REF:E2ERAIL:STATUT:LODR:2026 May 27, 2026

To,

National Stock Exchange of India Ltd. ("NSE Emerge")
Exchange Plaza, 5th floor, Plot No. C/1,
G Block Bandra-Kurla Complex,
Bandra (E). Mumbai 400 051.

Attn: Listing Compliance Dept.

Subject: Transcript of Analyst/ Institutional Investor Meet pertaining to the Audited Financial Statements (standalone and consolidated) of the Company for the half year and year ended March 31, 2026 as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations'')

Ref: NSE – E2ERAIL / ISIN - INE1CEJ01017

Dear Sir / Madam,

With reference to the captioned subject and pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith is the transcript of the audio/video recording of the call with analysts and institutional investors held on Thursday, May 21, 2026 on the audited financial statements (consolidated and standalone) of the Company for the half year and year ended March 31, 2026.

The above-mentioned transcript is also available on the Company's website at: https://etoerail.com/announcement/.

Request you to kindly take the same on your record.

Thanking you,

Yours faithfully,

For E To E Transportation Infrastructure Limited

SRILAKSHMI SURENDRAN
Digitally signed by SRILAKSHMI SURENDRAN
Date: 2026.05.27 22:56:30 +05'30'

Srilakshmi Surendran
Company Secretary and Compliance Officer
Membership No. A26728

Encl.: as above

"E To E Transportation Infrastructure Limited H2 and FY26 Earnings Conference Call"

May 21, 2026

MANAGEMENT: **MR. SOURAJIT MUKHERJEE – WHOLE TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER – E TO E TRANSPORTATION INFRASTRUCTURE LIMITED**
MR. SURESH MADDALI – CHIEF FINANCIAL OFFICER – E TO E TRANSPORTATION INFRASTRUCTURE LIMITED
MR. VINAY RAO – CHAIRMAN AND NON-EXECUTIVE DIRECTOR – E TO E TRANSPORTATION INFRASTRUCTURE LIMITED

MODERATOR: **MS. SHRUTI VASANI – STELLAR INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the H2 and FY26 Earnings Conference Call, for E To E Transportation Infrastructure Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, 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. Shruti Vasani from Stellar Investor Relations. Thank you, and over to you, ma'am.

Shruti Vasani: Thank you. Good evening everyone, and thank you for joining us today. To discuss the H2 and FY26 business performance, we have with us the senior management team represented by Mr. Sourajit Mukherjee, the Whole Time Director and Chief Executive Officer, Mr. Suresh Maddali, Chief Financial Officer, and Mr. Vinay Rao, Chairman and Non-Executive Director, representing the board.

Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risk and uncertainties. The company also undertakes no obligation to update any forward-looking statement to reflect developments that occur after the statement is made. A document relating to the company's financial performance including the investor presentation has been uploaded on the stock exchange and the company's website.

I now invite Mr. Sourajit Mukherjee to share his initial remarks on the company's performance, and then we will open the floor for the Q&A. Thank you, and over to you, sir.

Sourajit Mukherjee: Thank you. Thank you, Shruti. Good evening, everyone, and thank you for joining us today. On behalf of the management team, I welcome all our investors, analysts, shareholder, and stakeholders to the FY26 earning call of E To E Transportation Infrastructure Limited. Financial year '26 has been one of the most defining years in our journey, not only from a financial standpoint, but more importantly, from the standpoint of strategic transformation of this company.

Over the last several years, we have consciously worked towards building a differentiated railway platform, one that combines execution capability, engineering ownership, technology development, and life cycle services together under one integrated structure. Today, we are no longer positioning ourselves as only a conventional system integrator. We are steadily evolving into a full-stack railway safety automation and integrated rail systems platform.

The Indian railway sector is entering a once-in-a-generation modernization cycle, driven by safety, automation, digital traffic management, indigenous technologies and intelligent rail infrastructure. We believe, the future leaders in this sector will be the companies capable of combining design capability, product ownership, execution capability and life cycle support together. That is precisely the platform we at e2E Rail are building.

Today our operating structure is built around four integrated pillars: first, our core system integration business across signalling telecom, electrification and composite railway projects.

Second, our engineering and design capability through EDRC where we are building internal engineering depth and proprietary design capability.

Third NOVA Control Tecnologix, our deep-tech OEM and railway safety products platform and fourth, our operations and maintenance business which creates long-term recurring revenue opportunities and life cycle integration capability. This combination is strategically important because the railway industry historically operate in silos.

OEMs build products but lack execution capability. System integrators execute projects but depend heavily on third-party suppliers. EPC companies operate on low differentiation and margin structures. And operation and maintenance players generally operate downstream without upstream integration capabilities.

We believe that very few companies in India, currently possess, all these layers together under one platform. This creates a long-term strategic moat for us at e2E Rail in terms of execution control, margin expansion, supply chain integration, and customer retention, and recurring revenue potential. Our journey over the last 16 years is reflecting this evolution.

From metro signaling projects and industrial railway works, we have steadily expanded into mainline signaling, telecom systems, overhead electrification, composite rail infrastructure, private railway sidings, engineering services and now, most importantly, railway safety technology developer.

One of the most important milestones in this transformation journey came this month, through NOVA. On 15th of May 2026, NOVA received CCA Approval from RDSO for Kavach development. This is a major strategic milestone for the organization. With this approval, NOVA is now eligible to submit its prototypes for approval while being eligible to receive field trial orders under the Kavach ecosystem.

For us, this is not merely a product milestone. This is the beginning of our transition towards becoming an indigenous railway technology platform with long-term OEM capability in safety-critical systems. Kavach itself represents one of the largest railway safety opportunities in India, over the coming decade.

More importantly, the long-term strategic value, lies beyond a single product. Through NOVA, now we are actively working towards expanding our capabilities across several other additional safety-critical and locomotive-related systems, together with Tata Elxsi, our co-development partner and our broader technology ecosystem.

