing LC, and these players whom we are talking with, what I mentioned, we have been dealing with them though in a smaller scale since years together. So, we have not seen any problem of the LCs getting devolved or something like that till date.

Nirvana Laha: Understood, sir. Sir, we noticed that this H1, your own proprietary panels like V-Set have really increased. So, this INR46 crores that you've called out in H1, I assume that there is PDU and V-Set also included in this. If you can give us the breakup between PDU and V-Set of this INR46 crores and the INR30 crores that you reported last year. And if you can comment on why V-Set is increasing, and is this a conscious strategy because we have better margins?

Sameer Attavar: Yes. Okay, I'll be first, I'll answer the second part of your question. V-Set is our own brand where we have got it type-tested at either CPRI Bhopal or ERDA or even CPRI Bengaluru. So, this is our product. And in this product, we are switchgear agnostic in the sense I can use any of the three OEM switchgears where I got it type-tested with. So we have more flexibility, more negotiating power when we're negotiating with the OEMs. We prefer that kind of a thing.

And definitely the V-SET, the PDU segment what we have, it comes under our design, so that is also included into the V-SET total. Unfortunately, as of now, I do not have it on hand, the exact breakup of the V-SET into our regular SD panels and PDUs. But after this call, we can give you that breakup also. It should not be difficult to churn out.

Nirvana Laha: Sir, last question, if I can.

Moderator: Thank you. Nirvana, I request you to rejoin the queue, please. Thank you. The next question is from the line of Manoj Kulchandani from Emkay Capital. Please go ahead.

Manoj Kulchandani: Hi, Sameer ji.

Sameer Attavar: Hi, hello.

Manoj Kulchandani: Thank you for the opportunity, and great set of numbers reported by you. A common query which many people are having is that margin dip as compared to H2 to H1, is it because of fixed costs or is it because of expenses for the new capitalization for the new expansion which we haven't capitalized? If you can just elaborate on that.

Sameer Attavar: The thing is now the numbers, the margins are more or less similar to of this H1 as compared to last year's H1. Yes, they will be a little bit lower than the complete year put together because our substantially fixed cost is like current H1 fixed cost is divided on your INR91 crores revenue, whereas the complete year's revenue when you take it, 12 months is divided. That gets marginalized because our H2 is generally double revenue of our H1. So that becomes easy for us in the H2.

Manoj Kulchandani: Okay. So we can expect the H2 margins to be in line with the H2 of last year, is that correct?

Sameer Attavar: Yes, absolutely, absolutely.

Manoj Kulchandani: And Sameer ji, just now you mentioned that—

Moderator: Manoj, I request you to rejoin the queue, please.

Manoj Kulchandani: No, it's just last thing, because of this. You mentioned that H2 is going to be twice of H1 and you have gone on record earlier saying that we will do a target of around INR300 crores this year. And with the new facility delayed by nearly a month, are we on track?

Sameer Attavar: Yes, we are absolutely on track. We are absolutely on track. We had given a guidance of 35% to 40% growth on the year-on-year basis and we are very easily, the orders are already come in, they have already started executing. Drawing stages are full, so we have no doubt in achieving those numbers or bettering those numbers.

Manoj Kulchandani: Thank you so much, Sameer ji. Appreciate it.

Moderator: Thank you. Next question is from the line of Ashish Soni from MM Capital. Please go ahead.

Ashish Soni: Sir, as you scale up, working capital-wise, are you sufficiently funded or you require some more bank funding for next one or two years?

Sameer Attavar: At least looking at 18 months from September-end numbers, we have another INR11 crores put in FD, which we have raised in the IPO, that will be which we can touch only in April 2027. Besides that, we are increasing our non-fund-based limits with the banks, so that complete 10% of our -- which is getting stuck in performance bank guarantee and the defect liability clauses, that will come in. These two put together, and coming also renegotiating, or rather negotiating for new orders on a better payment terms, at least for 18 months down the line, we are not looking at any cash flow issues.

Moderator: Thank you.

Sameer Attavar: But just to clarify, we are banking with ICICI and Kotak, and before we got the IPO out, we had a limit of about INR30 crores, about which INR20 crores has been repaid. We have available limits with them. Tomorrow, it's just a matter of 10 days, which I can utilize the limit if at all I have a cash flow issue.

Moderator: Thank you. Next question is from the line of Pawan Punjabi from Viansh Ventures. Please go ahead.

Pawan Punjabi: Hello. Yes, hi. Just wanted to check on the margin math which does not add up to me. I saw the annual report and it says basically the DC orders are somewhere around 10% higher versus the normal orders. What has basically given us this sort of margins over the last three years?

Sameer Attavar: Sorry, can you just repeat the question? What is 10% higher, export orders?

Pawan Punjabi: The EBITDA margins, no, no, the margins. The EBITDA margins are in general sort of 10% to 12% higher when you execute a DC project versus a normal project versus any other project, is what I read in the annual report. So I just wanted to check how has the margins evolved in the last two to three years and they have gone from like 9% to 21% in general?

Sameer Attavar: Okay. You are talking about not this balance sheet, you are talking about the previous one, previous batch. If you see the data what we have started publishing regarding the per project cost, the per project ticket size, it has drastically improved in the last three years. Three years back, three to four years back, we were in the residential and commercial market majorly, whereas there is a cut-throat competition, bad debts, and all those things put together.

