Date: November 20, 2026

To,

Department of Listing Compliances,
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 November 16, 2026 with regard to the financial result of our Company for the half year ended on September 30, 2026.

Kindly acknowledge and take the same on records.

For Airfloa Rail Technology Limited.

HARAP RASAD ROUT
Digitally signed by HARAPRASAD ROUT
Date: 2026.11.20 12:27:48 +05'30'

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

“Airfloa Rail Technology Limited
H1 FY27 Earnings Conference Call”
November 16, 2026

MANAGEMENT: Mr. Manikandan Dakshinamoorthy - Joint Managing Director
Mr. Dakshinamoorthy Venkatesan - Managing Director
Mr. Sathishkumar Venkatesan - Whole-Time Director
Ms. Nandhini Manikandan - Whole-Time Director
Mr. Jay mani - Financial Advisor
Mr. Haraprasad Rout - Company Secretary
Mr. Raghavan - Finance Manager

Moderator: Mr. Srisurya kalagarla- PhillipCapital PCG
Mr. Pranil Pandya - Atlas Capital - Investor Relations Advisor

Moderator: Ladies and gentlemen, good day, and welcome to the Airfloa Rail Technology Limited H1 FY27 Earnings Conference Call hosted by PhillipCapital PCG. As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manikandan Dakshinamoorthy from the management team. Thank you, and over to you, sir.

M. Dakshinamoorthy: Very good morning, everyone. I am Manikandan Dakshinamoorthy, Joint Managing Director of Airfloa Rail Technology Limited, and thank you for joining us today. I have with me Mr. Dakshinamoorthy Venkatesan, Managing Director; Mr. Sathishkumar Venkatesan, Whole-Time Director; Ms. Nandhini Manikandan, Whole-Time Director; Mr. Jay Manikandan, Financial Advisor; Mr. Haraprasad Rout, Company Secretary; Mr. Raghavan, Finance Manager; and Mr. Pranil Pandya from Atlas Capital, our Investor Relationship Advisor.

I hope all of you have had an opportunity to review our investor presentation and financial results, which have been uploaded on the stock exchanges and the company's website. H1 FY27 has been a strong period of growth for Airfloa, with the company delivering significant year-on-year improvement across its key financial parameters.

Revenue from operations increased by 143% to INR220.3 crores, EBITDA grew by 120% to INR48.4 crores, while profit after tax increased by 108% to INR25.1 crores. Importantly, our PAT margins remained within the guidance range of 10% to 12% that we have communicated to the investors. This reflects our continued focus on balancing growth with profitability, particularly in an environment characterized by commodity price volatility and evolving project economics.

Beyond the financial performance, we have also made meaningful progress in expanding our business capabilities and strengthening our platform for the next phase of growth. Let me take you through some of the key developments. As we have communicated in our previous investor calls, Airfloa has been steadily evolving from a component-focused railway supplier to an integrated engineering and manufacturing platform. Our objective is to participate across a larger part of the railway value chain, moving beyond individual component suppliers towards integrated interiors, assemblies, specialized railway equipments, and turnkey engineering projects. This strategy allows us to increase our engineering content, strengthen customer relationships, participate in more complex projects, and build a more diversified revenue base.

Railways continue to remain our primary growth engine. We continue to see opportunities across Vande Bharat, Amrit Bharat, metro rail systems, EMUs, MEMUs, refurbishment programs, and other railway modernization initiatives. During the period, we have also continued to focus on

improving our execution capabilities, expanding our manufacturing footprints, and strengthening our participation in higher value opportunities.

An important aspect of our growth has been to remain disciplined in our bidding approach. As discussed in our previous calls, the significant increase in aluminum and other input material prices had affected the economics of certain ongoing and prospective projects. Rather than pursuing orders at commercially unattractive prices, we engage with customers to seek appropriate price revisions and re-tendering wherever necessary.

I am pleased to inform you that the re-tendering process has now been commenced and now we have started participating in these tenders at revised prices. This is an important development as it allows us to pursue opportunities while protecting the commercial viability of the project. Our focus continues to be on profitable growth rather than growth at any cost. One of the most important developments during this period has been our acquisition of the business of KIN Railway Equipment Private Limited, based in Coimbatore, Tamil Nadu.