The strategic objective for us is very clear. If we can develop RDSO-approved indigenous products across critical signaling and railway safety domains, we can significantly reduce dependence on imported systems and third-party OEMs. This creates multiple advantage for the group: better bid competitiveness, stronger execution control, margin expansion, reduced supply chain dependency, and stronger life cycle service integration.

On the other hand, at the same time, NOVA benefits from having a ready internal consumer ecosystem through e2E Rail's existing execution and system integration platform. This dramatically reduces the go-to-market challenge that most of the other standalone product companies face.

We believe this combination of OEM capability, system integration capability, and O&M capability together is extremely rare within the Indian railway industry and can become a significant long-term differentiator for the company.

So now, coming to the business performance of last year, FY'26 was a strong year operationally. We closed the year with a consolidated revenue of INR380 crores, reflecting growth of more than 51% on a year-on-year basis. The adjusted EBITDA is approximately INR39.5 crores, while PAT stood at around INR17.9 crores. Over the last four years, the revenue CAGR has crossed approximately 41%.

Importantly, this growth was achieved, while simultaneously building institutional governance, executing the IPO, rolling out company-wide ERP systems, investing into safety-critical product development company NOVA, strengthening engineering capabilities, and expanding organizational bandwidth.

So, from a business mix standpoint, we continue to maintain a balanced approach across the B2G and B2B opportunities. The B2G segment, which is primarily to the Indian Railways, continues to provide scale and participation in large national railway modernization programs.

At the same time, the B2B business is helping improve the cash conversion efficiency through faster receivable cycles and lower working capital intensity. We are also seeing a strong traction in the order inflows.

As of now, our executable order book including L1 position stands at approximately INR860 crores plus GST, which is more than INR1,000 crores including if we include the GST. Within the first 45 days of FY27 itself, we have already secured significant order wins and L1 positions across multiple railway signaling and infrastructure projects. This gives us a stronger execution visibility entering FY27.

Now, going to the cash flow, now let me address the operating cash flow and working capital situation, which our investors and shareholders will naturally observe carefully. The elevated receivables and operating cash flow situation during FY26 which you see in the balance sheet were largely driven by an extraordinary timing distortion in project award cycles.

Several large railway projects primarily on the second half of the year which experienced delays in the bid-to-LOA conversion timelines in the second half, as the result, execution and billing got heavily concentrated towards the end of March instead of being evenly distributed across the quarter. This created a temporary spike in receivable at year-end.

Importantly, this is a timing issue, rather than a structural collection risk issue. Our customer base largely consists of sovereign railway entities, metros, and established industrial players. Collection, to give you a comfort, collections have already started normalizing steadily in the Q1 FY27, and in last 45 days, we have collected more than INR90 crores in this cycle of the last two months' billing.

Management is actively working towards smoothing the cash flow cycles by significantly improving the order book to revenue ratio with increased focus on billing discipline, receivable governance, and smoother execution distribution during financial year '27.

This strategy is already put in motion, which is reflected by the fact that within the first 45 days, we have added around INR350 crores of new orders, giving us the ability to spread our execution and cash flow requirements more efficiently. We expect operating cash flow quality to improve materially over the coming quarters as the order cycle stabilizes and billing distribution normalizes.

Despite scaling at more than 50% year-on-year, we continue to maintain a disciplined balance sheet management. If you see our adjusted debt-equity ratio stands at approximately 0.68, while our ROCE remains strong at around 17%. This reflects our continued focus on balancing growth with capital discipline.

As we look ahead, this financial year becomes an important execution and scaling year for us. The management is positive towards keeping the momentum on the same CAGR of 45% to 50%, maintaining the same profitability and the margin levels. These targets what we have taken for ourselves are supported by a significantly stronger open order book, healthy order pipeline visibility, strong signaling modernization opportunities, and increasing strategic positioning through NOVA.

Alongside domestic growth, we are also carefully evaluating international opportunities, particularly through our design engineering and product verticals. We believe markets across Southeast Asia, Middle East, and Africa can create meaningful opportunities over the medium term. However, at the same time, given the current geopolitical environment globally, we remain cautious and calibrated in our international strategy approach.

As we move towards Vision 2029, our ambition is very clear. We aim to build a resilient, innovation-led railway technology enterprise capable of crossing INR1,000 crores in annual revenue while sustainably expanding profitability through technology ownership, vertical integration, OEM capability, and recurring life cycle revenues.

Most importantly, we remain committed to building safer, smarter, and more efficient railway systems that contribute meaningfully to the future of mobility and national infrastructure. I would like to thank all our investors, shareholders, customers, banking partners, employees, and the board for their continued trust and support.

With that, we will -- I request to open the floor for the questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Darshil Jhaveri with Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Thank you so much for taking my question, sir, firstly, congratulations on a really great set of results sir. Sir, I just wanted to know, we have a roughly INR1,000 crores, you know, order book, so what is the execution period for that, sir?

Sourajit Mukherjee: So generally execution cycle for our business is typically around 24, -- 18 to 24 months and some sometimes it gets extended to around maximum 30 months.

Darshil Jhaveri: Okay, okay. Fair enough, sir. So, sir, with that logic, we could easily, you know, we'll be able to easily do more than INR500 crores revenue this year, right, sir, if it is 18 to 24 months, right?

Sourajit Mukherjee: Yeah, so from the management, what we are trying to do this particular year is that we will continue to have a 45% to 50% growth momentum, while also having a sustainable profitability and operating cash flow cycle. So that is the main aim and as you understand, Darshil, that we are building this company for a long-haul, for a INR1000 crores vision by 2029. And we are trying to get the company completely capable of taking forward this journey.

Darshil Jhaveri: Okay, that's really great to hear, sir. So sir, just with regards to margin, sir, I just wanted to know, because of the war impacts, do we see some headwinds in margins? And FY26 also had some decline in EBITDA margins compared to FY25, right? So can we reach back at least that 11.5% range, or what do you feel about the margins, because even H2 FY25 and H2 FY26 is significantly different. So why are the margins a bit lower, sir?

