



# AIRFLOA RAIL TECHNOLOGY LIMITED

(Formerly known as Airflow Equipments India Pvt Ltd)

---

Date: June 8, 2026

To,

Department of Corporate Services,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001,

Script Symbol: AIRFLOA  
Scrip Code: 544516

**Subject: Intimation under Regulation-30, 46 (2), SEBI (Listing obligation and Disclosures Requirements) Regulations, 2015-- Airfloa Rail Technology Limited**

Dear Sir / Madam,

Pursuant to Regulation-30, 46(2), enclosed herewith the Transcript of the Investors' Conference call of our Company held on June 3, 2026 with regard to growth and profitability of our Company for the half year and year ended on March 31, 2026.

Kindly acknowledge and take the same on records.

**For Airfloa Rail Technology Limited.**

**Haraprasad Rout.**  
**Company Secretary & Compliance Officer.**  
Enclo: As above.



# “Airfloa Rail Technology Limited H2 FY2026 & FY2026 Earnings Conference Call”

June 3, 2026



**Management:** Mr. Venkatesan Dakshinamoorthy - MD  
Mr. Manikandan Dakshinamoorthy - JMD  
Mr. Venkatesan Sathishkumar - Director  
Mr. Jay Manikandan - Financial Advisor  
Mr. Haraprasad Rout - CS  
Mr. Ragavendran V - Finance Manager

**Moderator:** Mr. Rutul Shah - Atlas Capital

**Moderator:** Ladies and gentlemen, good day and welcome to Airfloa Rail Technology Limited H2 FY2026 and FY2026 earnings conference call, hosted by Atlas Capital. 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. Please note that this conference is being recorded. I will now hand over the floor to Mr. Manikandan Dakshinamoorthy for his opening remarks, post which we will open the floor for Q&A. Thank you, and over to you, Sir! Mr. Manikandan, please go ahead with your opening remarks.

**M. Dakshinamoorthy:** Thank you Sir. Good morning, everyone and thank you for joining us today. I have with me Mr. Dakshinamoorthy Venkatesan, Managing Director, Mr. Venkatesan, Sathishkumar, Whole Time Director, Mr. Jay Mani, Financial Advisor, Mr. Haraprasad Rout, Company Secretary, Mr. Ragavendran, Finance Manager and Mr. Rutul Shah from Atlas Capital, our investors relations advisor. I hope all of you have an opportunity to review our investor presentation and financial results, which have been uploaded on the Stock Exchange and the Company's website. FY2026 was an important year for Airfloa as we successfully delivered on the commitments and guidance we have outlined. For FY2026, we reported revenue of Rs.319.6 Crores, representing growth of 66% over FY2025. This growth was supported by strong project execution, higher capacity utilization and improved operational planning. More importantly, we achieved this while maintaining healthy profitability and continuing to strengthen the foundation of the business.

The second half of the year was particularly strong from an execution standpoint. As it is typical in our business, project execution tends to be weighted towards the latter part of the year due to customer ordering and spending patterns supported by multi-shift operations and improved project planning, we were able to convert a large portion of our order books into revenues and deliver on our commitments. Beyond the financial performance, FY2026 also marked another step forward in the evolution of Airfloa business model. Over the last several years, we have been steadily transforming the Company from a component-focused railway supplier into an integrated engineering and manufacturing platform. Today, our capabilities extend beyond supplying individual products to execute complete interiors, assemblies, integrated code systems, and turnkey projects involving design, manufacturing, supply, installation, and commissioning. We believe this evolution is strategically important as it enables higher value addition, strengthen customer relationships, creates greater differentiation and supports long-term profitability. Railways continue to remain our largest growth driver during FY2026. We continue to see a healthy opportunity landscape across Vande Bharat trains, Amrit Bharat trains, metro rail projects, EMUs, refurbishment programs and border modernization initiative across Indian railways. At the same time, our focus is also on increasing our presence in higher value products and integrated solutions, which we can contribute greater engineering content and create stronger customer

engagement. Our metro business also continues to make progress during the year and remains an important long-term growth opportunity. With investment in urban mobility continuing across multiple cities, we believe metro rail and rapid transit systems will remain a meaningful area of opportunity for the Company.

Coming to the defence and aerospace, FY2026 was a foundational year for Airfloa while the contribution from this segment remains relatively small today, we made meaningful progress in strengthening the capabilities, building partnerships and evaluating opportunities across emerging diverse defence and aerospace applications. I am pleased to share that the proposed joint venture with Big Bang Boom Solutions is expected to be formally incorporated within the next two weeks. The objective of this partnership is to combine advanced technology capabilities with the Airfloa's manufacturing and execution strength to participate in the next generation defence opportunities. We are also actively pursuing opportunities in aerospace simulation systems and training aircraft and remain optimistic about the medium-term potential of this segment. Supported by increasing indigenization efforts and broader Atmanirbhar Bharat initiative, we believe defence and aerospace can emerge as an important growth vertical over the long term. While we remain ambitious about growth, our approach continues to be guided by profitability and capital discipline. For the last few years, we have consciously moved away from the low-margin projects and adopted a selective bidding strategy process focused on opportunities that meet our internal return thresholds. We believe sustainable value creation comes from balancing growth with profitability and disciplined capital allocation. This approach became particularly relevant during FY2026 as the industry witnessed significant inflation in key raw materials, particularly steel and aluminium. While many contractors contain price variation clauses, the increase in commodity prices was not fully offset through the contractual mechanism. Despite these headwinds, we maintained healthy profitability through disciplined project selection, cost optimization initiative, supplier negotiation, and improved execution.

On the order book front, we continued to maintain a strong visibility. As of May 2026, our unexecuted order books stood at approximately Rs.486.9 Crores providing healthy visibility for FY2027. In addition, we have an active bid pipeline of approximately Rs.1200 Crores across railways, metro systems, defence and aerospace opportunities. Historically, we have maintained a bid-win ratio of approximately 20-25%, which gives us confidence regarding the future order inflows and support our growth outlook. We have also initiated the next phase of infrastructure expansion through the development of larger integrated manufacturing facilities. These investments are intended to support future growth, improve operating leverages, and strengthen our execution capabilities across our key business segments. Before I move on to financial performance, I would like to briefly address our earlier aspiration of achieving Rs.1,000 Crores in return revenue over the medium term.

Over the last year, as mentioned earlier, the operating environment witnessed significant volatility in the commodity price alongside broader geopolitical uncertainties. While the opportunity landscape remained robust, we remained disciplined in our approach and chose not to pursue growth at the expense of profitability. In several instances, we requested customers to retender the project where the economics no longer met our return expectations. Consequently, the timeline towards Rs.1000 Crores revenue milestone may extend modestly. That said, our confidence in the long-term opportunity remains firmly intact. Demands across our key sector continues to remain strong. Our order pipeline remains healthy and we continue to see significant opportunities across railways, metro systems, defence and aerospace. Looking ahead, we are targeting a revenue of approximately Rs.500 Crores in FY2027 while maintaining PAT margin in the range between 12% to 13%. Our confidence is supported by our existing order books of Rs.486.9 Crores, strong execution visibility, ongoing capacity expansion, initiatives and a bid pipeline of Rs.1200 Crores. We believe the Company is well positioned to deliver another year of strong growth while maintaining its focus on profitability and capital discipline. We also remain optimistic about FY2028 and beyond as several initiatives undertaken over the last few years begin to scale. Going forward, growth will continue to be driven through a combination of organic expansion and selective inorganic opportunities that are strategically aligned and value accretive.