We have completed the acquisition for a cash consideration of INR41 crores plus applicable GST. The acquired business brings with it an established manufacturing facility, technical qualifications, certifications, customer relationships, and an existing order book of approximately INR180 crores. Strategically, we believe this acquisition is an important step in accelerating Airfloa's growth across both domestic and international railway markets.

KIN has established capabilities in metro rail, rolling stock, coach interiors, and railway equipment. These capabilities complement our existing operations and strengthen our ability to participate in larger and more complex railway and metro projects. More importantly, the acquisition provides us with an established manufacturing facility of more than INR2 lakhs square feet and an operational base in Coimbatore, which we intend to rebrand as our international business facility.

This facility will play an important role in strengthening our global railway business, particularly through exports, while also accelerating our participation in the metro segments. We believe the acquisition will provide us with three important advantages. First, it expands our manufacturing capacity and technical capabilities. Second, it gives us access to an established order book and customer relationships, providing additional revenue visibility.

Third, it creates a stronger platform for our international expansion, enabling us to pursue opportunities with global railway OEMs and customers more effectively, so as to enhance Airfloa's name as a global player. We see this acquisition as more than an expansion of our existing manufacturing footprint. It is a strategic step towards building a larger railway engineering and manufacturing platform with a stronger international presence.

We will remain focused on integrating the acquired operations effectively and efficiently, and leveraging the combined capabilities to generate sustainable growth. Moving beyond the developments during the first half, I would also like to highlight two important developments that took place in October 2026. These developments are particularly relevant as they

demonstrate the progress we are making in expanding our participation across specialized railway segments.

In October, Airfloa, as a lead member of the consortium with Italy-based BLUE Engineering S.r.l., secured a contract from ICF Chennai for the interior design of the Vande Bharat sleeper trainset and associated development work. The contract is valued at INR34.85 crores, inclusive of GST, and is scheduled to be completed within 12 months from the issuance of LoA. With this, Airfloa has become the first Indian company to get an engineering contract ever in the history of Indian Railways.

This development is particularly significant for us because during our FY2026 earnings call, we had specifically highlighted the Vande Bharat sleeper train as one of our key opportunities we are pursuing. We had identified this program as an important area where we wanted to expand our participation, leveraging our existing capabilities in Indian railway interiors and global railway interiors, and our engineering expertise. We are pleased that this opportunity has materialized into a tangible contract.

Furthermore, this assignment represents an important progression in our capabilities, extending our participation beyond manufacturing and furnishing into specialized interior design and associated engineering development. Our collaboration with BLUE Engineering brings together international engineering expertise and Airfloa's established manufacturing and execution capabilities.

The second important development is our memorandum of understanding with KTK Group Company Limited to jointly pursue eligible platform screen door projects in India. Platform screen door systems represent a specialized segment within metro and railway infrastructure. Under the proposed collaboration, KTK will provide its system design, engineering expertise, proprietary technology, and technical oversight, while Airfloa will leverage its domestic manufacturing and project execution capabilities.

Our scope is expected to include selected mechanical and electrical components, along with local project management, installation, testing, and commissioning for the agreed projects. The collaboration is aligned with our broader strategy of expanding into specialized railway equipment and strengthening domestic market manufacturing capabilities through technology partnerships. Taken together, these developments represent progress in expanding Airfloa's participation in more specialized engineering-led opportunities across railway and metro ecosystems, while building our existing manufacturing and execution capabilities.

Coming to the aerospace and defense, this continues to remain an important strategic growth area for Airfloa. Our approach in this segment is focused on developing the necessary technological capabilities, establishing partnerships, and building a sustainable platform for participation in specialized programs. These sectors have longer development, qualification, and other conversion cycles compared with our traditional railway business. Therefore, our approach remains measured and focused on building capabilities before scaling commercial operations.

I am pleased to share that our initiatives across aerospace and defense are advancing in line with our plans, with certain opportunities now at an advanced stage. Our focus is to develop capabilities that can create long-term opportunities for the company and provide an additional growth avenue alongside our established railway business. We will keep our investors informed as these developments progress and reach appropriate stages for disclosure.

Moving to our order books and business visibility, we continue to see a healthy opportunity landscape across our core railway and metro segments. As of November 15, 2026, our combined order book, including the order book acquired through KIN, stands at INR610 crores. This provides a strong foundation for execution over the coming quarters. For the balance of FY27, we are planning to execute INR280 crores of orders.