Sourajit Mukherjee: Right, so good question. Darshil, there were very few specific factors during FY26, which have contributed towards marginally lowering the total overall EBITDA margins. And most of them are transitional or timing related rather than any structural in nature. So, if you carefully see that, we have our ESOP-related expenses, which are fully factored into post-IPO, this was the first year where we factored it in.

Secondly, we have also invested into NOVA, and there were a lot of expenses. So, on the ESOP part of it is around INR1.5 crores which basically contributed to that. The total difference in terms of say, on the percentage basis, year-on-year is around a 1% decline. It was like INR4 crores differences in terms of PAT.

So, there are three basic things. One is this ESOP part of it. Second, there is this NOVA facility which we have started, and the commercialization is yet to start. There were some expenses of NOVA which we have been put into P&L, and that is something around INR50 lakhs odd, so that becomes basically INR2 crores.

And due to the, during the last quarter of FY26, there was a temporary disruption in the commodity and supply chain pricing across certain categories due to this supply chain volatility and you know the conditions, geopolitical conditions.

Though, while most of our contracts contain PVC Clauses which protect us against commodity price fluctuations. The timing of this sudden increase and the year-end execution concentration did not actually allow the full impact of those escalations to be recovered within the same financial period.

So that basically had around an impact of around INR2 crores, so that's a direct EBITDA impact as well. So if you take this INR2 crores, INR1.5 crores, and INR0.5 crores, INR4 crores, we should have maintained the same PAT percentage.

Also, I wanted to mention one point, that going forward, structurally we remain protected through the contractual PVC mechanisms. And even if there is a commodity-related volatility, it will be normalized through the better execution and billing distribution and while we realize it through the PVC Clauses.

More importantly, we believe the medium-term margin trajectory for the company remains pretty positive because future margin expansions, as we see, we are creating drivers for the future margin expansions through the NOVA product integration, higher engineering contribution through EDRC and the O&M revenues coming up.

A stronger signaling mix and also a part of B2B, right now growing very rapidly, where the working capital cycles are much more, less intense. So while FY26 included these kind of small changes but on a medium-term, we expect to keep up the margins in a similar way.

Darshil Jhaveri: Okay, fair enough, sir. Sir, just wanted to know, like when we have these price escalation clauses, so example, if a commodity has risen 20%, then do we get that similar 20% or government has their own mechanisms or how does that work? Because we have heard that sometimes government doesn't give as much escalation as we require. Because the war has not ended yet, so will this also, commodity prices be a factor in our H1 margins also?

Sourajit Mukherjee: As I said, we are generally protected by the PVC Clauses, right? But it also depends on a bit of timing, timing-related. So there are spot prices for, especially for materials like copper, which is a very important ingredient for the cables which we use for the signaling or in the overhead electrification projects.

Now, for steel and copper kind of commoditized-parts if the timing when we are supplying is very critical to adjust the amount of PVC which we can take back. So, as because if in the last quarter we had to basically supply it and there was a billing concentration happening in March, we did not have a choice to distribute it over a timeline.

But when we are going in this new financial year, we have enough timeline to distribute it properly to get the maximum advantage of the PVC Clause to come very close to the amount of inflation the commodity prices are achieving.

Darshil Jhaveri: Okay, fair enough, sir. I'll get back in the queue. I have some more questions. Thank you.

Sourajit Mukherjee: Thank you. Thank you, Darshil.

Moderator: Thank you. Participants to ask a question, you may please press star and one on your touchtone telephones. Our next question comes from the line of Murtaza with PinPoint X Capital. Please go ahead.

Murtaza: Hi, sir. Good evening. Am I audible?

Sourajit Mukherjee: Yes. Hi Murtaza. Good evening.

Murtaza: Yeah. Thank you for the opportunity. I just had a couple of questions. Firstly, sir regarding the working capital, it's mentioned in the investor presentation that we have already received roughly INR90 crores…

Sourajit Mukherjee: Yeah.

Murtaza: In quarter one. So could you give a little bit more commentary regarding the receivables recovery timeline and what can we expect the working capital days to normalize by the end of FY27, let's say?

Sourajit Mukherjee: Right. I think see, it is important for all of us to understand the nature of the railway infrastructure business model. The railway industry is inherently a seasonal and back-ended in nature, right?

So, in most railway projects, especially in signaling and system integration businesses, the execution intensity, billing activity and customer certification processes are heavily concentrated towards the second half, and you can also see for other companies as well. And particularly the last quarter of the year it is maximum concentrated.

At the same time, the railways expenditure deployment also accelerates, so the execution ramps up, material deployment increases, subcontracting activity increases. So structurally, the industry itself tends to show an elevated working capital deployment towards year-end.

Now, in FY26, this normal seasonality also got amplified further due to some of the delays in bid-to-LOA conversion timelines. Basically it is like a two-month shift which created this anomaly and most of the billing, were done in March instead of being distributed evenly across January, February, March.

So, our debtor days in terms of railway receivables on the debtor basis, is around 60 to 70 days, and we get back the money. If we could have billed some of the proportionate billing in January, we could have easily recovered the INR90 crores or the INR100 crores which we are collecting now by March itself, and that itself would have normalized our cash flow.

Murtaza: Right, right, sir. So is my understanding a little flawed, if I state it in this manner that it's structurally a little difficult to show our operating cash flow positive at the year-end?

Sourajit Mukherjee: It is not structurally, I will say it's more of a timing issue. It's more of a timing issue around the business in businesses which we operate in the railways environment. But what is what we are actively doing this year is we are trying to nullify that risk or nullify that kind of anomaly by doing an order, open order book to revenue conversion cycle much more front-ended.

