



# AIRFLOA RAILTECHNOLOGYLIMITED

(Formerly known as Airflow Equipments India Pvt Ltd)

Date: September 24, 2025

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 Earnings Conference our Company had on November 18, 2025 with regard to growth in profitability of our Company in the 1<sup>st</sup> half of the Financial Year 2025-26.

Kindly acknowledge and take the same on records.

**For Airfloa Rail Technology Limited.**

**Dakshinamoorthy Venkatesan**

**DIN: 00232210**

Encl: As above.



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**AIRFLOA RAIL TECHNOLOGY LIMITED**

(Formerly known as Airflow Equipments)  
ENRICHING MOBILITY..

# “Airfloa Rail Technology Limited H1 FY26 Results Conference Call”

November 18, 2025



**AIRFLOA RAIL TECHNOLOGY LIMITED**  
(Formerly known as Airflow Equipments)  
ENRICHING MOBILITY..



**MANAGEMENT:** **MR. DAKSHINAMOORTHY VENKATESAN –MANAGING DIRECTOR – AIRFLOA RAIL TECHNOLOGY LIMITED**  
**MR. DAKSHNA MOORTHY MANIKANDAN – JOINT MANAGING DIRECTOR – AIRFLOA RAIL TECHNOLOGY LIMITED**  
**MR. VENKATESAN SATHISHKUMAR – WHOLE TIME DIRECTOR – AIRFLOA RAIL TECHNOLOGY LIMITED**  
**MR. HARAPRASAD ROUT – COMPANY SECRETARY – AIRFLOA RAIL TECHNOLOGY LIMITED**  
**MR. RAGAVENDRAN V – FINANCE MANAGER – AIRFLOA RAIL TECHNOLOGY LIMITED**

**MODERATOR:** **MS. SAKHI PANJIYARA – KIRIN ADVISORS PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to H1 FY26 Results Conference Call of Airfloa Rail Technology Limited. As a reminder, all participant lines will be in the listen-only mode, and there'll 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 Ms. Sakhi Panjiyara from Kirin Advisors. Thank you and over to you, ma'am.

**Sakhi Panjiyara:** Thank you, Trisha and very good morning to everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of Airfloa Rail Technology Limited. From management team we have Dakshnamoorthy Venkatesan sir, he is Managing Director, Dakshnamoorthy Manikandan, he is Joint Managing Director, we have Venkatesan Sathishkumar, Whole Time Director, we have Haraprasad Rout, Company Secretary and we have Ragavendran, Finance Manager.

Now, I hand the call to Mr. Dakshnamoorthy Manikandan for the opening remarks. Over to you, sir.

**Dakshnamoorthy M:** Good morning, everyone and thank you for joining us today on what is a very meaningful occasion for the entire Airfloa family. It gives me great pleasure to welcome you all to our first earning and conference call after a successful listing on BSE SME platform. This is an important milestone for us and we are grateful to the market participants and all our stakeholders for the support and confidence shown in our journey so far.

For those who are hearing from us for the first time, let me quickly share who we are. Airfloa Rail Technology Limited is a homegrown engineering company with over 27 years of experience in the railway manufacturing space. We specialize in making precise -- precision components for rail stock, rolling stock as well as turnkey interior furnishing solutions for Indian railways and metro systems.

We have played a meaningful role in projects like Vande Bharat Express, LHB coaches, rapid rail transit systems, RITS, Rapid Rail Transit Systems RITS, Vistadome trains and even export orders like Sri Lankan demo -- the Sri Lankan main lane, Mozambique and other global OEM engagement like Siemens, Alstom, TMH, etcetera.

This expertise has positioned us as a trusted partner capable of delivering end-to-end solutions from design and engineering to assembly and supply and installation and commissioning. So what sets Airfloa apart is the way we integrate design, tooling, manufacturing under one roof. Our core competency is that one, basically. So this helps us maintain control on quality and timelines, factors that are critical to large, complex railway projects.

Our three manufacturing units are equipped with modern systems and skilled teams, which has allowed us to continue growing our capabilities in line with raising demands from Indian railways and defense and this expanding modernization push. Let me now turn to our financial

performance for the financial performance for the first half of FY26. I'm happy to share that we have delivered strong progress in line with expectations and growth plans.

For H1 FY26, our total income stood at INR90.98 crores, reflecting growth of nearly 7% over the same period last year. Our EBITDA was INR22.46 crores and the net profit came in at INR12.09 crores, marking a robust 24% growth year-on-year in terms of net profit. We are also pleased to see healthy earnings per share growth and operational stability.