Moving on to the financial performance, revenue for the year stood at Rs.319.6 Crores as compared to Rs.192.4 Crores in FY2025, representing growth of 66% year-on-year. As highlighted earlier, project execution in our business is typically weighted towards the second half of the year due to ordering and spending patterns within railway projects. Accordingly, H2 FY2026 revenue stood at Rs.229.1 Crores compared to Rs.107.3 Crores in H2 FY2025, reflecting a growth of 114% year-on-year. For FY2026, EBITDA stood at Rs.64.2 Crores, reflecting growth of 33% year-on-year with EBITDA margins of 20.1%. Profit after tax stood at Rs.39.1 Crores, representing growth of 52% year-on-year, while PAT margins stood at 12.2%.

Moving to operating expenses, the increase in other expenses during the year was primarily attributable to higher CSR expenditure, increased bill discounting charges, and foreign exchange-related costs arising from procurement activities and commodity market volatility. On the financing side, finance costs declined during the year despite the significant increase in the scale of operations. This was driven by lower processing cost, repayment of select facilities, reduction in delayed payment charges, and proactive supplier management initiative. Our focus on profitable growth and disciplined capital allocation continues to reflect in our return ratios. For FY2026, ROE stood at 22.4% while ROCE stood at approximately 24.9%. Turning to working capital, improved cash conversion remains one of our key priorities during FY2026, receivable days improved by 24 days

while inventory days improved by 48 days. Trade receivables stood at Rs.214 Crores as of March 31, 2026. However, it is important to note that a significant portion of the annual revenues were executed during March, resulting in elevated year-on-year receivables, year-end receivables. Collections have remained encouraging post-year end approximately 20% of the receivables already being collected as of May end and we are expecting nearly 70% of our outstanding receivable to be collected by the end of June. Trade receivables declined modestly despite strong revenue growth during this year. This was primarily due to the advance payment made to certain suppliers to secure material availability and support uninterrupted execution during the peak project execution period. These advances are reflected under other current assets on the balance sheet. From the leverage perspective, the Company continues to maintain a healthy and disciplined capital structure. As of March 31, 2026, our net debt to equity ratio remained comfortable at 0.2 times. Overall, we believe the Company remains well positioned to support future growth through healthy profitability, improved working capital efficiency, disciplined capital allocation, and a strong balance sheet. With that, we would now like to open the floor for question and answer. Thank you very much.

**Moderator:**

Thank you so much. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask a question, may click on the raise hand icon from the participants tab on the screen. We request participants to restrict to two questions and then return to the queue if you have any more questions. We will wait for the question queue to assemble, requesting participants to remain connected. Take our first question from Paras Chheda of Purpleone Vertex Ventures. Paras, please go ahead.

**Paras Chheda:**

Thank you, Sir, for this opportunity and congratulations for the strong set of results. Sir, my first question is related to working capital cash flows. As you mentioned that post the year, 20% receivables have been collected and some 70% balance will be done by June end, so by end of the June, what receivables do we expect to be outstanding then and when do we expect our cash flow from operations to turn positive? So that is the first working capital question.

**M Dakshinamoorthy:**

Well, as I said earlier, first of all, thank you so much for attending our discussion, basically and actually, as I said earlier, by this month end we will be receiving approximately around Rs.100 Crores to Rs.110 Crores, which will give us a very strong cash flow, number one. Number two, we are expecting this to reduce drastically in the previous discussion also, I have highlighted the same thing. So, it will take at least three to six months to make it less than around 150, 160. So we are already working on it to make this working cycle around 60 to 70 days instead of 90-95 days and the receivable cycle also to reduce around 60 to 70 days so that is our goal right now, we are working to achieve this hopefully we will be achieving this in another maximum of three to four months.

**Paras Chheda:** Understood Sir. Secondly, with regards to this Rs.500 Crores revenue guidance for FY2027 and we have got this quite a strong order book of Rs.469 Crores, now, how much of this revenue guidance is already covered within the order book and how much do you expect from the future order wins? what part will be done out of this existing order book and the balance from future order wins to achieve this Rs.500 Crores revenue?

**M Dakshinamoorthy:** Sir, almost 70% to 75% is lying on this financial year and out of this Rs.1200 Crores order books, which we are now expecting, almost 30% to 40% again is going to be executed in the current financial year, which means that we will be having a more demand of supplies for which we need to run faster to achieve this number what we have projected, which means that we have to supersede the number what we have actually now committed.

**Paras Chheda:** Understood Sir. Thank you so much, Sir. I will come back in the queue.

**M Dakshinamoorthy:** Thank you Sir.

**Moderator:** Thank you. We will move to our next participant. We have Krupashankar NJ of Avendus Spark.

**Krupashankar NJ:** Thank you for the opportunity. Sir, my question is with regards to the order inflow momentum. So you had highlighted about the pipeline of close to Rs.1200 Crores and so could you just give more clarity with regards to segment wise, railways, defence, etc., from where are we seeing these opportunities and how do you look at this opportunity spanning out for the next couple of years?

**M Dakshinamoorthy:** The bidding of Rs.1200 Crores is predominantly on the Indian railway sector, so out of Rs.1200 Crores, almost Rs.900 Crores is for the Indian railway sector, spreading towards the Atmanirbhar Bharat coach, Spark coach and then Kavach coach and then Vande Bharat, the sleeper coaches. So, these are the major chunk of business which we are now envisaging. Apart from this, metro segments are there. We are already holding almost Rs.70 Crores of orders for metros right now and we are also expecting another Rs.120 Crores, which is there in that Rs.1200 Crores for the metro segment and as far as the defence is concerned, we are expecting an order of around Rs.60 Crores to Rs.70 Crores, which is predominantly from HAL, from the order books of Rs.1200 Crores. Apart from this, we are participating in various other defence projects, which is not being included in this Rs.1200 Crores. The reason being is that since it is a first-time bidding happening in the defence side, we have not included in this Rs.1200 Crores. So, other than that, railways is 70%.

**Krupashankar NJ:** Okay, got it, Sir. This is for the current pipeline you have highlighted. If you can just give more clarity with regards to how the next couple of years opportunity is going to be, that is

number one and also you have also stated that there is a joint venture which has been created with Big Boom, so, could you just give more clarity with regards to what is that JV, how is that it is going to help us in the medium to long term?