If you see, right now in the last 45 days itself, we have taken almost nearly INR350 crores of orders. So now if I -- if my execution, if we have an order book in our hand of say INR1,000 crores or INR860 crores as of now, INR1,000 crores, the execution timelines can be streamlined.

And hence the timing for the supplies and execution we can plan it better. And that's why this year we are very optimistic that this year we can beat this cycle and come close to the operating cash flow neutral.

Murtaza: Okay, okay, sir. And sir, regarding the order inflows, like you clearly said, we have already received roughly INR350 crores of orders in this current financial year. I just wanted to understand what sort of order inflow are we targeting for FY27? And also are there any large ticket orders in our pipeline, let's say probably triple-digit, INR100 crores plus or something like that in our pipeline?

Sourajit Mukherjee: Yeah. Thank you for the question. So see, if you see right now itself, we have around INR860 crores plus GST, so around INR1,000 crores of order book roughly, right. But throughout the year we are targeting somewhere around taking our this year itself the new orders this year itself around INR1,000 crores on this year itself.New orders, new orders accumulated throughout the year should be around INR1,000 crores.

So, this will be primarily, as the railways is also entering a large-scale modernization cycle in signaling upgrades, automatic block signaling, EI modernization and the safety systems, we are pretty much positive that these opportunities are increasing.

Also, that now we our credentials are also developed for taking the three-figure -- single orders of three figures, and then for that reason our order conversion cycles are also becoming better. Now, in this INR350 crores order itself, we have won a significant single order of around INR200 crores plus, which comprises, which is a composite system comprising of signaling and signaling and electrification order in South Central Railway.

So that is, we have been adjudged as the lowest bidder for that, the order is just going to come in a few days. We are in a very good position this year to accumulate this INR1,000 crores order book because of our credentials which have been developed and obviously the market also giving us that opportunity.

Murtaza: Right, right, sir. Sir, like is it possible for you to quantify a little what sort of target we have for the order inflows, or is it a little difficult at the moment?

Sourajit Mukherjee: Come again please?

Suresh Maddali: The potential new orders.

Sourajit Mukherjee: The potential new orders?

Murtaza: Sir is it…

Sourajit Mukherjee: Potential new orders will be around, so this year we will accumulate new orders of INR1,000 crores, new orders.

Murtaza: Okay. Okay. Right.

Sourajit Mukherjee: So, of which INR350 crores we have got it, INR650 crores we are targeting more.

Murtaza: Okay, okay, sir. And sir, what is roughly our win rate in these orders?

Sourajit Mukherjee: We have been maintaining a steady bid conversion ratio of around 20% to 25% over the years. And that is one of the massive moats which the company has because of the design capability which is an in-house design capability which we have, through our EDRC and the better how the signaling system modernizations are being planned and designed is very critical to basically derive the bill of materials from say our Engineering Scale Plan. And that's what helps us in winning the bid conversion ratio much better than our competition.

Murtaza: Right, sir, right. That's really great, sir. And I have another question regarding NOVA. I just wanted to have a little better understanding in terms of what sort of investments will we have to do in terms of capex and opex for Nova in this financial year? And what sort of contribution can Nova makes in our consolidated P&L for FY27 and let's say FY28? Just rough numbers would work.

Sourajit Mukherjee: Yeah. So, see right now, we are operating, so we are under, the Kavach is under development, right? And we are also planning to introduce a few more projects for NOVA around the safety critical applications. There is an investment plan of around INR15 crores this particular year to be made into Nova, and that will be basically through our accruals from e2E itself because it's a 100% owned subsidiary.

So going forward on the revenue part of it, so this year we have been basically eligible for the field trials. We are positive that we will be getting our field trial orders around the end of H1. The field trial itself, which is around INR15 crores to INR20 crores, but the revenue realization of that will take some time, and it should start reflecting from FY28 start, Q1 of FY28.

Murtaza: I understood, sir. And just for clarification, the INR15 crores amounts you said, is it a capital expenditure?

Sourajit Mukherjee: Yes. It's more or less a capital expenditure, but there are expenses in nature which are regular expenses in nature which you cannot capitalize also, which will obviously be there.

Murtaza: Right, right, sir. Yeah, you can continue you were saying something, I just interrupted.

Sourajit Mukherjee: So you can see a Kavach order book, Kavach reflecting in our order book in Q4 FY27 itself.

Murtaza: Right, right, sir.

Sourajit Mukherjee: Yeah.

Murtaza: I understood. Sir, and just lastly, I just wanted to understand our annuity revenue from O&M and AMC contracts. Like, what sort of percentage does it have or what is the target percentage by let's say end of FY27 or FY28?

Sourajit Mukherjee: So this is a year in which we are actually actively working with few of the metros and especially led by DMRC. We are working very closely with DMRC for participating in several metro O&M tenders.

And we are also discussing with a lot of our private clients where we are actually working right now on the B2B business, that operation and maintenance is a very important subject in terms of keeping the asset health properly. So this year, this particular FY27, we are trying to at least get to around 5% to 6% of our revenues from the O&M business.

Murtaza: Okay, okay, sir, right, sir. That's great, looking forward to great results and all the best for the future. Thank you very much.

Sourajit Mukherjee: Thank you so much.

Moderator: Thank you. Our next question is from the line of Mudit Jain from Hem Securities. Please go ahead.

Mudit Jain: Hello. Yeah. Hi sir. Am I audible?

Sourajit Mukherjee: Yeah. Yeah. Hi Mudit. Good evening.

Mudit Jain: Yeah. Good evening sir. Yeah, sir I have a couple of questions from my side.

Sourajit Mukherjee: Yeah.

Mudit Jain: First is regarding what is the proportion of unbilled revenue this half, in FY26 H2?

Sourajit Mukherjee: Unbilled revenue is just, one second. I'll just come back to that. What is the percentage? I think it is INR131, right? So it will be around 20% to 25%, if I roughly remember, I'll just confirm you, one second. For the year only. For this year it is 8.6%.