These numbers reflect not just growth, but carefully planned growth, built on operational discipline, product diversification and strengthening customer relationships. This year we shall exceed the turnover of more than INR300 crores based on the confirmed order books, ongoing execution and projected expectations. What further excites us at this point is the strong order momentum.

We have seen recently in just a single week, we secured fresh orders worth over INR1,013 crores from key customers, including Integral Coach Factories and Modern Coach Factories. Probably this week and between next week, we'll be having another INR30 crores of order on hand. These new projects include everything from turnkey interior furnishing to high-value components for Amrit Bharat and LHB coaches.

With this, our active order books was now crossed more than INR455 crores currently. Importantly, this gives us great visibility on revenue for the next few quarters and strengthens our positions in both core components and turnkey execution. The Indian Railway is undergoing one of the most significant modernization phases of the last few decades and we as Airfloa is playing a pivoted role in this great development by introducing a lot of new products and new technologies.

This includes high-speed trains, coach upgrades and a strong push towards production capability within the country. We feel Airfloa is well-positioned to leverage these opportunities. Thanks to our long-lasting relationship, technical know-how and agility, we have developed over years.

We are equally excited about new business beyond traditional rail, particularly in aerospace and defense manufacturing, where we continue to build up capabilities and nurture new partnerships, especially for the next-generation warfare and worthwhile to highlight our joint venture activities with a company called Big Bang Boom Solutions, which is one of the defense aimed to foster innovation and indigenous technology development in Defense system of India aimed to foster innovation and indigenous technology development in Defense, Aerospace and Naval sectors, of India.

So our capital market journey began just a few months back with our listing on the BSE SME platform in September and it has been encouraging to see strong investor participation from both institutional and retail shareholders. We take this encouragement seriously and are committed to transparent communication, consistent performance and value creation for all our stakeholders.

To sum it up, we are at a pivotal point in our journey. We have a strong foundation and strong, healthy order books, experienced teams and a business model that is built for both current

opportunities and future scaling. The focus now is on execution, excellence, capacity enhancement and exploring synergies in adjacent sectors that allow us to create more enduring value. Thank you once again for your time and continued trust in Airfloa. We are happy to take your questions now.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question comes from the line of Mukesh Panjwani from WC Securities. Please go ahead.

**Mukesh Panjwani:** Yes. Hi, sir. Good morning.

**Dakshnamoorthy M:** Good morning, sir. Please.

**Mukesh Panjwani:** Sir our current book is around INR455 crores. So, how much of this is from rail and how much is from defense?

**Dakshnamoorthy M:** We have a defense order of approximately INR65 crores right now.

**Mukesh Panjwani:** Okay. And the remaining is from rail?

**Dakshnamoorthy M:** Remaining is from railways. Again, when it comes to railways, it is for -- it is both government and non-government railway sectors.

**Mukesh Panjwani:** Okay and sir what is the timeline for the execution?

**Dakshnamoorthy M:** Around INR200 crores to INR250 crores, we have a timeline of this year.

**Mukesh Panjwani:** Okay.

**Dakshnamoorthy M:** And it will -- it is going up to the December of next year.

**Mukesh Panjwani:** Okay. So, would we be able to maintain the margins like 12% PAT margins we are doing, which is really very good. So, are these margins sustainable and is there any scope for improvement?

**Dakshnamoorthy M:** For your first question, if we are not having this margin, we will not even take this contract, first thing. Second margin is that definitely we are trying to increase the margin. For sure, any business would be interested to have a better margin. So, we are always trying for it. And I think our defense traction would help us to move forward that way.

**Mukesh Panjwani:** Okay. And sir can throw some light on this investment in Big Bang Boom Solutions, what is the motive, how much we are investing?

**Dakshnamoorthy M:** Yes. Well, actually, Big Bang Boom Solutions is one of the leading company in the recent times that everybody knows it. And we have a strong connection with Big Bang Boom Solutions. We are now currently going to work for two major programs. Probably we will be explaining you in detail maybe in the next investor call very recently, in the near future, basically. So, the arrangement is basically to go with a joint venture with a majority stake of Airfloa in it and to concentrate on the latest laser system warfare, basically, anti-drone warfare.

**Mukesh Panjwani:** Okay. And where do we see the growth in defense? How much is the focus, where it can go like right now it is very small in terms of revenues. So, going ahead two, three years from now, how do you see it contributing in our revenues?

**Dakshnamoorthy M:** Defense is one of the key drivers for us in future for Airfloa, for sure, basically. Because see we are investigating the order books of more than INR1,000 crores by this year end, that is financial year end, in railways. So, we expect in the next two years, the defense business to exceed our existing order books.