We have slowly and steadily exited that market, except a few niche clients we have retained. And now we have transferred our complete focus on your infrastructure and data centers. Now in these both segments, the project values are higher, and secondly the engineering cost, because it is a floor-based, like a data center you have to design one floor and then cut, copy, paste it over all the floors, eight floors, nine floors.

Our engineering cost has gone down, which has, that is one thing. Second, since the order sizes have become big, we are in a better position to negotiate with our vendors. We are getting bulk discounts. And since, because of the big projects, we are packing number one, two of ABB system integrator, so we are in a better position to negotiate our raw material purchase from them. That has, all net effect has come into the margin increase in the last 1, 1.5 year.

Pawan Punjabi: Understood. So is it safe to assume that this is like the new margin floor or do we expect further margin improvement?

Sameer Attavar: Yes, it should be like a floor limit right now. We have set a benchmark on these margins. We are working in, when taking orders, while negotiating orders, also we are very mindful about this margins. We want to maintain this healthy margin.

Pawan Punjabi: Understood. Thank you.

Moderator: Thank you. Next question is from the line of Amitabh Vatsya from Sadhan Ventures LLP. Please go ahead.

Amitabh Vatsya: I hope I am audible.

Sameer Attavar: Yes, you are.

Amitabh Vatsya: Thanks for the opportunity. I wanted to ask one specific question with respect to, so far what we have done is 7,000 panels and with 50% of data center. When we are reaching to, aiming at 22,000 panels, what would be the future mix and what is our readiness in terms of how the future industry profile, if it's going to be changed or if you can throw some light on that?

Sameer Attavar: What I can give you a foresight or looking ahead, because of the pipelines and what we have, soft announcement by the government and the data center, we have some kind of a foresight for another two years down the line. In this, I do not see the infrastructure segment and as well as your data center segment, we do not see it going down.

But as a conscious call, conscious product mix what we do is 50% to 60% we are, our revenue will always come from data center, balance would be a mixed bag of infrastructure, industries, and solar. Another big opportunity what we are seeing is the number of solar plants coming up. I am talking about the solar cell ingot-wafer plants, where also we are very well placed. We already clicked some orders, we have uploaded into the NSE. That is another big focus segment for us because the ticket sizes there are also huge.

Moderator: Thank you. We will take our last question from the line of Sankalp Pandey, an Individual Investor. Please go ahead.

Sankalp Pandey: Am I audible?

Sameer Attavar: Yes, sir.

Sankalp Pandey: Yes. Sir, 65% of Vivid's FY26 revenues were derived from the sale of ArTu K. In percentage terms, how is the contribution of ArTuK expected to evolve over the next few years?

Sameer Attavar: Okay, this I think I elaborated before, but see ArTu K is an ABB-branded product, what we manufacture. Initially, complete data center segment was, we were supplying only low-voltage panels, which goes into the ArTu K format. But in the same customer base, like STT, we are supplying low-voltage panels also and also PDUs. Now, PDUs is not an ArTu K product, it is our product. So this year also, I would say over last year, our ArTu K has come down.

But it has been replaced by our own design products, which we are very proud of. So, we will continue to, now, but it has come down to a certain level that will be maintained, the ArTuK.

Sankalp Pandey: Right. And sir, do our design products yield better margins than the OEM products?

Sameer Attavar: Yes, definitely, because what happens is in my own products, I can use any of the top three, four switchgears brands, like ABB, Siemens, Schneider, and all, whereas in the ArtuK product, I'm

compelled to use only ABB products. So definitely the negotiating power, margins and all increase in our own products.

Sankalp Pandey: Right. Sir, my last question is that we sell two kinds of panels, the OEM panels and our own panels. So, I want to know that when we sell these OEM panels, do we have to pay some sort of license fees or do we have some sort of profit-sharing arrangement with these OEMs?

Sameer Attavar: Yes, initially when we purchase the license, there was a huge fee. Currently, the license for Artu-K would be, I don't know, I'm not sure also, but we purchased it about INR40 lakhs, INR50 lakhs that about 10 years back, seven, eight years back. So, there is a license fee, and there's a small royalty fee. In a year, we are paying hardly around INR7 lakhs to INR10 lakhs as a royalty fee, which is not a very minuscule amount to ABB as a, Yes.

Sankalp Pandey: Thank you, sir.

Moderator: Thank you. I now hand the conference over to Mr. Sameer Attavar for closing comments. Over to you, sir.

Sameer Attavar: Thank you, everyone, for your active participation and insightful questions. We hope we have been able to address your queries and provide a better understanding of our business performance, strategic initiatives, and growth outlook. For any further questions or clarifications, please feel free to reach out to Akhilesh and the team at Stellar IR Advisors, who will be happy to assist you.

On behalf of the entire Vivid Electromech team, I would like to thank all our shareholders, investors, and analysts for their continued interest, trust, and support. We look forward to interacting with you again in the upcoming quarters. Thank you, and have a great day.

Moderator: Thank you, members of the management team. On behalf of Vivid Electromech Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.