Mudit Jain: 8.6% for FY26?

Sourajit Mukherjee: Yes.

Mudit Jain: Okay. And sir, last year in H1 this proportion was around 96.2%. So will we see similar numbers in H1 of this year also, regarding the unbilled revenue?

Sourajit Mukherjee: Come again please. Sorry.

Mudit Jain: Sir, in last year in H1…

Sourajit Mukherjee: I think you are talking about cumulative numbers, right? Are you talking about balance sheet cumulative numbers or for the year?

Mudit Jain: Yes sir.

Sourajit Mukherjee: So the cumulative number as of FY26 is around 34%.

Mudit Jain: Thanks.

Sourajit Mukherjee: For the year it is 8.6%. As you know our projects, as I said, it goes around 18 to 24 months or even sometimes 30 months cycle. So this unbilled revenue will be progressively realized over this period of time.

So right now in H1 itself we will, we are trying to also close off several projects. But the accumulation, but the accumulation of unbilled revenue will keep continuing because whenever we bill, we will have this 10% to 15% of the bill value to be on the unbilled part of it.

This is a feature of our business model. And all the work, this is an unbilled over here, again I am emphasizing, it is 100% work is certified. 100% work is certified. The work is done. There is no additional cost around it. It is just related to another separate milestone which basically triggers, the release of it. So this will continue to be around 30%, -- 25% to 30% number in -- throughout the year itself.

Mudit Jain: Okay. Okay. And sir, proportion of subcontracting expenses as a percentage of other expenses this year?

Sourajit Mukherjee: So I -- I'll just give to my CFO, he will -- he would like to answer this.

Suresh Maddali: Yeah. So basically, we are in the system integration business and the contracts, now the contracts are spread across, geographies and the contracts are spread across and in a different scope. So what happens actually, it is not a manufacturing concern we say raw material ratio and subcontract ratio.

Normally, the subcontractor and the combination of expenses are a relation to the scope directly because the scope will be varying from project to project. See, what happens, sometimes we in a particular year when the execution portion is more, the subcontract expense will be more. Similarly, when the supplies are more, the supplies will be more.

Sourajit Mukherjee: So let me give a -- a little bit more clarity. Basically, the nature of contract determines how much of the subcontract -- how much will be percentage of execution or what is the supply. So there will be few contracts where it will be execution heavy and the supplies will be lesser, in which there will be some labor component which will be somewhere -- where their subcontractor part will increase.

Somewhere supplies will be more, the system integration will be more, and labor part will be very less. So, it depends on the nature of contracts, it cannot be -- and also we need to emphasize one point that we do not -- we are not allowed even. We do not give a back-to-back contract or we are not even allowed by the contract to given a -- give a back-to-back contracts to any contractors. The only subcontracting portion which you see are the labor jobs like the trenching, the cable laying activities which are basically subcontracted through the labor contractors.

Mudit Jain: Okay. Got it, sir. Got it. And sir, one more question. To sustain this 30% CAGR which you said for next three, four years, how much order inflow is required?

Sourajit Mukherjee: Our CAGR which we are positive to maintain around 45% to 50% over the next two to three years.

Mudit Jain: So, to maintain this CAGR, sir, how much order inflow is required, sir?

Sourajit Mukherjee: We are working on the same model that the order conversion ratio for this particular year, so new orders we are around -- we are planning to get around INR1000 crores of new orders this year. So, end of the year we -- which if we execute around -- around INR500 crores to INR600 crores order this year, the opening order book will be similar around INR1000 crores. So for FY'28, we project around -- we target around INR1000 crores of open order book at the end of the year or the open -- opening of FY'28.

Mudit Jain: Okay. Okay. And sir, regarding margins as you explained earlier, so you said that around INR4 crores was the difference, INR2 crores for raw material, INR50 lakhs for which you invested in NOVA, and INR1.5 crores ESOP-related expenses.

Sourajit Mukherjee: Right?

Mudit Jain: Right. So if I include this also, sir, the margins looked pretty low compared to last year's second half H2. So what exactly is the reason behind that, sir?

Sourajit Mukherjee: No, no, see, I -- you need to basically -- when you see our entire balance sheet or your -- my financials, you need to compare year-on-year because it gives -- because there are some portions, so it's a integrated work orders which we execute. There are some portion of it which will carry higher margins, some portion will carry lower margins. You need to see a year-on-year to have a good comparison. Half-yearly basis, it's a very difficult to comprise because the orders are stretched over the full year.

Mudit Jain: Okay. Okay, sir. Got it. Thank you.

Sourajit Mukherjee: Thank you. Thank you.

Moderator: Thank you. Our next question comes from the line of Vedant Sonawane with MJM Capital. Please go ahead.

Vedant Sonawane: Hello.

Sourajit Mukherjee: Hi, Vedant. Good evening.

Vedant Sonawane: Yeah, good evening, sir. First of all, congratulations for a great financial year.

Sourajit Mukherjee: Thank you.

Vedant Sonawane: Sir, I wanted to ask that in your Jan 2026 PPT, you gave the TAM for Kavach was INR50,000 crores, and in May 2026 PPT, you said the TAM was for Kavach was INR1,50,000 crores to INR2,00,000 crores. Why is that, sir?

Sourajit Mukherjee: No. See, you need to understand when the first Kavach total ad -- when the first Kavach was, say, getting rolled in the market, the first target for the government was to do 40,000 kilometers and the first 10,000 locomotives. So, when we gave the initial presentation, so we were taking the earlier total addressable market for Kavach.

Now you see that the government is with the success of the initial rollout of Kavach, the government have focused on rolling out Kavach for the entire high-density, high-utilized network plus also the other corridors. Also, the other corridors and the total 20,000 locomotives, which is in the cycle, plus we also have every year 300 to 500 locomotives being added in the system, which includes your electric locomotives and your MEMUs and some of the metro trains as well.