**M Dakshinamoorthy:** Sir, our major focus for the next three years is predominantly on three major Indian railway projects, namely Vande Bharat sleeper platform, Amrit Bharat turnkey contracts and Kolkata Metro turnkey contracts. These are the three major contracts which is going to come, which we are predominantly working on and which has got a very big chunk of business in the Indian railway segment. Apart from this, we have metro segments and also regional transportation segment, which recently been awarded to ICF from Karnataka government and very importantly we have a very major focus on the refurbishment of the coaches, which is a very big business, which is about to come in future. So these are the things as far as the railways are concerned. As far as the defence is concerned, we already highlighted that we are working on two projects, other projects are lining up, which I cannot disclose right now, but there are very lucrative projects which is coming on our way through the joint venture and technology transfer, which I will be disclosing this on an appropriate time for the defence activities. So, when it comes to the Big Bang Boom Solutions, we already started getting the knowhow from the foreign companies as a consortium. Now, because of internal reasons, we were not able to do the joint venture in the last month. Before June 15, 2026, this joint venture is officially is getting incorporated. So another 10 to 12 days are there, so before June 15, 2026 this incorporation is happening Sir.

**Krupashankar NJ:** The opportunity which can result from this joint venture?

**M Dakshinamoorthy:** Predominantly on-air defence systems, basically. namely which we have already said that autonomous drones for the defence and the industrial applications and the high-power microwave laser systems.

**Krupashankar NJ:** Got it. So just to conclude for the next couple of years we are looking at somewhere about close to 20-25% kind of quarter inflow CAGR growth is that a conservative assumption?

**M Dakshinamoorthy:** Yes, it is very conservative Sir.

**Moderator:** Thank you. We are taking a next question from Dhaval Pandya of Areeza, India. Dhaval.

**Dhaval Pandya:** Good morning and first of all, congratulations on a good set of numbers, sir. I had a couple of questions, but I will start with one. So how are we going to fund our growth as the things are such as operating cash flow are in negative and even free cash flow are in negative? Our working capital cycle is also large, so we will need funds to run this, if we are opting for

debt, what is the debt we are looking to put on books for the stated growth guidance for next two years?

**M Dakshinamoorthy:** Thank you for asking this question, Sir. Actually, we have tied up with two banks for a debt funding basically, because we are not going for any equity raise or whatever it is this year. We are having strong receivables right now and secondly, we are now going for a debt funding of approximately around Rs.120 Crores of which we have already got the sanction for Rs.60 Crores and another Rs.60 Crores we are going to get a sanction between 15<sup>th</sup> and 30<sup>th</sup> of this month so which means that in fact we have got the in-principle sanction also after due diligence so between 15<sup>th</sup> and 30<sup>th</sup> of this month we are going to get another Rs.60 Crores so by the end of this month we will be having around Rs.120 Crores and with the strong receivables I am very sure that we will be achieving this particular number without any hassles.

**Dhaval Pandya:** Sir, can you repeat the last sentence what you have said because there was some discrepancy and the word got muted.

**M Dakshinamoorthy:** What I said was we have a very strong receivables, number two, we have already gone for a debt funding of Rs.120 Crores out of Rs.120 Crores we have already got the sanction for Rs.60 Crores, the bank procedures are going on for the disbursements of the funds and another Rs.60 Crores will be disbursed from another bank between 15<sup>th</sup> and 30<sup>th</sup> of this month. So, sanction will be around 15<sup>th</sup> of this month, and the disbursement would be before the 30<sup>th</sup> of this month that is June 2026. So, we will be having another Rs.120 Crores of debt and the receivables are also going to come. With these two things, we will be in a position to achieve our target without any hassle. This is what I said Sir.

**Dhaval Pandya:** Okay, thank you very much. And another one is, what is the overall R&D spend in FY2026 and what are the plans for R&D spend in coming years?

**M Dakshinamoorthy:** Thank you so much for asking this question Sir because we have been doing this R&D activity in 2026 in a greater way. Previously it was around 4%, now, we feel that this can even go up to 8% to 9% this year because we are expecting a lot of new product development and the technology transfers to happen this year. So this will definitely be increased this year for the greater good of this Company Sir.

**Dhaval Pandya:** I have still more question, but I will join back the queue.

**Moderator:** Thank you, Dhaval. We are taking next question from Archit Agrawal of Steptrade Capital.

**Archit Agrawal:** So, my question is about the EBITDA margin. EBITDA margin has declined sharply from 25% to 20%. Can you elaborate like what factors contributed for this margin contraction?

**M Dakshinamoorthy:** Yes, Sir. We have already highlighted in our call about the EBITDA margin, actually. So, there is a very steep increase of raw material price, which everybody knows, particularly during the second half, because of the war that has been happening, basically. So, there was an increase of raw material price, especially aluminium, because our major raw material is aluminium ingots, aluminium extrusions, aluminium sheets and coils. So there was a steep increase of more than 80% of price for aluminium and there was an increase of more than 60% to 65% of the stainless steel price happened in the overall last one year basically year-on-year comparison and we have clearly highlighted that our raw material plays more than 60% of the composition of our product basically. So that has drastically disrupted our overall EBITDA margin. Even then we managed by lot of cost cutting method to compensate these particular losses and we managed to have the PAT margin of 12.2%. When you talk about the price variation clause, which is already incorporated in the contract that covers only to certain limit let us say around some 60% or 50% of the overall losses. Rest of the 50% when it comes to the raw material price has to be incurred by us number one and number two apart from the raw material, another 30% to 35% of the composition of the overall assembly totally depends on the accessories, like the glasses, rubbers, composites, fasteners, and consumables, everything, this PVC coverage is not there, so we have to incur that particular losses, but we have very strategically managed this by blocking the price with the vendors, by giving an advance, by creating these LCs and BGs in terms of price blocking. So by this method, we have already managed these losses, not to an extent of 80% to 90%. We have restricted to 20% to 25%, which is very great basically in my opinion.

**Archit Agrawal:** Okay Sir. So, my next question is about the joint venture with Big Bang Boom. So, can we expect revenue in FY2027 from this joint venture?

**M Dakshinamoorthy:** Sir, we are hopeful of getting the revenue from the Big Bang Boom this year, but as I told you already that this is a two-year program what we are doing with the Big Bang Boom. Meanwhile, there are certain good improvements happened with some other products also. As I said, we will be exposing this over a period of time. So, if something happens, then definitely this year we will have better revenue. Otherwise, definitely 2027–2028 is going to be the good year, but we are expecting some revenue, but I cannot commit the numbers now but there is some revenue expected this year.

**Archit Agrawal:** Okay and out of this total order book of Rs.469 Crores, can you give the bifurcation like?

**M Dakshinamoorthy:** Yes. So, when it comes to the government and nongovernment, I would say around Rs.415 Crores to Rs.420 Crores belongs to the government and as far as the nongovernment sector, it is around Rs.50 Crores to Rs.55 Crores.