In addition, we are targeting fresh order inflows of INR450 crores over the coming months. Taking this into account, we expect to close FY27 with an unexecuted order book of INR750 crores to INR800 crores approximately. This anticipated order book position is important because it provides us with meaningful revenue visibility as we enter FY28.

Our confidence in the next phase of growth is, therefore, supported by a combination of our existing order book, the additional order inflow we are pursuing, the capabilities added through the KIN acquisition, and the expanding range of opportunities available to us. We will continue to remain selective in our bidding approach with a focus on projects that meet our execution and profitability expectations.

Coming to our outlook, we remain confident about the growth trajectory of the business for FY27. Our revenue guidance of INR500 crores and above remains intact. Our confidence is supported by our existing order book, execution visibility, the contribution expected from the acquired KIN business, and opportunities across global railway and metro projects.

Looking ahead, we are also providing revenue guidance of INR750 crores for FY28, while maintaining our focus on PAT margin in the range of 10% to 12%. We believe the expected closing unexecuted order book of INR750 crores to INR800 crores at the end of FY27 will provide a strong foundation for the next phase of growth.

At the same time, our strategy is not limited to increasing revenue. We are consciously investing in manufacturing capabilities, technology partnerships, engineering expertise, and international business development to build a more scalable and diversified organization. We will continue to prioritize profitable growth, disciplined capital allocation, and efficient execution as we expand our business.

Moving on to our financial performance, revenue from operations for H1 FY27 stood at INR220.3 crores, registering a year-on-year growth of 143%. EBITDA for the first half stood at INR48.4 crores, representing growth of 120%. EBITDA margin for the period stood at 21.9%. Profit after tax increased by 108% to INR25.1 crores. PAT margins stood at 11.4%, remaining within our communicated guidance range of 10% to 12%.

Turning to the balance sheet and working capital, despite the significant increase in revenue, debtor days have remained broadly stable while inventory days have declined by 19 days

compared to March 2026. This reflects our continued focus on working capital efficiency alongside the substantial increase in business activity.

Our return on capital employed stood at 32.1%, reflecting efficient utilization of capital. From a liquidity and leverage perspective, cash and bank balances stood at INR17.3 crores as of September 30, 2026. While borrowings have increased to support the scale of operations, our net debt-to-equity ratio remains comfortable at 0.5x. We will continue to maintain a disciplined approach towards capital allocation, working capital management, and execution as we scale our operations.

With that, we will now be happy to take your questions. Thank you so much.

M. Dakshinamoorthy: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nishita from Sapphire Capital. Please go ahead.

Nishita: Yes. So, I wanted to understand, our order inflow in the first half has just been INR49 crores and you just mentioned that we're expecting INR450 crores of inflow for H2 FY27. So, just wanted to understand, like, where are you expecting these orders to come from and why has the order inflow been slow till now?

M. Dakshinamoorthy: We have highlighted the order book as on 15th of November is approximately INR610 crores, right?

Nishita: Right.

M. Dakshinamoorthy: And we are expecting the order books of INR450 crores.

Nishita: Right.

M. Dakshinamoorthy: So, I'm sure that we are having a very good order book as of now, and we are expecting this INR450 crores of orders majorly from railways and to some extent from the defense and aerospace sectors. So, the slow inflow of orders is predominantly based on the selection of orders what we do. So, as we have already highlighted, we are focusing on profitable business. we participate orders, where we can get the orders.

As I said many times, that we can even get orders of more than INR1,000 crores to INR2,000 crores on today's scenario, but we select orders based on the profitability. So, we are very much disciplined in maintaining our profitability. That's the reason why we are going slow on the order book, but we are very sure that with this particular pace, we can cross what we have committed and reach the order book of around INR750 crores to INR800 crores at the beginning of the next financial year. And the next financial year will be envisaged with a big lot of order books.

Nishita: Right. Understood. And my next question is, you mentioned that we want to achieve profitable growth. So, what sort of profit margins are we expecting one EBITDA level from these new orders that we are going to get, like what's the threshold for EBITDA margins that we see generally when we book orders?