So, that's what we are envisaging. And it is very clear and our workings are very clear towards it. So, as I said even before, our focus is to organically increase the turnover or the business of railways, parallelly inorganically increase the turnover of defense. That's how we go, we plan our business in the next two years.

**Mukesh Panjwani:** Okay. So, sir, by the end of this year, if we are expecting order book of around INR1,000 crores, so what kind of revenues we can make next year?

**Dakshnamoorthy M:** Well, see this is just a projection. We can, of course, we have already highlighted as before. We are projecting around 550 approximately next year, but it is just a conservative number. So, I cannot commit right now, whether I will be going more than that particular number to an extent of 30% or 50%, I don't know. But to be safe, I can say that 550 is the minimum, bare minimum numbers we can reach next year.

**Mukesh Panjwani:** Okay. That is really interesting. And then the scope of improvement in margins also?

**Dakshnamoorthy M:** Obviously, exactly. So, we are very clear with our business line, wherever there is a margin which we are maintaining or more than what we are maintaining, then we are in. Otherwise, we are not that much concentrated.

**Mukesh Panjwani:** Okay, sir. I am coming back in a queue. Thank you so much.

**Dakshnamoorthy M:** Yes. Thank you.

**Moderator:** Thank you. The next question comes from the line of Ashit Kothi who is an Individual Investor. Please go ahead.

**Ashit Kothi:** Good morning, sir. Thanks for this opportunity. Sir, a couple of things which I just wanted to ask you. One is with regards to railway, you said INR390 crores is your contribution from railways and which includes private and public. So, if there is a breakup available, private and public. And with regards to defense and also Kavach, I think in a pre-IPO conference call Kavach was discussed in brief. So, how we are geared towards coverage approval and things like that?

**Dakshnamoorthy M:** Well, for your first question out of -- you said INR390 crores, precise numbers is approximately INR405 crores. So, in that, an extent of 75% to 80% is from Indian railways and 20% is from the non-government sector. And over a period of one year, this non-government sector will increase because now most of the tenders are under evaluation, things like that.

So, secondly, when you talk about the Kavach, as I told you earlier, as I told the investors earlier that we are concentrating on a different type of train security management systems, not the exact Kavach what you are now envisaging in the field, basically. So, we also said that Kavach, this year we are not exhibiting, next year is what we are exhibiting as far as the total integrated train security systems, basically.

So, we started it and we are already working with our partners to develop this particular system, which is not an anti-collision device. Again, I'm telling you, it is not an anti-collision device where it concentrates only on one particular segment. It concentrates on the entire segment or the entire environment of the rails, so that there is no mishap happening anywhere in the system. So, it's an integrated system, which is a very vast area. We have now started working, and it takes at least one year for us to exhibit this product.

**Ashit Kothi:** So, we have got an approval or are we still on a process of approval?

**Dakshnamoorthy M:** No, what we are saying is that we are going to implement the systems to RDSOs or railway board, where they are going to witness it and then we need to do the trial run and things like that and then only we can go for an approval. I just want to understand. Yes, please go ahead.

**Ashit Kothi:** No, sir sorry for disturbing, interrupting.

**Dakshnamoorthy M:** What I'm trying to say is that it is not just an anti-collision device, what we are talking about. It is a total integrated safety and security system, which involves a lot of parameters, including the anti-collision device. This is what I'm trying to say. So, it is a long process. It is a chain process, basically. So, it takes a long time to give a proposal and acceptance will take a long time.

**Ashit Kothi:** So, does that mean, sir, this would take a reasonably good amount of time, maybe 2 years, 3 years or maybe 4 years?

**Dakshnamoorthy M:** No, 2 years, 3 years. That's what I'm saying. We are ready to exhibit by the next financial year. So, it at least requires at least 9 months to 12 months to clear this process, because we need to exhibit because this has never been implemented in India so far. This has been implemented in the Western countries and far Eastern countries, not in India. So, now we are making this particular system to be on place as far as the rail industry is concerned. So, we are not going with the anti-collision device, what you are now calling Kavach.

**Ashit Kothi:** Okay, sir. And currently, your pipeline of order is how much and how much of pipeline of orders we are expecting in next one year time?

**Dakshnamoorthy M:** In one year time, we will be expecting an order more than INR1 crores and I also said that by March end, our order books would be around INR1,000 crores.