**Archit Agrawal:** Okay and do we have the...

**Moderator:** Archit sorry to interrupt. If you have any follow up, please rejoin the queue. We have a few more investors. Thank you Archit. We are taking the next question from Hitesh Sharma of Goldensands Investments.

**Hitesh Sharma:** I am very happy to understand your business and the way the company has been doing. And I just wanted to know like which are, who are the main competitors to you and which can be the impediments to the growth? I expect really a very high growth segment for me this is the sector.

**M Dakshinamoorthy:** Yes Sir, so our major competitor would be Kineco, Hindustan Fiberglass Works, DTL Ancillaries and Vibgyor. These are all the major companies and out of that, down South, we have a company called Universal Engineers. So, these are all the companies who are competing with us, Sir.

**Hitesh Sharma:** In the seating, there is a company from France or Spain, it has joined with Tata, is it your competitor?

**M Dakshinamoorthy:** Obviously, for seating segment alone, we have two competitors. One is Tata and the other one is a Korean company. The Spanish company, what you are highlighting, French and Spanish company is Fainsa. It is a company tied up with Tata. They are our competitors. Yes, Tata is our competitor for seating segment, for sure. There are another two competitors, one from Mumbai and one from a Korean company in Bengaluru.

**Hitesh Sharma:** Okay, I will be in touch with you separately as well. I am adding a company which is making seats.

**M Dakshinamoorthy:** Wonderful, Thank you so much for your support, Sir. Thank you.

**Moderator:** Thank you. We have Sahil Garg of CCV Emerging Opportunities. Sahil, please go ahead.

**Sahil Garg:** Good morning, sir, you have earlier mentioned that you are looking to raise Rs.120 odd Crores debt in this financial year. May I know what rate of interest the debt will be?

**M Dakshinamoorthy:** The interest on debt is 8.25%, Sir.

**Sahil Garg:** 8.25%. Okay so that means additional interest liability of Rs.10 odd Crores plus you have mentioned that you are looking to increase the R&D expense closer to 8% to 9% this year right?

**M Dakshinamoorthy:** Yes.

**Sahil Garg:** So that is again like close to Rs.40 Crores to Rs.45 odd Crores that means a total additional cost burden of Rs. 55 Crores to Rs.60 odd Crores in this year so are you still sure like confident to achieve the 12% to 13% PAT margin in FY2027 on a turnover of Rs.500 Crores.

**M Dakshinamoorthy:** For sure Sir. See when we are investing on certain project or when we are investing on certain R&D, we have a high expectation limit basically. So, if this particular expectation is met, then only we will be spending so much of money. Otherwise, for the regular railway activities what we are now doing, we no need to spend money, we actually no need to spend even one single rupee on it. So, we are expecting this margin for sure and as I said that we have participated in Rs.1200 Crores tenders with a higher margin. The higher margin in sense like it is not just a higher margin, basically, because the tender what we have participated in the past, where having a margin, a decent margin, basically but due to this escalation, we were forced to absorb that margin into the system. That is why now the number, Rs.1000 Crores number, what was promised during this March end was not being achieved for the betterment of the company because as I clearly highlighted in my note, that in terms of getting the order books, I do not want to compromise on the margin. So now what we are concentrating right now is basically a margin, which is very decent. So that decent margin will obviously satisfy the requirement and as I told you earlier, we are going to increase our cycle, the production cycle and the receivable cycle. The moment that is achieved, then probably that will be converted as a revenue basically and then profit. So I do not think that we can reduce our overall PAT level less than 12% for sure.

**Sahil Garg:** And this R&D will be spent on aerospace and defence segment or will there be?

**M Dakshinamoorthy:** Predominantly, Sir.

**Sahil Garg:** And out of current order book of Rs.469 Crores, how much it comes from aerospace and defence?

**M Dakshinamoorthy:** This year, I said around Rs.60 to Rs.70 Crores.

**Sahil Garg:** In the current order book?

- M Dakshinamoorthy:** Yes, in the current order book. Yes.
- Sahil Garg:** Rs. 60 Crores to Rs. 70 Crores from aerospace and defence, right?
- M Dakshinamoorthy:** No, no, no. I am sorry. I am sorry. So, in the upcoming tenders, what we have floated.
- Sahil Garg:** No that that I got to know. I am asking for the current order book like we have a current order book of Rs.469 odd Crores how much it is from aerospace and defence?
- M Dakshinamoorthy:** Right now it is around Rs.29 Crores in the current order books, which will be executed this year, and we are expecting another Rs.60 Crores to Rs.70 Crores to be executed in this year through this tender process, which is predominantly through HAL. Other than this, I already said that whatever the tender we have participated through the defence portal and things like that, we have not included in the overall tender book itself of Rs.1200 Crores.
- Sahil Garg:** Sir, how long this R&D expense will help us? I mean, we are spending close to Rs.45 Crores to Rs.50 odd Crores in R&D on aerospace and defence and we are only achieving a turnover of Rs.29 odd Crores I mean this year? I understand that yes, there will be a big order, there could be a big order when like out of this Rs.200 Crores of bidding you have done like where do you see this, I mean, this segment to grow further considering the amount of R&D we are spending in this year on this particular segment?
- M Dakshinamoorthy:** See, we are spending this percentage of 8% or 9% along with the Big Bang Boom solutions for making some electronic warfare systems, which I have already highlighted. So, when it comes to the systems, since it is a defence product, it cannot be deployed onto the warfare straight away. The investment and the R&D will happen, and it takes some time. More than that time, there will be a testing time or a trial time that takes more time so what I am requesting you is to understand the defence sector how it works so it is not like a railway product where they wanted a new product within six months' time we need to deploy the prototype and then once the prototype is assessed and approved then we go for the regular supplies. It is not like that, so this must be at least deployed for at least six months to one year into the systems. Once that is approved and they will be taking into the Army okay. This is how it works. So, my request to you is that there are certain other areas, which we are working. That is what I said in the previous answer, that we are expecting some other programs to happen faster, along with Big Bang Boom solutions okay, so if that happens, this Rs.60 Crores to Rs.70 Crores will increase to maybe Rs.150 Crores to Rs.200 Crores also. Okay, so my request to you is that it is a very, very organic process and definitely this process will work and it takes time. So my request to you is that we must wait and watch on this particular program. There are certain inorganic things which, as I said, we are expecting. So that will be definitely a big surprise for everyone.

**Moderator:** Sorry about this Sahil. We have a few more participants waiting in the queue. Would you mind rejoining, please? I am so sorry about that Sahil. Please rejoin the queue for your followup. Thank you, Sahil. We are taking the next question from Rudraksh Raheja of IthoughtPMS.

**Rudraksh Raheja:** Thank you for the opportunity, Sir. I am very new to the business. So my questions would be very rudimentary only. So, Sir, there is a higher share of private business in H2 FY2026? Could you share more details on that? Is that a sustainable trend for us going forward?