M. Dakshinamoorthy: Well, everybody wants to have a better margin so as we. So, we have clearly highlighted in our previous calls also, even now I am highlighting that we are very much concentrating to maintain the PAT margin between 10% to 12% as a baseline. Since we are now concentrating on the aerospace and defense sectors and also high-technology contracts and projects in railways. Our anticipation is to obviously increase our PAT margins and the expected or target EBITDA margin would be between 20% to 30%. But definitely, we are trying to increase that by inorganic involvement or growth in the defense and aerospace areas.

Nishita: Right. So, currently our EBITDA margins are on the lower end of the range that you just gave, so like if you could give a timeline by when can we achieve or reach the 30% EBITDA margins?

M. Dakshinamoorthy: Well, right now, the EBITDA margin is 22% and we are envisaging to increase the EBITDA margin through our various diversified projects within 6 months to 1 year.

Nishita: Okay, so are you saying by FY28, we can reach the 30% margin?

M. Dakshinamoorthy: Yes, ma'am. See, actually, we are not having any cap for the EBITDA margin because we always wanted to have the EBITDA margin on the higher side, no doubt about that. Since you have already highlighted these numbers, I'm highlighting that it is 6 months to 1 year, but our interest is to increase the EBITDA margin endless, that's the concept, but I'm very sure that this will increase drastically in future projects because as we have already highlighted that we are concentrating on the bigger businesses and the technology businesses wherever technology is involved, you have better margins.

Nishita: Okay. Understood. That is it from my end. Thank you so much.

M. Dakshinamoorthy: Thank you.

Moderator: Thank you. The next question is from the line of Khush Banthia from Nikunj Stock Brokers Limited. Please go ahead.

Khush Banthia: Hi, very good afternoon, sir. I just wanted to know on our defense order book the kind of orders we are targeting in defense and some insights on the JV with Big Bang Boom like it has been almost a year now and there has been no update on the joint production of defense products?

M. Dakshinamoorthy: Well, as far as defense and aerospace is concerned, I have already highlighted earlier that it is a long gestation period business and it requires lots of time to develop products because it has to comply a series of qualification criteria which involves the local institutions and the international institutions.

As far as the Big Bang Boom association is concerned, we are working on three projects. I have already highlighted that it is going at a faster pace than we expected and we have also invested heavily on to that particular projects. Only thing is that it has got a timeline which we have already committed that it will be envisaged in the year 2027-2028 during the last calls also because this is not a product which we are concentrating as a railway component where it has a tender on a daily basis and we participate in a tender.

We get the contract, we execute the contract in 2 months or 3 months. So, it is a long bigger contract normally will be decided by the defense projects, defense sectors for which we need to qualify ourselves. Not just a manufacturing of the product, but qualification takes a very long time as far as global expectations is concerned.

So, my request to you is that we are on track as far as defense is concerned. We are very much on track and in fact, we have lots and lots of information to come within a short period of time which you may listen in future. So, we are very much strong in our working. Certain things we cannot disclose openly since it is a defense project and it cannot be disclosed and that may come negative to us.

M. Dakshinamoorthy: For your question the answer is very simple. that we are expanding our defense and aerospace areas by keeping our railway business focused and at any moment this will convert as a tangible order. Once it becomes tangible orders then there will be inorganic growth in the system.

Khush Banthia: Okay. Got it, sir. Thank you.

M. Dakshinamoorthy: Thank you.

Moderator: Thank you. We will take our next question from the line of Paras Chheda from Purpleone Vertex Ventures LLP. Please go ahead.

Paras Chheda: Yes. Thank you so much for this opportunity and congratulations on a strong set of numbers. Sir just a couple of questions.

Paras Chheda: Our receivables have risen to about INR263 crores odd and generally our debtor days of course have been broadly stable, but though slightly at the higher end. Sir so what is the exact collection target for the next 2 quarters and in terms of operating cash flow are we looking at a positive operating cash flow in H2 of FY27 or when do we expect to turn positive?

M. Dakshinamoorthy: Sir, as far as debtor days are concerned, yes, I agree and we are now working on it. In fact, we have been continuously working on reducing debtor days, The most important thing I want to highlight is that these are all turnkey contracts and secondly these are all the new contracts. So, anything what we do right now is predominantly for Amrit Bharat and then new EMU trains, new MEMU trains.