**Ashit Kothi:** Okay.

**Dakshnamoorthy M:** Including the order what we are having right now.

- Ashit Kothi:** Okay. So, with what kind of order book we would be feeling comfortable assuming that we want to touch and turnover of INR200 crores to INR300 crores on a yearly basis, so up to INR1,500 crores or INR2,000 crores of order book would give us a comfort?
- Dakshnamoorthy M:** Obviously, sir. Because, see, if you ask me, we need to have at least two-year order books with us. So, the thumb rule is basically, we are envisaging around, we are committing around 300 plus this year and next year 550 plus or 500 plus. This is what we have given the projection, which means it's INR800 crores. So, by end of this month, this year, we'll be having INR1,000 crores minimum. So, we are set for this year and next year comfortably. And we'll be working on a high profit business for the future orders. So, which will keep our birth safe.
- Ashit Kothi:** Okay. Sir, on defense when do you see it becoming 50% of turnover?
- Moderator:** Sorry to interrupt, sir, but could you rejoin the queue for follow-up question?
- Ashit Kothi:** Okay. Sure.
- Moderator:** Thank you. The next question comes from the line of Shubham Gupta, who is an Individual Investor. Please go ahead.
- Shubham Gupta:** Sir, actually, you are guiding for INR300 crores plus revenue in basically this financial year. And for the next financial year, like with how much CAGR you will be growing like year-on-year, because in the IPO meet, I think you told around 50%, 60% CAGR, right?
- Dakshnamoorthy M:** We are still maintaining it, sir. We are not going back. We are still maintaining it, because we have a clear order books, and we have got a clear schedule now.
- Shubham Gupta:** Okay.
- Dakshnamoorthy M:** So, next year, we'll be crossing. On paper, we have highlighted 500 plus, but we'll be crossing minimum 550. And probably we may exceed also.
- Shubham Gupta:** Okay. And, sir, my second question is you also guided like within two years, you will be if I remember correctly, you also guided like within two years, your revenue will be 50%,-50% split of both defense and railway.
- Dakshnamoorthy M:** For sure.
- Shubham Gupta:** And this will also improve your margins, right?
- Dakshnamoorthy M:** Obviously, sir. For sure.
- Shubham Gupta:** Okay. And in defense, you will be focusing on which particular area, like will it be something related to anti-drones? Because right now, the partnership which you have with the Big Bang company, that partnership is for the anti-drones, right? So, will it be on the similar lines, or will you be touching some other products in defense?

**Dakshnamoorthy M:** Sir, we are now, in fact, we have developed a tether drone. And now we are developing a loitering drone right now. We have already developed a tether drone.

**Shubham Gupta:** Okay.

**Dakshnamoorthy M:** And we have now signed a contract along with Big Bang Boom for a Indo-Israeli program to develop an autonomous drone for civilian and defense application. And we are now going for anti-drone system, which is predominantly powered by laser, high power laser systems, which is not available in India because the high power laser system, what is available in India is basically from a company like Bharat Electronics and Adani, which is all right now, it is 800 meter coverage one.

Now we are going for 2,000 to 5,000 range coverage one, which is not available in India so far. And I don't know whether you are aware of the latest information that Indian Army or Indian government is pushing towards 2,000 range now. So, we have already envisaged this and we have developed, we have not developed, but we are now developing this particular thing along with Big Bang Boom. So, we are on a drone system, anti-drone system, radar systems, laser systems.

Of course, laser is also an anti-drone systems, but we are in the latest technology of it basically. So, these are all the focus of Airfloa apart from our land systems, basically. In land systems, unmanned land systems, we are now working with a company called Big Bang Boom Solutions Private Limited which is a startup company.

So, anyway, I cannot further express this at this juncture because of the compliance issue. So, we will continue this topic, maybe later feature, maybe in the next one month or 15 days there will be, we are interested to go for a presentation in a start presentation. So, that time we will be in a position to discuss further, sir.

**Shubham Gupta:** Okay, sir. So, mainly, sir, you will be going into the anti-drone part only, right?

**Moderator:** Sorry to interrupt sir, but can you please rejoin the queue for further questions?

**Shubham Gupta:** Okay, ma'am. Thank you.

**Moderator:** Thank you. The next question comes from the line of Jatin Agrawal from Manish J Mundada & Associates. Please go ahead.

**Jatin Agrawal:** Good morning, sir. Sir, first of all, congratulations on the result. So, I just have two questions. One, sir, what is the current utilize -- how much IPO funds are utilized? And second, sir, what is the deviation that you had mentioned?

**Ragavendran V:** Sir can I address this, sir.

**Dakshnamoorthy M:** Yes. Please go ahead.

**Ragavendran V:** This is Ragavendran from Finance Manager. Yes. Sir, from out of our IPO proceed, we yet to utilize still nearly 18% yet to utilize. The deviation which we mentioned that in our capex budget,

initially we gave the model of like one or two, but now we changed the model. Between the same vendor, we changed the machinery type alone. That is the deviation we gave.