**M Dakshinamoorthy:** Sir actually, we are majorly focusing on the government projects and we also are utilizing almost 90% of our capability right now. So what we are doing right now is that, since this Indian Railway business is spread all over the country, we cannot set up the facility throughout the country to cater to the requirement of the zonal railways. So what we are doing right now is that we are creating channel partners throughout the country and we are executing the contracts through our channel partners throughout the country. So this is how it is going to be in future. When you see the end customer, it is the Indian railways. So for example, now I am sitting in Chennai. I am now getting a contract from the north frontier railway. I had to send my person to Assam to set up a facility there and to execute the contract in the north frontier railway, especially when it comes to the zonal railways. When it is ICF, MCF and RCF, it is fine but the major business is now going to come apart from what we are doing is from the zonal railways, which is the refurbishment activities. For any refurbishment activity, I had to set up the facility near to the workshop to make it happen. So what we have done is that we have created a channel partner system right now based on the region who are basically railway suppliers and made them as a channel partners and we make them to participate on our behalf, get the contract and we manufacture the product sitting in Chennai and they execute the contract in the zonal railways. So thereby, in future, the major contract would be from the Indian Railways and metro segment and also the high speed segment which we have recently entered into the high speed segment also. We have got the contracts also a small contract from the high speed segment also which are going to increase over a period of time. So these particular contracts are going to go high in future, but the end customer is the Indian Railways because it is going to be run in the platform of Indian Railways. So for your question, yes, it is going to be increased over a period of time with the increase of the direct sale of railway business. So end customer is the railways or the defence, but it will be channelled through various companies. The reason is that we do not need to spend lots and lots of money onto the infrastructure and then to maintain our profitability, this is the strategical method which we are now following.

**Rudraksh Raheja:** Got it, Sir. Sir, how does this model impact our profitability and working capital? Does it help us in any way?

- M Dakshinamoorthy:** Obviously, Sir. For example, I do not need to park my EMD cost. I do not need to park my bank guarantee, I do not need to park my performance bank guarantee PBG and security deposit I will be saving and I will be saving on my infrastructure cost and overhead cost. So all I may be doing is basically I will give my percentage of shares to them and they will do everything from their particular point and I will be billing to them and they will in turn bill it to the customer. Definitely this will increase my profit profitability.
- Rudraksh Raheja:** But we will share some margins or profits with the partners also, right?
- M Dakshinamoorthy:** Obviously, Sir. Their margins and profit, sharing of margin is very much limited when comparing to investment calls and this other cost.
- Rudraksh Raheja:** Got it. And Sir, any other players are using this model in India?
- M Dakshinamoorthy:** I am not aware of this thing, Sir. But this is one of the best models which we are thinking to implement, basically because the volume of business is so huge, you cannot upscale yourself within the short period of time, Sir because when I am achieving Rs.500 Crores, then I am implementing this particular method and this particular method will be of great use when we are growing to Rs.1000 Crores to Rs.2000 Crores company because the order projections are so good that you can spread this or you can create a supplier or a supply chain network. Only through this method, you can increase your top line and bottom line, Sir.
- Rudraksh Raheja:** Got it, Sir. Next question...
- Moderator:** Sorry about this Rudraksh, would you mind please rejoining the queue? We have few more participants here.
- Rudraksh Raheja:** Actually, this was only one question. So, maybe I can ask one more.
- Moderator:** Sure. Manikandan Sir, is this alright?
- M Dakshinamoorthy:** I am fine, Sir. I am perfectly fine, Sir. They can.
- Moderator:** Sure, Rudraksh. Please go ahead.
- Rudraksh Raheja:** Thank you so much, Sir. Sir, what would be the capex outlay for 2027 and 2028 and like where are we spending most of our capex which segment defence, aerospace and railways the split between the three?

**M Dakshinamoorthy:** Sir this is a very tricky question to answer basically because see I can tell you the overall spending for this year. It would be approximately Rs.30 Crores to Rs.40 Crores will be spend on the year 2027-2028 basically that is for the next year basically. For this year we are majorly spending on the R&D part and secondly we have given a commitment last year that we will be setting up the infrastructure of minimum 50,000 lakh square feet to 1 lakh square feet of shed for manufacturing the railway and the defence activity which will extend to at least 3 lakh square feet to 4 lakh square feet of shed that is the focus this year which we have already got the land and now we are going to start the building for which we have already discussed with our bankers for the term loan so it is already aligned so this year as we promised last year we will be making this particular infrastructure development with 14 acres of land.

**Rudraksh Raheja:** So Sir, how much would we spend on this project, this infrastructure expansion?

**M Dakshinamoorthy:** Approximately around Rs.30 Crores to Rs.35 Crores.

**Rudraksh Raheja:** This will be in FY2027, right?

**M Dakshinamoorthy:** Yes.

**Rudraksh Raheja:** And Sir, are we going to expense our R&D or will it come on our balance sheet?

**M Dakshinamoorthy:** Sir, it will be coming on our balance sheet, Sir.

**Rudraksh Raheja:** But you said that it may impact some 8% to 9% of sales we will spend in R&D for this year? So, I thought we were expensing that amount to P&L?

**M Dakshinamoorthy:** No, Sir. This will be coming in the balance sheet, Sir for sure.

**Rudraksh Raheja:** Got it. Maybe I will take this offline.

**Moderator:** Thank you, Rudraksh. We will have our next question from Falak Shah of Mavira. Falak, please restrict to two questions and then you can re-join the queue if you have any followup ones.

**Falak Shah:** Thank you. I just wanted to know about the incoming orders for our refurbishment segment? When are the orders expected? What would be the order size and what would be the expected kind of margin profile we want to make from this?

**M Dakshinamoorthy:** Madam, thank you for this question, actually. This refurbishment of the coaches is a separate segment around Rs.26,000 Crores has already been sanctioned for this particular

project and this will start coming right from this year. The initial allotment is basically around 25,000 coaches over a period of three to four years, which is very, very big. So we can expect the order to flow right from this year and hopeful of punching orders of at least Rs.100 Crores this year through this refurbishment project. As far as the margin is concerned, definitely we will be maintaining this particular margin. Whatever the current margin we are having, we will be maintaining it.

**Falak Shah:** Thank you. And I had another question on the orders from HAL. Could you give us a little more detail as to what is the product profile for these orders?

**M Dakshinamoorthy:** The order is predominantly for the AMCA Advanced Medium Combat Aircraft. So we have already executed certain products as a prototype, which got approved. Now the regular orders are now going to come, which is big in volume. So we are hopeful of getting those orders since we have already approved our prototypes.

**Falak Shah:** So correct me if I am wrong, but I thought that the AMCA orders were no longer with HAL and they were given to a consortium of private players?

**M Dakshinamoorthy:** Madam, you should understand that AMCA production we are not going to do because we are no way connected to the AMCA production. We are talking about the simulators and then G22 simulators which we are now talking about. It is the simulators not the product, actual product.