So, these are all taking too much of time because it is an end-to-end turnkey contract. So, the conversion time and then the receivable time is increasing. Now, we are taking all our steps by meticulously monitoring the system by various methods to reduce it and I'm very sure it will be reduced by adopting certain methodologies within 6 months or so.

As you correctly said, yes, it is there, it is a challenge what we are facing right now, we are meticulously working on that to reduce that particular number of days and I am very sure that within 6 months of time it will be reduced and secondly coming to positive cash flow is concerned for sure our goal is to make it in the year 27-28 so that is our major focus apart from the business perspective, because I know that we have to work hard on this particular area to make our business seamless and free-flowing. So, we are already working on to it, sir.

Paras Chheda: Right. Sir I think our growth is quite decent, but probably is one of the metrics that needs some sort of an improvement and you've also sort of acknowledged. But generally what proportion of receivables is overdue beyond 180 days in this case?

M. Dakshinamoorthy: It is approximately 80:20, sir. It is mostly around that, not exactly 80%, but nearing 80% and then around 20% it is what the ratio is, basically.

Paras Chheda: So, 80% is within 180 days or beyond 180 days?

M. Dakshinamoorthy: Yes, 80%, approximately 78.2% is within 180 days.

Paras Chheda: Understood, sir. Now that we are targeting about INR750 crores of revenue next year and borrowings have gone up to INR140 crores, what peak borrowing requirement do you anticipate for next year for working capital and other things? So, what would be the peak borrowing need, you think, sir?

M. Dakshinamoorthy: Sir, actually we have already borrowed this year majorly for the KIN acquisition. When it comes to regular working capital, approximately INR100 crores is what we have borrowed so far. So, for the INR750 crores mark, we are very sure we can manage with the borrowings we currently have because we are getting revenue from KIN as well. So, the borrowings we have include working capital, and I am very sure we will not be going for any big borrowings for achieving this INR750 crore.

Paras Chheda: Okay, so you're saying broadly, this is the peak borrowing requirement or thereabouts, even for INR750 crores turnover?

M. Dakshinamoorthy: At least for one year, yes.

Paras Chheda: Because that will substantially increase our PAT margin also, I mean, that's what you're implying.

M. Dakshinamoorthy: You're right, sir. So, we are anticipating that for the next year, yes.

Paras Chheda: Okay. And sir, will the company also need additional equity? I mean, just over the next 12 to 18 months?

M. Dakshinamoorthy: Let me tell you very openly, sir. Today, we are majorly focusing on railways in terms of tangible orders. So, we are very much focused on to it and the numbers what we are committing is based on the railway contracts. So, and we are focusing heavily on to the defence and aerospace project also. So, the moment it converts as a tangible orders, which is in terms of size, it will be a big order. So, in that particular case, definitely we may raise, but not at least, not I'm envisaging not for the next 6 months or 7 months or so.

Paras Chheda: So what you're implying is now that INR750 crores of target revenue is more or less based on our railways business and some bit of that from defence. So for this kind of a business, you don't need fresh equity and probably even more debt, right? Only if additional defence orders were to materialise, which we are targeting significantly, then in that case, you might need fresh funding.

M. Dakshinamoorthy: Perfect, sir. Correct

Paras Chheda: Right sir. And sir, your KIN acquisition and the INR180 crores order book that has come in, the margins on that, I mean, EBITDA and PAT margin. Sir even the PAT margins of 10% - 12% will be possible on that as well? I mean, whether that margins will be sustained in that order book as well?

M. Dakshinamoorthy: For sure, sir. We have already done due diligence, and based on that we took it over. It's a metro business, and metro contracts normally have better margins than regular railway margins. So, we anticipate better margins than our regular business.

Paras Chheda: Right, sir. And sir, I mean, last question, you've mentioned international platform, for this KIN manufacturing facility. Do you anticipate some sort of export orders also now going forward in FY28?

M. Dakshinamoorthy: One of the major key strategies for the acquisition of this particular business, because this particular company has already been approved by the global platform of Alstom and other companies like Hitachi and Siemens. So that is one of the key strategies of acquiring this particular company, sir.

Paras Chheda: Understood. I think that was helpful, sir. Thank you so much, sir.

Management: Thank you so much, sir.

Moderator: Thank you. We will take our next question from the line of Nishita. Please go ahead.