**Dakshnamoorthy M:** Okay. To be precise, I would like to highlight like we have selected a model of a machine from a company called PONC, P-O-N-C. Initially, they have quoted a price of certain product. And this time after vigilant negotiation with them, we have gone for a higher model. But at the cheaper cost, means like we strongly negotiated and then we reduced our exposure by almost 22 lakhs. So, we saved around 22 lakhs for the company right now by choosing this particular model by a strong negotiation. So, that is how we changed the model. So, our exposure has been reduced to 21 lakhs than what we have committed.

**Jatin Agrawal:** Okay. And currently, so you are running an 85% capacity utilization, if I am correct?

**Dakshnamoorthy M:** Yes, because we have increased our lines, the production lines. Before it was one shift, now it is two shift. So, we are majorly utilizing it and we are trying to increase it.

**Jatin Agrawal:** So, going forward with the INR1,000 crores order book executions of this much capacity, or would you be looking for an increase in capacity?

**Dakshnamoorthy M:** No, we are now investing on 14 acres land right now. And next year, we are going to set up a facility to start with 50,000 square feet. And then next year, we will be completing around 1 lakh square feet. Because the idea is basically to we are going to separate our metro segment and Indian railway or the main lane coach segment, because the capacity is now increasing. So, with this existing capacity, we cannot achieve INR700 crores or IN600 crores, or even INR1,000 crores.

So, we actually require the second plan, which is a bigger plan, for which we are already in the process of buying out this 14 acres plant. It is in the process, means like we already started paying our bullet payments basically. So, next financial year, we will be having by the end of next financial year, we'll be having this particular facility on place.

**Jatin Agrawal:** And for funding debt?

**Dakshnamoorthy M:** Yes, we'll be going for a debt funding or a term loan funding from the banks. We are talking to the banks already. And secondly, we are planning to set up a facility near MCF and RCF, that is Rail Coach Factory and Modern Coach Factory to cater to their particular requirement. Thereby, we'll be reducing our transportation costs.

**Jatin Agrawal:** Okay, sir. I'll get back in the queue. And thank you so much for the answers. Yes.

**Moderator:** Thank you. The next question comes from the line of Maitri Shah from Sapphire Capital. Please go ahead.

**Maitri Shah:** Yes, just two questions. Firstly, on the guidance, you said INR550 crores, what sort of revenue will defense contribute in this in FY27?

**Dakshnamoorthy M:** 27.

- Maitri Shah:** Yes.
- Dakshnamoorthy M:** The order book what we are initiating is approximately INR200 crores to INR250 crores. So in that, I mean, very conservatively, we are we are planning between 100 to 120.
- Maitri Shah:** INR100 crores, INR120 crores. Okay. And secondly, we are setting up this facility that you said the new facility, what sort of capex are we planning for that capex amount?
- Dakshnamoorthy M:** Yes. So when we when we talk about this particular, the new facility, you are talking only about the capex?
- Maitri Shah:** Yes, what sort of capex are we planning, the machine for the machinery and the land and everything.
- Dakshnamoorthy M:** Sorry, you're talking about the type of machineries or the values of machineries?
- Maitri Shah:** No, the values.
- Dakshnamoorthy M:** Yes. So as far as this particular facility is concerned, we are envisaging around INR20 crores to INR30 crores is what we are we are expecting in this particular facility to start with.
- Maitri Shah:** And what sort of revenue potential can this capex generate going forward, an asset turnover that you are planning?
- Dakshnamoorthy M:** Yes, it is obviously it is going to be at least around four times of the investment.
- Maitri Shah:** Okay. And just the last question, we mentioned previously that we are working on six products in the railways, the security system, the surveillance system, the fire suppression systems and those are going to generate 10x revenue potential going forward. Where in the development phase we are and when do we see those commercializing and the revenues coming in into the company going forward?
- Dakshnamoorthy M:** Madam, you'll be hearing the news in another maybe two, three weeks about the door systems and the vacuum toilet systems. These are the two low hanging fruit and which is -- which consists of -- which constitute major volume of business. So we are already aligned and we are already in the process of signing.
- We will explain you in the next presentation, maybe a couple of weeks later. But to your question, the answer is out of the six product, we have already settled down with two products and which we got the order -- which we got the developmental order already. So the association, what kind of association we are in and which company, we will explain you the moment we highlight to BSE in the next couple of weeks.
- Maitri Shah:** Okay, just one suggestion. Could we for the next earnings call have a presentation kind of going through all the products that we have developed or in development for both of our articles, the defense and railways?