**Falak Shah:** Okay. Thank you so much.

**Moderator:** Thank you Falak. We will have Subhajt Das of Clover Capital with his question now. Subhajt, please unmute. Yes, Subhajt, please go ahead.

**Subhajt Das:** Thank you for the opportunity and thanks to the management for delivering stellar numbers. My question to you, Sir, is that somewhere in the past you had mentioned, this is the second time I am attending your call, some three to four months back in some conference call you had mentioned that for FY2028, we can achieve maybe Rs.1000 Crores revenue and Rs.150 Crores PAT, so is it in line, or what would you think it is? Can be a conservative estimate, something if you can throw some light for FY2028?

**M Dakshinamoorthy:** Sir, in fact, if everything goes good, we can achieve Rs.1000 Crores and Rs.150 Crores PAT margin even this year, Sir. We are wishing for it. So we have a very long plan and we are not looking back. We are very, very clear with the numbers, what we have thought, and our focus is towards that. For sure, we are moving forward for that particular number. For sure, in fact, we can increase more than Rs.1000 Crores, not less than that.

- Subhajit Das:** For FY2028, Sir?
- M Dakshinamoorthy:** Yes.
- Subhajit Das:** Okay and Sir, you had mentioned that in the last con call, in two years your order book the ratio between railways and defence is going to be 50-50, so, how things are progressing, Sir?
- M Dakshinamoorthy:** Sir, we are working for that only. As I clearly highlighted last year also, our focus is towards that. We are moving towards that particular thing. As I said, our intention is to achieve Rs.1000 Crores in the next year, considering these particular parameters. So, definitely we are moving forward on it. This is our wish and our progress is towards that.
- Subhajit Das:** And Sir, how about the new plant commissioning, which is a 14 acres plant that was in the pipeline that you are commissioning some 14 acres plant some 50,000 square feet to 1 lakh square feet, if I am not correct on the number front?
- M Dakshinamoorthy:** You are right, Sir. You are right, Sir. 50,000 to 1 lakh is what we are planning this year, Sir.
- Subhajit Das:** Okay, so this financial year, this is going to be commissioned, Sir?
- M Dakshinamoorthy:** For sure, Sir. Yes, Sir. This is the commitment which I have given last year, which we are going to do this year Sir, for sure.
- Subhajit Das:** Thank you, Sir, for your time and wish you all the very best Sir.
- M Dakshinamoorthy:** Thank you so much, Sir.
- Moderator:** Thank you, Subhajit. We have, I think we have Pranjal Nimbalkar of Niveza. Pranjal, please go ahead, yes. Pranjal, yes, please go ahead.
- Pranjal Nimbalkar:** Yes. Sir, I wanted to understand what role does Mr. Sudhanshu Mani plays in your company and how much does he help in your R&D and everything related to getting orders or something like that?
- M Dakshinamoorthy:** Sir, in terms of R&D, of course, we take our team, our technical team, our engineering team plays a vital role on this R&D front because we see the vision basically. We see the vision of where we are going to be in the next five years. So based on our visionary, our team is already doing it and we are steadily concentrating on that particular part. As far as Mr. Sudhanshu Mani is concerned, he is more like our advisor who advises us like what are all the areas where we need to concentrate and what are all the futuristic projects or the product

which is to be envisaged like the lightweight concepts, lightweight trains and latest technology in the global scenario. So all these things, we are getting great advice in terms of future technology, and also in terms of negotiations with the technology holders and things like that. He plays a vital role on this particular front. So Mr. Tilak Seth plays a vital role on our structuring because he was heading the Siemens Mobility. So he is now playing a vital role on structuring the systems basically. So he is one of the pivot points like Sudhanshu Mani who are very much instrumental in our vision basically, but the vision was created by us and our team, young team is concentrating on it.

**Pranjal Nimbalkar:** Got it and Sir, in the last one, I was sure that you were talking something about Kavach and building something around Kavach system, which was like an integrated system on top of Kavach? I just wanted to understand the progress or like?

**M Dakshinamoorthy:** Sir, your voice is very feeble, Sir. If you can just loud your voice, then that would be great, Sir.

**Pranjal Nimbalkar:** In the last one, you had mentioned something about Kavach, building a product which is like an integration of Kavach or was going to be on top of Kavach, so just want to understand the progress or what has happened over there until now?

**M Dakshinamoorthy:** Sir, this integrated security systems is on a very good phase right now. We are implementing this in our systems basically and we want to showcase to the railways and upon approval of this, this will be taken forward, Sir because as I said, that it is an integrated system. It is a total security system. It requires a lot of parameters involved into it, right? So, we will be exhibiting to the railway board and RDSO on this and as far as the system is concerned, we are already in a very matured stage.

**Pranjal Nimbalkar:** And when do we plan to show it to the railway board? Is there a time?

**M Dakshinamoorthy:** This year, we will be exhibiting to them, Sir.

**Pranjal Nimbalkar:** Okay and Sir, regarding the?

**Moderator:** Sorry about this, Pranjal. Would you mind rejoining the queue?

**Pranjal Nimbalkar:** Sure.

**Moderator:** Thank you, Pranjal. Requesting all participants to restrict to two questions for now. We have Khush Banthia of Nikunj Brokers. Kush, please go ahead.

**Khush Banthia:** So, I have a couple of questions. The first one is on the postponement of purchase of our machinery. So, when are we expecting to buy and is there any change of plans in buying the machinery, the kind of machinery we were planning to buy? And the second one is on the fund raise, so are we planning to raise funds through equity in near future?

**M Dakshinamoorthy:** Okay. So, for your first question, Sir, actually we have already highlighted the machinery list in the exchange. Most of the machineries are from China. So now very recently, in sense like during the January time, Chinese government have set a rule to get an end user certificate from Indian companies, which means that we have ordered machineries, which is a high precision machinery, anything which is high precision machinery, they need to get the end user certificate from the Government of India and they were restricting these particular machines to go to India, so they have highlighted, the OEM have highlighted to give the end user certificate. We are in the process of getting the end user certificate which is getting delayed so because of that these particular machines are not being procured so far number one. Number two parallelly, we are also planning to go for a slight change in the machinery the reason being is that the new development is happening for lightweight interiors for rail coaches. For that there are advanced machineries required so we are now trying to take this chance of the delay thereby we can avoid going for these particular machineries from china and to get some other machinery, which is actually relevant to this current year and next year production basically. So, we are already working with this Chinese company and we are given the mandate that it has to be supplied immediately otherwise we are going to cancel the order. So, this process is already going on. We do not want to get into any of this trouble with the Chinese company. So, we are waiting for it. Probably we are expecting this result this month. Once we are very clear with their results, then definitely we will come out with the notifications or the information, whether we are going for the same machineries or with the different machineries. So we do not want to get into any of the fund locking systems here by the Chinese government. So, we are very clear. So once we get this result, we will be deploying this particular fund and for your previous question, Sir, if it is required, we can also share the communication of the Chinese companies and their government procedures to the BSE.