Now in fact, if you have heard, our Honorable Railway Minister also have mentioned that the rolling stock for high-speed rail is also going to be from India and for the new corridors. And that will also mean that Kavach to be -- Kavach will be the signaling system for the high-speed rail as well. This number is not a fixed number, because Kavach is as a system will keep on increasing. It's a solution. It's not a single one product basis and it has a lifetime. It will continue.

The more it will evolve, the more it will get commercialized, the total addressable market will keep on increasing. So, this is the same in terms of the other technologies, and you can also compare this technology with the other automatic train protection systems across the globe, where the total addressable market continuously evolves and increases.

Vedant Sonawane: Okay, okay. Thank you, sir. So yeah, that was my only question. I'll get back in the line, if I have more.

Sourajit Mukherjee: Thank you.

Moderator: Thank you. Our next question is from the line of Rahul Kumar Paliwal with Shefa Family Office. Please go ahead.

Rahul Kumar Paliwal: Yeah. Thanks for the opportunity. So, my question is on NOVA front. What is the competitive landscape on Kavach as market is getting crowded there? How do you stand different or creating moat getting into deep tech and how Tata Elxsi helped you to creating this moat for you?

Sourajit Mukherjee: Perfect. Rahul, thank you for the question. So if you see the total Kavach opportunity, right, comprises of not only locomotive Kavach, but it also involves Wayside Kavach as well, plus integrating those Kavach system with the existing interlocking systems, right.

So now, when we were talking about competitions, right, when we are talking about competition, we are talking about competition for not a single product, which is in -- which can be installed in a locomotive. We are talking about a solution. We are talking about a solution, which basically encompasses a total track network of 1,32,000 kilometer and a growing locomotive, say count of 20,000 plus around 10% year-on-year increase, right.

So, when you see the total overall opportunity, the amount -- the enormity of this work will be obviously needs more able OEMs and system integrators coming together, right, then our -- when our moat in terms of the Kavach journey is not only Tata Elxsi, but our deep expertise in the system integration front.

So, when we talk about Kavach as a system, it has to be installed in a locomotive, it has to be laid in -- installed on the Wayside and then on the stations, and then this entire systems has to take its feedback from the interlocking systems over there. So whenever we are talking about -- when we -- when we talk about other competition, if you see all the people which are approved right now or -- or are under development, those are all only OEMs or product manufacturers.

They do not have a background or experience of system integration. And there we come from a complete product background, the deep expertise of Tata Elxsi on the product background, and we come as from the system integration background, and this blend is going to create a moat which will make the rollouts much faster, much seamless.

So even with the three OEMs being approved over last three years, the total rollout, if you have seen, is very little. The reason for this is whenever there is a field trial, whenever they are going to put it in the field and do a interoperability test, they are getting -- they are struggling because the expertise required with the other subsystems are absent with those people. But we are already evolving from there. And that's why we stand a much more higher chance in terms of competitiveness and the rollout practicality.

Rahul Kumar Paliwal: Got it. Got it. Thanks.

Vinay Rao: This is -- this is Vinay here, I would -- I would just want to add few points around what Sourajit mentioned. I mean, the question is absolutely apt given that, you know, there are already close to about 15 players who today have put their hats in the ring for Kavach, you know, development. Where we see a significant moat for ourselves is in the fact that, you know, as Sourajit mentioned, we have Kavach which goes into the locomotive, but we also have significant part of Kavach that goes into stations as well as the wayside, right, on the tracks.

Now our system integration capability, our signaling capabilities have been on the station as well as on the wayside, right? Our understanding of all the other subsystems that Kavach would have to work with has been built over the last 15 to 16 years and we have proven experience there. When it comes to today what is happening, today the landscape that you see, today large number of Kavach orders that are coming are largely focused around locomotives.

And the advantage that the loco Kavach orders have is that one, OEMs can directly participate. Second, the level of interoperability is -- the complexity involved in making it interoperable is -- is moderate, right? It is not very high. When it comes to wayside and when it comes to station Kavach, the level of interoperability, especially with other subsystems including electronic interlocking, automated block signaling, is significantly higher. There our system integration capabilities will come to the fore. It will make us significantly better in terms of our costing when those projects come in.

Second, while execution of those projects, ensuring interoperability which requires understanding of all the other subsystems, we will be able to excel. So we will be able to roll out faster, we will also be able to be L1 bidders given that we understand the -- what it takes to sort of, you know, the modifications that are required to achieve Kavach successful Kavach implementations, right? So that is where our strength will start showing up significantly versus, you know, loco Kavach.

Rahul Kumar Paliwal: Got it, got it. Two short questions. This how does this annuity work in Kavach orders? For example, if it is a INR1000 crores order, what will be the annuity business for you? That's question number one. And second, you spoke about in presentation being a product company from a EPC company. I guess, you don't want to get into manufacturing side. So and a product company through mostly through Nova platform, or there are some other ideations which are coming into as a system integration?

And I see a PE backing for you, so PE promoter at your boardroom, what kind of contribution coming from those promoters, what are the key boardroom decisions which are turning into business for you now which been discussed in last couple of years?

Vinay Rao: I mean since the PE promoter is in the room, I'll -- I'll just take that question. So, you know, this is Vinay Rao, I am the PE promoter here with e2E Rail. So we take a very active role in the company. We are extremely focused towards value build for ourselves and for all the shareholders of the company. We have been, you know, a constant in this company since 2012, so this is over 16 years being associated with the company. And in that period, you know, we have, you know, seen the company grow, pivot, as well as successfully now list, right.

So, our contribution continues to be on the strategy side. Given our PE background and the depth that we have in the market, we bring to, you know, bearing a lot of resources that is also helping e2E become a successful product company.

Rahul Kumar Paliwal: Okay. Got it. Yeah. And then anyone could address that Kavach annuity business?