Nishita: Yes, thank you for taking my follow-up question. I wanted to understand, our closing order book for FY27 will be INR750 crores to INR800 crores. What is the execution timeline for this?

M. Dakshinamoorthy: No, INR750 crores to INR800 crores is next year's projection, madam. Which means within one year we need to complete it.

Nishita: Okay. So, you did mention that our closing order book will be INR750 crores, INR800 crores. So, we are expecting to finish that whole order book within one year?

M. Dakshinamoorthy: Yes, what I mean to say is we will be clocking an order book of INR750 crores to INR800 crores which will be executed next year, which means that for next year order, we'll be having order books for this year itself.

Nishita: Understood. And my next question is on our PAT margin, you mentioned we can reach around 30% EBITDA margin for FY28. In that case can we expect our PAT margin to be around 15% to 18%?

M. Dakshinamoorthy: No, I cannot commit on numbers, madam, but our agenda is to increase PAT margins for sure. If we are saying 15% - 18% exactly, then I cannot commit, but I would love to increase the PAT margin more than 18%. So that's what I could say now. But yes, as a bottom line, I'm committing between 10% and 12%, but our interest and our focus is to increase to a higher margin, what you and me talked about. More than what you and me envisaged basically.

Nishita: Okay, thank you so much.

M. Dakshinamoorthy: Thank you.

Moderator: Thank you. We will take our next question from the line of Kinjal Jain from Invest Nova Advisory. Please go ahead.

Kinjal Jain: Sir, congratulations on the set of numbers and thank you for the opportunity. For our revenue guidance, does it include orders from aerospace and defense?

M. Dakshinamoorthy: Yes, for FY27-28, right. So definitely there will be a substantial increase in aerospace and defense because we are working on aerospace side, especially an aerospace side on one end and the other side on the defense part. Defense part, we have segregated into two areas. One is the Make-1 program, which is a contract between us and government directly with the envisage of business expansion in a bigger way, thousands of crores of business.

On the other end, a tender-based business, which is what we are now focusing, where we are anticipating to get some orders, maybe not a big orders, but the small orders of INR50 crores, INR100 crores, INR150 crores, that range of orders. So, I'm very sure that year 27-28 will have a significant increase in the defense and also space programs.

We are working on shock and vibration testing of ISRO space satellites, testing and simulation of the satellites and rocket launching programs. So, all these things we are working and we are participating in various tenders. So, for your question, yes, there will be a significant increase in terms of percentage as far as aerospace and defense is concerned during the year 27-28.

Kinjal Jain: Understood, sir, that was very interesting. And about the working capital cycle, how is it looking for defense and aerospace?

M. Dakshinamoorthy: So, the orders, as I said, the guidance, what we are having is around INR750 crores to INR800 crores for the next year, minimum numbers which we are trying to focus. Of course, this may also increase, but we don't want to commit only this particular number. In this, for INR750 crores to INR800 crores we are comfortable with our capital what we are having today. But if the numbers go beyond expectation, that's what we call inorganic growth. So, when the numbers beyond or the demand goes beyond the expectations, definitely we may need to raise the additional funds, particularly for defense and aerospace.

Kinjal Jain: Okay, sir, that's it from my side. Thank you.

M. Dakshinamoorthy: Thank you so much.

Moderator: Thank you. We will take our next question from the line of Ketan Patel from Kheman Advisors. Please go ahead.

Ketan Patel: So, sir, first question is, I wanted to know the focus of JV with Big Bang Boom. Where are we on that?

M. Dakshinamoorthy: We are already working with Big Bang Boom. The investment has already been done, and we are working very aggressively than what we are expected with Big Bang Boom. So, when it comes to the JV, we definitely will communicate at the appropriate time. But this JV is getting delayed for the strategical growth of both the companies because since we are now working on the defense platform.

So, this is getting delayed for the benefit of both the companies, and I am very sure that this will happen in a short period of time. But it is a strategical call that we have taken. But not limiting to more than a month or so. So, for sure it will happen in a short period of time. Maybe it will happen in days not in months, basically. But this decision was taken for considering a strategical thought process for the win-win of both the companies.

But when it comes to the program which we have joined as a technology partner, we are already going way beyond than what we have expected. And in fact, we are in aggressive discussion on a daily basis to make this project faster than what we have committed.