**Khush Banthia:** It is fine, Sir. It is up to you what all you want to disclose over here.

**M Dakshinamoorthy:** So, the second follow-up, the second question, if you do not mind, I missed your second question.

**Khush Banthia:** So, it was regarding the fundraiser.

**M Dakshinamoorthy:** For this year, I cannot say we do not require equity in future, but this year we are restricting ourselves to go to further fundraise through equity, Sir. We are very much comfortable with the debt fund, what we are going to get from the bank.

**Khush Banthia:** So, will it be enough for this Big Bang Boom?

**M Dakshinamoorthy:** No, we are not raising any equity for that, Sir.

**Khush Banthia:** Okay. I will re-join the queue for the follow-up questions.

**Moderator:** Thank you so much, Kush. We will take our next question from Chirag Satiya of Satiya Investments. Chirag, please go ahead.

**Chirag Satiya:** Good afternoon, Sir. Congratulations on the fantastic set of numbers. Sir, just to understand on that 14-acre facility, we already know that you have seven facilities currently going on. So, will you merge this entire, all these facilities into one unit or this will be all together a separate new unit?

**M Dakshinamoorthy:** Sir, out of the seven units' certain units are very small unit, which is discrete right now. So, we are going to keep our major unit intact and to shift the unit where we are paying heavy rent. So, our idea is to reduce maybe or to control maybe around Rs.20 lakhs to Rs.25 lakhs every month as a rent and then we want to use this particular facility to start with and following that we will be merging the smaller unit into the system basically. So predominantly we are envisaging only two units will be there overall without any payment of rent in future.

**Chirag Satiya:** Fantastic. So, you will have a lot of advantage of economies of scale as well.

**M Dakshinamoorthy:** Exactly, Sir. That is the idea, Sir.

**Chirag Satiya:** Very nice. Now, coming back to this point that this machinery IPO fund utilization of buying this machinery, you had an issue with this Chinese government. Now, I see that your capacity utilization is already at 90%.

**M Dakshinamoorthy:** Correct, Sir.

**Chirag Satiya:** And you have given a guidance of Rs.500 Crores revenue for next year. So assume that if this machinery does not come up or whatever, it may get delayed. How do you intend to achieve this Rs.500 Crores given that you already have 90% capacity?

**M Dakshinamoorthy:** So right now, we are using the two-shift mechanism, Sir. Previously, we were not using it. After September, we started implementing it and after December, we effectively started using the two-shift mechanism right now. So, this two-shift mechanism is effectively used for last four months, last year FY2026 basically. So, if we are using the same mechanism for the entire year, we can really manage this particular year with as I said that we are now going with a channel partner arrangement. So, when we are going through this particular arrangement, we no need to effectively spend so much of expansion on to the infrastructure and machinery.

**Chirag Satiya:** That is fantastic. So, this Rs.500 Crores really looks practically possible and in case if this new machinery comes, revenue would may pump up even more.

**M Dakshinamoorthy:** Correct, Sir. You are right, Sir. You are right, Sir. We are equipped for that and we have a very visibility clear towards that, Sir.

**Chirag Satiya:** Fantastic, Sir. One last point, I have seen your results that you had mentioned that there is a formation of a subsidiary company to carry out electroluminescent dynamic display boards?

**M Dakshinamoorthy:** Correct Sir.

**Chirag Satiya:** I just wanted you to throw some light on what exactly is this?

**M Dakshinamoorthy:** Okay. Sir, actually, of course, it is very premature to disclose the technology basically. I will not discuss on the technology front because it has to be officially announced. So, I will do that later, but this is predominantly on to the commercials and signage of entire railway network and towards the flexible electronics towards the aerospace activity, especially space activity and aerospace activities Sir. So, these are the main areas of concentration. It is called flexible electronics. In nutshell, I can say this is flexible electronics where the electronics can take the shape of the body or the substrate. So, it is a deep technology which we are now venturing into it, Sir.

**Chirag Satiya:** So, you will have any commercials this year?

**M Dakshinamoorthy:** In terms of sales?

**Chirag Satiya:** Yes

**M Dakshinamoorthy:** We are expecting that, Sir, because railway is our customer. So whenever we enter into the railway segment, it is not a long gestation period segment. So hopefully we are expecting something this year Sir, which is not highlighted in any of the numbers so far in terms of

order books or in terms of the tender participated, but these are all the inorganic growth which we are expecting this year Sir.

**Chirag Satiya:** Very, very nice. Thank you. Thank you very much for answering all the questions and I wish you all the best and I am very, very positive about your company doing the numbers this year.

**M Dakshinamoorthy:** Thank you so much for believing us, Sir. Thank you so much for your kind words. I really appreciate it, Sir.

**Moderator:** Thank you so much. We will take all follow up questions for now and we request all the participants to restrict to only one question. So, we are taking our next question from Sahil. Sahil, I think Sahil has dropped off. We will move to Rudraksh for now. Rudraksh Raheja of IthoughtPMS. Rudraksh, please restrict to one follow up question. Please go ahead.

**Rudraksh Raheja:** Thank you again, Sir. Sir, just one question on the JV that we are doing. Could you help us understand what kind of capex or anything that we will spend from our side and roles and responsibilities that we will share with Big Bang Boom Solutions?

**M Dakshinamoorthy:** Sir, we have committed to invest around Rs.25 Crores towards this particular joint venture activities, predominantly to cater to two major segment which I have already highlighted for the autonomous drones which we have almost in the almost in the finishing of the design phase and secondly electronic warfare, which is the indigenous activity which we are now working with other foreign partners. So the investment would be around Rs.25 Crores from our side. Jointly, the roles and responsibilities is basically this joint venture company will act as a technology company where it holds the technology and the manufacturing rights of this particular technology will be given to Airfloa. So this joint venture company will be a technology holder and the manufacturing rights for these particular products whatever has been developed by the technology company will be done by Airfloa Rail Technology Limited. So that is the agreement. So when it comes to the scope inside the joint venture company, there is no such a scope between Airfloa and Big Bang Boom because it is a joint venture company. So the joint venture company wholly is responsible for the technology.

**Rudraksh Raheja:** Understood, Sir. Understood. Can I ask another question, Sir?

**Moderator:** Sorry, Rudraksh, we are only restricted to one.

**Moderator:** Thank you, Rudraksh. We are moving to our next followup question from Pranjali Nimbalkar of Niveza. Pranjali, please go ahead. Please restrict to only one question for now. Pranjali.