- Dakshnamoorthy M:** We would be very much happy to present it to you. In fact, this call is more earnings call, concall. So I'm not able to do that now, but we would love to.
- Maitri Shah:** Or maybe the BSE and the NSE, just the presentation for the investors to go through?
- Dakshnamoorthy M:** Yes, actually we would be very much happy to do that. We can do that in the next couple of weeks. I would love to do that.
- Maitri Shah:** Yes, that would be great.
- Dakshnamoorthy M:** In fact, we are very much interested to showcase to our investors about our projects and then the advancement in the projects, basically.
- Maitri Shah:** Yes, sure. That is it from my side. Thank you.
- Dakshnamoorthy M:** Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Amish Shah from SSV. Please go ahead.
- Amish Shah:** Sir when it comes to defense business, can you highlight like what kind of business we are doing, the products, something about that?
- Dakshnamoorthy M:** Sir, since I've already highlighted it again, I'm repeating it. We are into drones, anti-drone systems, radar systems. These are the major core areas which we are now working. Parallely, we are now working on the unmanned land roving systems, basically for the army segment. These are the major focus. Apart from this, we are into the simulator program of aerospace division and we are also manufacturing the main body or a hull for the main battle tanks and auxiliary tanks.
- Amish Shah:** Okay. So in drones and anti-drones, have you been working, I mean, for the past many years or is it a new entry for us in terms of business line?
- Dakshnamoorthy M:** No, we entered into defense and aerospace only in 2020, sir. So predominantly, we are a new entrant as such, but our focus is to go for a large-scale manufacturing. Our focus is not to be a lab model company so that we are venturing into or joining hands with the companies who have got hands-on experience on the electronic warfare globally and thereby make a difference between the regular startup companies and us.
- Amish Shah:** And by joining hands with such startups and we will be doing large-scale manufacturing of the UAVs and the drones and all, right?
- Dakshnamoorthy M:** No, that's what I'm saying. We are not joining hands with the early startups, basically. A company who have performed in the actual warfare, that is where we are joining hands, sir. So we have our partners already having a product which is already proven and we are also joining hands with the companies who have got that expertise to develop this particular product. It's what we are engaging in.
- Amish Shah:** So, sir, I mean, can you tell us what kind of capital investment?

- Moderator:** Sorry to interrupt, sir, but could you rejoin the queue for follow-up question?
- Amish Shah:** Yes, thank you.
- Moderator:** Thank you. The next question comes from the line of Ashit Kothi, who is an Individual Investor. Please go ahead.
- Ashit Kothi:** Yes, sir. Sir, with regards to BBBS, Big Bank Boom Solutions, what kind of developmental and overall contribution to the sales you are expecting? That is one thing. And with regards to, as you said you have two major products, door systems and vacuum toilet systems. As far as door systems are concerned are we also empanelled with VML?
- Dakshnamoorthy M:** Yes, because, sir, we are suppliers to almost all the rail manufacturing units. When we talk about the door systems, our major focus is the Indian railways, just because of the volume of business, because we are not concentrating on the metro business as far as the doors are concerned, because it is already limited, very much limited and with a lot of compliances.
- So, Indian railway is the bigger volume of business what we are having. That is where we are now concentrating predominantly Vande Bharat platform. So, Vande Bharat is going to be the future generation train. We are focusing majorly on Vande Bharat door systems, one for the volume and also for the bottom line.
- Ashit Kothi:** Okay. And, sir, how are you going to take care of your working capital requirement? As your business with railway will increase, you will need more capital?
- Dakshnamoorthy M:** Yes, sir. Right now we are now focusing on our debts and also when it comes to the bigger order books, then I think probably in another one and a half year, we can go for fund raise again.
- Ashit Kothi:** Okay. I'll again come back on a queue. I have a couple of more questions?
- Dakshnamoorthy M:** Yes.
- Moderator:** Thank you. The next question comes from the line of Ashish Soni from Family Office. Please go ahead.
- Ashish Soni:** Sir, for defense, what I understand, you are going to do some sort of contract manufacturing. Is that what I understand and what's the capital investment required in that field?
- Dakshnamoorthy M:** Well, as far as the drones are concerned, we can't precisely highlight the value of capex right now, because we all did so far is basically completed our investment on the prototyping, basically. And it majorly depends on the tenders, what we've been. So, what we are envisaging is approximately to start with INR100 crores to INR150 crores is what we require for the next 1 year to 1.5 year to concentrate on the drone and anti-drone system and we can rotate this fund, especially for the these two products, basically. And in future, based on the order value, then we need to raise a fund separately for this. So, right now, we are envisaging around INR100 crores to INR150 crores for the defense projects.