Sourajit Mukherjee: Yeah. So, see, if you have to understand Kavach, Kavach is a blend of hardware and software, right? Now, what happens is that the moment you put Kavach on a locomotive and then you are basically doing the wayside and the station, right? And then there is a safety thing which -- a complete safety net which is being established.

But however, whenever there is a change in the signaling plans, because Kavach is a safety layer, it's not a logical layer. So, whenever there is a change in the systems, say in the station routes are more -- some more lines are being laid, some more signals are being put, the automatic -- there are automatic block signaling comes from absolute block signals, then there are alterations which keep on coming on the Kavach -- of already installed Kavach. And that gives you -- so this is happening also now for the electronic interlocking which is being installed.

And when we are talking about this, this way we are talking about more on the wayside and station part of it, right? And it is already happening in electronic interlocking where we call it as alterations of the existing systems. So, there is a continuous alteration which happens and there are software and hardware changes which needs to be done to accommodate those alterations in the design. So, those -- that is part of one of the annuity.

The second is the continuous maintenance of the systems, which is around somewhere around 3% to 5% of your product value. And at this point of time, when the material is new and the entire product is new to the system, they are basically taking a two to three years of maintenance cost along with the tenders itself. So, -- but after three years, the systems have to be still maintained and this 3% to 5% will keep on coming to all the product manufacturers throughout the life cycle -- codal life of the product, which is around 15 years.

Rahul Kumar Paliwal: Sure, thanks. I'll get back in the queue.

Moderator: Thank you. Our next question comes from the line of Kapil Adwani with Aarth Growth Fund. Please go ahead.

Sourajit Mukherjee: Hey, hi, Kapil. Good evening.

Kapil Adwani: Hi, good evening, sir. Am I audible?

Sourajit Mukherjee: Yeah, yeah, you're audible.

Kapil Adwani: Sir, first of all, congratulations on the CCA for Kavach.

Sourajit Mukherjee: Thank you.

Kapil Adwani: Sir, my question is on the Kavach order inflows. How much revenue we expect from Kavach in FY 2028?

Sourajit Mukherjee: So, right now, what we plan is that in around January 2028, we will be eligible for 20% developmental order, 20% developmental order, and we will be receiving that in say around March or April 2028. So, our full approval will come around October 2028. So, -- but we will be able to start our -- once my field trials are completed, which we aim to finish around next year Feb to March, we will be eligible to start supplying the products for the already won orders.

So, we have taken a very conservative approach at this point, and we -- in FY 2028, we are only planning for the field trial execution of INR20 crores -- INR20 crores to be executed in FY 2028. However, in FY 2029, the entire full commercialization cycle will come and there we have projected around the major revenue to be coming around FY 2029, which is around INR150 crores to INR200 crores.

Kapil Advani: Sir, I think in the PPT, it is mentioned that the RDSO approval will be we'll be getting by April 2027. So, I thought that the Kavach revenue will be flowing in FY28.

Sourajit Mukherjee: No. So once April RDSO final approval done, then we will basically be -- we'll be eligible to apply for all the products, all the tenders. And then the supply and execution cycle starts. So generally, the execution cycle for Kavach is around 12 months of time.

So, we are not projecting too aggressively at this point, but we will recalibrate this once we come closer to this approval. But at this point of time we have taken -- we have not taken too much of revenues from the Kavach on FY28.

Kapil Advani: Okay sir. Got it.

Vinay Rao: I just want to reiterate that, you know, we have been very conservative in terms of you know, the timeline. And hence we're giving guidance for commercialization in FY29. We will certainly try to do better and as early as possible. So I mean there could be upsides, but conservatively we're projecting full commercialization starting FY29.

Kapil Advani: Okay. Okay. Got it. And sir, what is the guidance for the margins for FY27 and FY28?

Vinay Rao: FY27, we'll continue to maintain the margin that we had in FY26. We do have ESOP expenses continuing into FY27. And this will -- we likely will have three years of vesting and as a result, you know, ESOP expenses coming for us.

FY28, see, as I said, FY29 is when we're looking at Kavach full commercialization. That is our big PAT lever, right? That is where we would start seeing our product margins come upwards of 30 to 40%, and that will have a direct impact on the overall company-level PAT, right? So, which should start moving from the 5% range that we are in right now towards a 7% to 8% range and this is in FY29.

Kapil Advani: Okay, sir. Got it. And sir, are there any new products that we are working in?

Sourajit Mukherjee: Yeah. So, NOVA is actively right now working in developing few of the safety-critical applications. We will be in a position to announce the exact products in few months of time once we have started and properly registered in the right forums and the authorities. And once we do that, we will be obviously announcing to the market.

But what we are trying to do over here in NOVA that we want to create a complete one integrated railway safety platform. So, what we see today as a system integrator that there are multiple products, there are multiple safety-critical applications in railways, Kavach is one of them. So safety and efficiency both together is what signaling and telecommunication are all about.

And what we are trying to create in NOVA that we will be focusing on this safety-critical application and building efficient and intelligent product for the entire portfolio. So at this point, what we can let you know that we are working on hardware and electronics for several -- few of the very critical applications and we shall be able to disclose it to the market under in coming few months of time.

Kapil Advani: Got it, sir. That is all from my end. Thank you. Thank you for the opportunity.

Sourajit Mukherjee: Yeah.

Kapil Advani: Thank you and all the best.

Sourajit Mukherjee: Thank you, sir.

Moderator: Thank you. Our next question is a follow-up from Murtaza with PinPoint X Capital. Please go ahead.

Murtaza: Hi, again. Sir, I just had a couple more questions regarding execution. I just wanted to understand it a little better. Just talking about our monthly average -- average monthly execution run rate in FY ‘27, what was it excluding the March portion? Because I guess it was abnormally a little higher in the March.