- Pranjal Nimbalkar:** Sir I wanted to understand this Kavach product of yours. Is it very close to how Kavach 4.2 is getting deployed? Will the deployment be on the same manner?
- M Dakshinamoorthy:** No, Sir. This is totally a different system altogether, Sir. Kavach is more of an equipment which got fitted into the system, but this is something which can be secured remotely by sitting in a remote place, so it is no way compared to the existing Kavach systems, Sir. It is more AI based remote access system.
- Pranjal Nimbalkar:** So, will this be deployed on stations?
- M Dakshinamoorthy:** Sir, I cannot disclose this right now. So definitely we will be in a position to explain about this separately. We will definitely do that, because there is technology involved into it. There is a technology provided partner involved into it. So, I cannot disclose this now, Sir. Sorry thank you.
- Pranjal Nimbalkar:** Thank you. Thank you, Sir.
- Moderator:** Thank you, Pranjal. We have another follow-up coming in from Paras Chheda of Purple One. Paras, please go ahead. Please restrict to only one question for now.
- Paras Chheda:** Yes, thank you. Sir, just want to know with our current capacity and the new 14 acre capacity that will come up now, what peak revenue capacity can be expected over the next couple of years and when do we likely achieve that?
- M Dakshinamoorthy:** Sir, we were talking about the top line this year, Sir. Obviously, this particular top line this year, the infrastructure, what we are now going to do is not going to contribute much on the top line what we are doing right now, but for the next financial year, yes, definitely there will be a big support we are expecting from this particular infrastructure spending, Sir.
- Paras Chheda:** So what kind of revenue capacity in terms of peak that can lead to? Not necessarily next year, but I am saying just over a medium term?
- M Dakshinamoorthy:** So we are expecting at least the capacity of right now what we are having the capacity is around 90% of the existing facility and we want to double up this capacity with this particular new infrastructure Sir.
- Paras Chheda:** Understood and for just next year, I mean for FY2028, do we need an equity raise potentially?
- M Dakshinamoorthy:** For FY2028, we may need it, Sir, but I cannot comment right now because it all depends on the maturity of the products because right now we are spending on the R&D. We are

investing on the R&D part. Once the R&D is matured, then obviously the actual business starts. The moment actual business starts, for sure the business volume will be very high because of the segment, which we are now concentrating in. Those time definitely there will be the requirement of funds and it will be done through equity, Sir.

**Paras Chheda:** Thank you so much, Sir.

**Moderator:** Thank you, Paras. We are moving to our next follow-up from Khush Banthia. Khush, please ask one question as a follow-up one, please.

**Khush Banthia:** Yes thanks for the opportunity. So my question is if things do not go in our favour regarding our machinery thing which is going with the China then is it going to affect FY2027 numbers and also as we are already running at 90% capacity, so within that will we be able to achieve our FY2027 target of Rs.500 Crores top line?

**M Dakshinamoorthy:** Absolutely not. You can be rest assured that these particular machines, what we are now talking about is actually the work is going on in a different process. So this particular machine are not going to affect our, turnover for sure, because we have already got two missions, which is the primary machine out of this, overall IPO spendings, right? So you can be rest assured that these particular machine activities are not going to affect our FY2027 turnover for sure.

**Khush Banthia:** Sir as you mentioned that we are running at 90% capacity utilization right now, so we will be able to do Rs.500 Crores this time because I think in last call you already mentioned that we are already running at two shifts right now?

**M Dakshinamoorthy:** Correct. Sir, when you see the last calls, during the previous answers, I clearly highlighted that we have adopted this two shift system for the last four months, that is for the FY2026, and we are going to have the same thing for the next 10 months. Now, two months is already over, and then another 10 months, which means that from Rs.320 Crores there is an easy gap of achieving Rs.400 Crores to Rs.450 Crores easily with the same system, but now what we are adapting is basically the channel partner systems, which I have already answered during the last call also that we are spreading our risk towards the other companies and or I cannot say the risk, here but the opportunity to achieve this top line can be through our channel partners means that we operate or we execute the contracts through our channel partners thereby I no need to spend huge money onto the infrastructure.

**Khush Banthia:** We are just outsourcing few of our tasks.

**M Dakshinamoorthy:** Well outsourcing is a supply chain management which we are doing separately but what I am trying to say is that the order the entire orders will be executed by us through our channel partners.

**Khush Banthia:** Got it.

**Moderator:** Thank you, Khush. We have another followup question coming in from Subhajit Das of Clover Capital. Subhajit, please restrict to only one question for now.

**Subhajit Das:** Sir, you had mentioned in the PPT that railway orders are a bit on the lumpy side? Can you just elaborate on that and also last time you had mentioned that 40% of your orders get executed in the last quarter, so will that be the same or it will be a more spread out even H1 and H2, evenly matched H1 and H2?

**M Dakshinamoorthy:** Sir, actually not last year. If you see last 15 to 20 years, the trend is like this. This is the trend of the railways. So the trend is like this but what we are trying to do is that based on our approach with the railways and the last time urgency and things like that we are trying to distribute throughout the year but we will definitely achieve to some extent, but the trend cannot be changed because it is majorly driven by the Indian railways and other railway segments basically. When it comes to the other customers like Siemens, Alstom or even BEML, we have a very structured supply chain or the schedules basically in terms of supplies. There, we are maintaining it on a monthly basis. There is no issue on it but our major customer is the Indian Railways and other railway manufacturing companies, right? So there, the trend is like this. We will try to spread it all over but as a whole, the trend will be like this only, Sir.

**Subhajit Das:** And, Sir, what do you actually elaborate on the lumpy sales? You mentioned the lumpy orders, is it like very infrequent orders, but very high orders?

**M Dakshinamoorthy:** I do not understand your question. Sorry, Sir. Can you please repeat?

**Subhajit Das:** Sir, you mentioned lumpy orders. Is it like a few orders, but those orders are very big in size or something like that? Can you just elaborate on the lumpy side of the order book?

**M Dakshinamoorthy:** Lumpy orders?

**Subhajit Das:** Yes. So you mentioned in the PPT from the railway sector.

**M Dakshinamoorthy:** Okay, so based on the PPT. Okay. So what I am trying to say is that, a very big order book. Okay. In that you have the high profit margin orders. So that is basically being selected and then we give importance throughout the year.

**Subhajit Das:** So that is your first priority.

**M Dakshinamoorthy:** Exactly. It does not mean that we do not execute the other orders because we have guidelines. We have our delivery times and things like that. We will be doing it simultaneously but we are spreading this particular order throughout the year.

**Subhajit Das:** Okay Sir. Thank you, Sir.

**Moderator:** Thank you so much, Subhajit. Ladies and gentlemen, due to paucity of time, we will take that as the last question for today. I will now hand it over back to Mr. Manikandan for his closing remarks. Please go ahead, Sir. Mr. Manikandan, you can go ahead with your closing remarks for now.

**M Dakshinamoorthy:** So thank you for your continued interest in Airfloa and for joining us on today's call. If you have any follow-up questions or require any additional information, feel free to reach us at Atlas Capital, our investor relations consultant. We appreciate your time, support, and continued engagement with this company. Thank you, and have a great day. Thank you so much, Sir.

**Moderator:** Thank you. On behalf of Airfloa Rail Technology Limited, this concludes today's conference call. Thank you all for joining us and you can now click on the leave icon to exit the meeting. Thank you all for your participation.