- Ashish Soni:** And when do you think it will start? Investment is already underway or you plan to do it next 1 or 2 years?
- Dakshnamoorthy M:** Very recently, we have invested to do the prototyping, basically, for making the prototyping. Okay, around INR6 crores to INR7 crores has already been invested on that, which we are vigorously moving forward. So, over a period of, let's say 6 to 7 months, we'll be investing around INR25 to INR30 crores on this particular segment because we are now focusing on our railway business and the turnover.
- So, till March, our concentration on the defense will be steady. We'll be investing approximately around 25% to 30%. Rest 70% would be by next year. So, by end of next year, we hope that we'll be getting the major chunk of business, which is unimaginable. This is what we are envisaging as far as this particular two projects, majorly anti-drone project, which is a laser project and then the autonomous drone project.
- Ashish Soni:** And you mentioned JVs with some, but invested. So, are you open for some foreign OEM collaboration? So I just want to understand?
- Dakshnamoorthy M:** We are already working. In fact, in the investor meet before IPO also, I've highlighted this. We are already working with certain companies. And there are certain regulations, which we require to comply, which we have already completed it. So, now they are showing interest to set up the facility here in India. So, previously, the scenario was different. So, yes, we are working with a company who have already been actively participating in this electronic warfare outside the country.
- Ashish Soni:** Okay. Thanks and all the best for the future.
- Dakshnamoorthy M:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Khush Banthia from Unlisted Assets. Please go ahead.
- Dakshnamoorthy M:** Yes, sir.
- Moderator:** Mr. Khush please unmute your line and go ahead.
- Dakshnamoorthy M:** Yes, sir. Please go ahead.
- Khush Banthia:** Hi, thanks for the opportunity. So, actually, I just wanted to understand about the capacity utilization, which is, I guess, around 85%. And when are you expecting the new capacity to come in as we are expecting a 50% CAGR growth year-on-year. So, how that will be suffice?
- Dakshnamoorthy M:** Yes. So, as I said, like, we are in the process of settling this land right now and that will be completed. Hopefully, that will be completed by January. Once that is completed, then we'll be going for a term loan with the bankers. So, we are expecting at least 50,000 to 1 lakh square feet Kavach shed with the machineries can be implemented before end of next December.

This is what we are starting from January till December we are planning to execute it. If not 1 lakh, at least 50,000 to start with will be done by end of December next year. Thereby, we will be increasing our capacity and capability. The idea is very simple. Now, we are setting up a separate plant for Indian railways operations and then the metro operations. So, whatever we are having right now, we want to continue the metro in that particular area. And we need to -- we are planning to shift our Indian railway operation in new facilities, which is a bigger one.

**Khush Banthia:** Okay. So, actually, I wanted to understand how much are we targeting for FY26 top line?

**Dakshnamoorthy M:** Top line, we are planning, I mean, like clearly we'll be completing around 300, 300 plus, but we are trying to stretch more.

**Khush Banthia:** So, to achieve 300, we need to do around INR200 crores in the next six months, right?

**Dakshnamoorthy M:** Yes.

**Khush Banthia:** So actually, we are already at 85% capacity utilization. So, how will we are going to achieve that?

**Dakshnamoorthy M:** No, in terms of capacity utilization is basically last two months, basically. So, the numbers what you are seeing right now is a September number. So, now, this year, whatever we are doing in the first half, then right now, we'll be achieving approximately the same numbers in the third quarter itself. So, with this particular capacity what we are having right now, we'll be achieving easily INR300 crores.

**Khush Banthia:** What I understood is, in the first six months, we did INR91 crores. And in the next six months, we are going to do around INR200 crores with the same capacity, right?

**Dakshnamoorthy M:** Yes, with the current capacity, not the capacity what we were having before. The reason being is that previously, it was all a single shift. Right now, we are having two shifts.

**Khush Banthia:** Okay, got it. Thank you.

**Moderator:** Thank you. The next question comes from the line of Shubham Gupta, who is an Individual Investor. Please go ahead.

**Shubham Gupta:** Sir, regarding this defense products, you have told many defense products like drones, anti-drone radar system, unmanned land rover. So, do you have got any certifications also from the defense ministry for any of these products or are there like which organization currently is giving you the orders for this in defense?