Sourajit Mukherjee: Yeah, so the March revenues were supposed to be distributed in Jan, Feb, March. So basically the March itself was around INR170 crores, INR180 crores almost. So, in 48% of the revenue came in March which was supposed to be distributed in Jan, Feb, March itself. If you see the run rate for quarter four should have been around 70 odd crores per month, INR70 crores to INR80 crores per month in the quarter four which we planned initially. But the delay in the order conversions basically resulted into revenue concentration in March.

Vinay Rao: See, one other input that I would like to give you is, there is a billing cycle and then there is an execution cycle, right? So, while we might have billed up to INR170 crores in March, to bill that INR170 crores, there has been work going on from January, February, right? So, there is quite a bit of design work that needs to be done, design approvals that need to be taken, subsequently, you know, vendors have to be finalized, lot of negotiation has to happen.

Then you need to place the PO, then you have to ensure manufacturing happens in time, delivery happens in time, inspections happen in time, and so on, right? There is a lot of execution that is happening in parallel. However, the billing is a summation of a lot of these activities, right? Which sort of gets back-ended, you know, into March.

Murtaza: Right, right, sir. I understand there's a difference between billing and the execution side. So, I just wanted to understand in that context like, what was the execution part of things like on an average monthly versus what are we planning that to be in FY '27, the monthly run rate, the execution run rate? Just wanted to broadly understand if -- like are we at least like pushing it up a bit and will --how will we sort of be able to reach our 30%-35% CAGR target to actually…

Sourajit Mukherjee: So, Murtaza, what we target is around say we generally have around H1, H2 of around 35%, 65%, right? 35% 65%. We are trying to better it by 40%, 60%. So, but this year what --our proposal --our projection is H1 we should be around closing in around INR200 crores. So that's the guidance what we are trying to give. The rest will be building H2. Monthly is a little difficult to project, but it is more or less quarterly and the quarterly run rate for -- for the H1 is around INR100 crores and for H2 it will be around INR160 crores to INR170 crores.

Murtaza: Right, right. Yes. Yes, sir. I understand this is very sufficient; it fulfils my need. And just one final question regarding the manpower side of things. Like how is it because like for the past few days ever since the summer has kicked in, there's a lot of labour shortage or something in the industry going on. So is it something we are also facing and by any chance will we be seeing some sort of an impact because of it on our execution?

Sourajit Mukherje: See, on a seasonal basis, this is a -- so we are in India and this is a -- the seasons we understand and we take our proper measures around what kind of execution to be done in which season. We are basically planned. So during the rainy season, we will not be able to do the outdoor work, right? We will be majorly focusing on the system integration side on various subsystems integration inside the stations.

In the summer month, what we have certain schedules for distribution of the manpower where it will be deployed. See, our major work, it does not include too much of labour. It is more on the system integration side and technology side, right? So yes, there are labour components, but those labour components are well-planned into different type different timing cycles, and they will be basically delivering it.

Say, for example, for peak summer, our working hours generally happens from 6:30 to 11:30 and then we again start doing the work from 4:00 to 7:00. So even some point of time where it is allowed to do night working, we can also do with proper lighting and safety measures, we also do some night working in case of any kind of emergency or an expedited work requirement.

Murtaza: Perfect, sir. That's great. And just one final question regarding our -- the O&M and AMC contracts. Is it right for me to assume that we are expecting roughly about 20 CR of -- like revenue from the annuity type contracts by the end of FY '27? And secondly, I just also wanted to understand, what is the nature of the contract, like what sort of duration does it have like, let's say, DMRC appoint a certain entity? Is it a very short-term? Yeah.

Sourajit Mukherjee: No, it is not short-term. Generally, we go for annuity model of minimum of five years, and it can go up till 15 years. So right now, the opportunities, which we are discussing with DMRC are for 15 years. And it might start with a one year and then they extend it for five years and then the five years gets extended into 10 and 15. But there are some discussions on long-term annuity models also with some of the metros, where they are looking at a 15 years' timeline for the maintenance as well.

And for the private sidings, we are looking at somewhere around one to two years, where the obviously the dynamics will change. So that's a sustainable part of the business and what we are looking at that this life cycle maintenance part, will be obviously major when we -- our own products will kick in. That will be a pretty substantial part of our revenue, and the margin levers will be there. But till then also, we try to do the system maintenance. And this system maintenance will have longer period cycles.

Murtaza: Right, right, sir. Just one final thing regarding this as well, like in terms of the longer duration contracts, let's say, five years or 15 years, how does the pricing escalation clause come into picture? How does that happen?

Sourajit Mukherjee: So generally, there are two types. One, there is a PVC clause, as I said, which takes care of the inflation and there are separate components for manpower and for the component -- for the materials. And these are well-built into the contract. So, when we basically do the costing, we can see that is it part of the -- if the PVCs are sufficient to basically cover our inflations and the uncertainties around it and we will build the risks around it, we'll build the cost with the risk.

We also see the contracts where there are very long-term contracts. These are -- these might be renegotiated in next five years or next three years of time. Every three years, there is a renegotiation clause also comes in few of the contracts. So, it generally depends on the nature of contract and how do you budget it.

Murtaza: Right, sir. Understood. Thank you very much. It's been a very insightful call. Thank you for your detailed responses, and all the best for the future. Thank you very much.

Sourajit Mukherjee: Thank you, Murtaza. Always a pleasure.

Moderator: Thank you. We have no further questions, ladies and gentlemen. I would now like to hand the conference over to the management for closing comments.

Sourajit Mukherjee: So, thank you to all our shareholders, stakeholders, and analysts for taking out the time. And we can certainly say that we are in a great position at this point of time as per the company's fundamentals are concerned. Plus, we are at the right time in terms of the market.

Indian Railways is going through a tremendous modernization cycle, and as a technology-backed railway system integrator and becoming a completely a safety-led OEM, we are positive to bring around a complete safe, smarter, and efficient system for the railways and also deliver profitable growth for the company and all our shareholders. Thank you.

Moderator: Thank you. On behalf of E To E Transportation Infrastructure Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.