Ketan Patel: Understood. And my second question is what technologies and products are we aiming for in defense and aerospace?

M. Dakshinamoorthy: We are majorly focusing on unmanned systems such as specialized drones, anti-drones, autonomous technologies, and precision-guided ammunitions. So, this is something very recently we have achieved certain things. So, precision-guided ammunition is another area which we are majorly focusing along with anti-drones, drones, and autonomous drone systems.

Ketan Patel: Understood. Yes, that's all from my side. Thank you.

M. Dakshinamoorthy: Thank you.

Moderator: Thank you. We will take our next question from the line of Mangesh. Please go ahead.

Mangesh: Yes. Congrats on the great quarter and thanks for the opportunity. My question is around revenue guidance per business separately. If yan you give color on what would be the guidance or growth for aerospace, defense, and railways, and if you can give color on EBITDA margins on these businesses separately? Thank you.

M. Dakshinamoorthy: So, sir, the numbers we highlighted are predominantly based on railway business. That's what I clearly highlighted in my note also. So, when it comes to the 750Cr - 800Cr, I would say like it is more than 90% towards railways, and the rest is aerospace and defense. This is the numbers which I'm envisaging on 16th of November, 2026.

But if the progress of defense, which we are now participating, which we are now envisaging to convert as a tangible order, if this happens, then the numbers and then the overall orientation changes. As on today, I would say it is around 90 towards railways and 10% towards the aerospace and defense, which may expect to change only when we get the contract on place.

So, things are going in a positive direction. So, if things are moving at a faster pace, then definitely the number will drastically change.

Mangesh: Okay. And this defense part, is it tender-based or Make-1 with the government?

M. Dakshinamoorthy: So, I am talking about the tender-based thing because Make-1 Government is a very big project, which we are now focusing on. So, if that is the case, then the development time itself will take one year, minimum one year. So of course, that comes with the order books, confirmed order books, but the development time will take one year, but the agreements can be done, shall be done in the near future. But anyway, we'll be giving some news in the near future. Anyway, you'll be seeing it.

Mangesh: Okay. Thanks.

Moderator: Thank you. The next question is from the line of Sri Surya from PhillipCapital. Please go ahead.

Sri Surya: Hi, sir. First of all, congratulations for posting a very good set of numbers. What I want to know, sir, is that we are able to have very good margins and sustain it. And you're very constantly saying that we can sustain that margin, and also improve on that. But can you explain how the industry works and how what's the function of the margins? Are we getting this good margin just because there are no other players who could deliver the kind of medium? Or is that cost factor something better?

M. Dakshinamoorthy: Well, see, firstly, we are a component suppliers and the turnkey component suppliers to Indian railways. We are one among the company who are making the interiors as well as the exteriors for the rail coaches, unlike other companies, there are very few companies who are making the car body and the interiors together. So, we are one among the company, maybe one among the two or three companies in the entire country.

As a frontline system integrator, because we are not the so-called coach builders, basically. So, in our this is a thin line of business we are in basically. So, in this line of business, our major focus is on the interior part, which is having the engineering area and also the exterior part.

So how we are going to increase our margin is basically we are aggressively working on technology product implementation in the industry. Like as I already highlighted in various investors program that we are involving in products like automatic sliding door systems, vacuum toilet systems and things like that. Very recently, after acquisition of KIN and association with KTK, we are concentrating on the metro market business because previously it was less than 10% of our overall railway business when it comes to the metros.

Now because of acquiring KIN, we will become the major stakeholder of the metro market interiors. So that is one advantage we are having for the increase of PAT margin. And the second advantage is that we are getting into the infra of railways. Previously we were concentrating only on the coach building. Now we are entering into the infra of railways, which is basically a bigger chunk of business. To start with, the best product line which we aligned is basically the platform screen doors.

Platform screen door business is approximately a INR2,000 crores business in a year. Every year there is a business growth of INR1,500 crores to INR2,000 crores in India, where this KTK plays a major stake in the business of this platform screen doors. By associating with us, then we will

be the frontline partner to participate in the tenders and get the orders from Delhi metros or Chennai metro or Bangalore metro, whoever it is basically. These two products, including the technology product of the coaches, that will bring us a better PAT margin.