**Dakshnamoorthy M:** Yes, see, there are two things which we are doing right now. One is the indigenization plan, which we require the certificate. And also a partnership plan. This is what we are now talking about going with Big Bang Boom and things like that. Okay, so the program is a new program. Okay, based on the trials, we are going to get the certificates.

We are not participating in a regular tender where the requirements are predefined, basically. So, we are also participating on certain tenders, where the requirements are predefined and we are complying it. It means that we are already an approved vendor or approved supplier for that.

**Shubham Gupta:** Okay.

**Dakshnamoorthy M:** So, these are all the areas which we are already getting the contract. And the areas which we are now talking about by means of association and means of joint venture. It's a new program, which is not available in the, in the country so far.

**Shubham Gupta:** Okay, sir. So, sir, can you tell me like, is there any certificates that you have already received from government and which, which particular government organizations are giving you the orders right now? Like, are you getting orders from? Yes, g ahead, sir.

**Dakshnamoorthy M:** We have got the certificates for almost 52 labs in the country, defense labs, like CVRDE, ARDE and then the marine sectors, small, small arms factory. Like this, we have got various DRDO labs. We have got the approval from almost all the labs, one. And secondly the product, which we are now focusing on is basically of two types. One is the STANAG certificate. And when it comes to the aerospace, we are AI certified already. So, we are -- once we are AI certified, we can, we can supply to HAL, ADA, ADE, etcetera.

**Shubham Gupta:** Okay.

**Dakshnamoorthy M:** So, without, without the defense certification oor DRDO lab certifications, we, we not able to supply the products to them.

**Shubham Gupta:** Okay, sir. Thank you. That answers my question.

**Dakshnamoorthy M:** Thank you. Thank you so much.

**Moderator:** Thank you. The next question comes from the line of Mukesh Panjwani from WC Securities. Please go ahead.

**Mukesh Panjwani:** Yes, sir. Can you throw some light on the capacity utilization like on double shift, we are at 85% capacity?

**Dakshnamoorthy M:** No, sir. Sir, actually till September, we are working on a single shift. Now, we have increased our shift to two. So, now we are working on double shift with each shift capacity of 85%.

**Mukesh Panjwani:** Okay.

**Dakshnamoorthy M:** So, so what I'm -- what we are trying to say is basically, after September we are increasing our capacity. Instead of one shift, we are going for two shifts with 85% capacity on each shift.

**Mukesh Panjwani:** Got it. And what are the possible revenues we can generate from this double shift?

**Dakshnamoorthy M:** So, I think, because the order books and the, the project lines, what we are having right now is that we are envisaging around INR70 crores to INR75 crores is what we are envisaging by the

next quarter. And then around 120 is what we are envisaging by the last quarter, because in general, our last quarter is always on the higher side, close to around 40% to 45% of our total turnover.

**Mukesh Panjwani:** Okay. But what is the maximum possible revenue we can generate right now from this capacity, I want to know?

**Dakshnamoorthy M:** I always to be safe, I would always say that around 310 is what is what we are now committing. There are certain projects which we are now working with our customers, which doesn't require major value addition. So, if that is -- that is planned for this year, then probably we may reach 300 plus, 350 plus.

**Mukesh Panjwani:** Okay. And then the capex we are working on, when that capex will become, like come live?

**Dakshnamoorthy M:** January end, it will be there.

**Mukesh Panjwani:** Okay. And after the capex becoming live, what would be the total capacity?

**Dakshnamoorthy M:** That's what I'm saying that's now this -- probably this quarter we'd be reaching around 70, 75.

**Mukesh Panjwani:** Yes and next quarter we will do around 120, 124.

**Dakshnamoorthy M:** 120, yes, exactly.

**Mukesh Panjwani:** No. Actually, I want -- what I want to know is after doing the capex like for the next year, what would be the potential of generating revenue? What not would we are generating, but what is the maximum possible revenue we can make from that particular capacity? That is my point.

**Dakshnamoorthy M:** So, yes. So, we clearly highlighted that from INR300 plus crores, we are jumping to INR500 plus crores, only based on this, these particular machinery installations.

**Mukesh Panjwani:** Okay. Got it. Thank you and all the best.

**Dakshnamoorthy M:** Thank you, sir.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, that was our last question. I would now like to hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisor for closing comments. Over to you, ma'am.

**Sakhi Panjiyara:** Thank you, everyone, for joining the conference call of Airfloa Rail Technology Limited. If you have any queries, you can write to us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you, everyone for joining the conference call. Thank you, team Airfloa. Have a good day, everyone.

**Dakshnamoorthy M:** Thank you, everyone, once again. Have a great day. Thank you. Thank you so much for showing interest on us. Thank you so much.

**Moderator:** Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.