And secondly, as I said, the initiation what we put in the last couple of years as far as the aerospace and defense is now getting matured. And then that will be converted as a potential order book. So that will again bring us a better PAT margin into the business. So, calculating all these particular bundles, I would say like we can make a better PAT margin than what we are making today.

Sri Surya: Understood, sir. So, the other question I have for you is, what we have seen today is mostly into railways. In the next 2 years - 3 years, it's going to transform into a lot of defense and different other kind of scope of work that's adding to our revenue streams.

But 5 years to 8 years down the line, how do you see the company growth? Will we be having a higher revenue chunkiness from railways or it will be a totally different kind of company?

M. Dakshinamoorthy: Sir, we always wanted to make our company grow on the railway sector without any compromise. Of course, there is going to be an increase in the revenue as far as the defense is concerned, for sure. Because I'm very sure that the order books will be in a bigger value as far as defense is concerned, especially when it comes to Make-1 contracts, basically.

And we are participating in various programs, defense programs. And we are also having a tie-up now focusing on a tie-up with a lot of foreign defense companies for a DOT and things like that. For sure, it is going to increase, no doubt about that. But if you ask me, I would remain to be focusing on railway business in a bigger way.

I can't tell you in terms of percentage how it changes over a period of 8 years or so, because that's too long for me to predict, basically. But one thing I can assure you is that we don't want to get saturated on the railway business, because railway business itself is huge. We are now having only, maybe I would say like it is only one or two percent of the overall actual transformation which is happening today.

There is a vision of at least 15 to 20 years as far as the railway, at least for me. With this exponential growth of railways, definitely defense will also grow, no doubt about that. So, I would always want to have railways and defense at par with the exponential increase of top line and bottom line.

Sri Surya: Got it, sir. One last question, sir. We have INR150 odd crores of borrowings, mostly from short-term borrowings on our balance sheet. But what would be our ideal borrowing in the next 1 year, 2 years? And what would be our typical cost of borrowing, sir?

M. Dakshinamoorthy: Sir, if we are going for, you are talking about the percentage of borrowing, sir?

Sri Surya: Yes, the percentage of borrowings and what kind of total fully borrowing cost we will be having for this year and next year.

M. Dakshinamoorthy: When it comes to the interest rate, then it is approximately between 8.25% and 8.5%. And when it comes to the numbers, so in the next 2 years, I would say we will be going for another INR100 crores of borrowing, sir, apart from what we are having in the next 2 years.

And I am not seeing it in the near future for the next at least one year now, because we are focusing with our cash flows and with the receivables we can manage. That is not a problem, sir.

Sri Surya: Despite of the current borrowing cost, and even if we take another INR100 crores borrowing after one year, our PAT margins can be sustainable at this current level, right?

M. Dakshinamoorthy: Yes, minimum. That is what I am saying. So how we can, our plan is to concentrate on a better business, in terms of PAT margin, we are concentrating on areas where we have better PAT margins. That is what I am keeping on highlighting in all our meetings that I am not running behind the orders, I am running behind the profits.

So, if we want more orders, we can get, because railway is a very big market where we can get more orders, basically. But our focus is to increase our PAT margins. That is the focus. That is why we are selecting our orders. We are not focusing on all the orders which is available.

Sri Surya: Got it. Thank you.

Moderator: Ladies and gentlemen, that was the last question. I would now like to hand the conference over to Mr. Manikandan Dakshinamoorthy for the closing comments. Over to you, sir.

M. Dakshinamoorthy: So, thank you, ma'am. First of all, I would like to thank all our investors for having faith and confidence in our company. It was really a strong one year with lots and lots of positive spirits throughout the industry, and it is all based on the encouragement what you people, investors, given to us, basically.

And this gives us a very positive outlook and visionary for us to run for the next at least 10 to 15 years, both in the segment of railways and defence market. So, I would request everyone to give a good lot of support and to encourage us to move forward with a lot of prosperity.

And I'm very sure that whatever we have been discussing, whatever we are committing, we will try to achieve it and keep our investors comfortable and be positive with all our endeavours. Thank you so much for listening to us. Thank you once again for connecting with you.

Moderator: Thank you. On behalf of Airfloa Rail Technology Limited, Atlas Capital and PhillipCapital PCG, that concludes this conference. Thank you for joining us.