Date: November 14, 2026

To,

The Manager,
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001,
Maharashtra, India.

Ref: Company Code No. 544516

ISIN: INE0XBS01012

Dear Sir / Madam,

Subject: Statement on Deviation or Variation of funds under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations).

Pursuant to Regulation 32 of the SEBI Listing Regulations, 2015, as amended, and SEBI Circular No. CIR /CFD/ CMD1/ 162/ 2019 dated December 24, 2019 and SEBI Circular SEBI/ HO/ CFD/ PoD2/ CIR/ P/2023/ 120 dated July 11, 2023, please note that there are no deviation(s) or variation(s) in respect of the utilization of the proceeds of the Initial Public Offer ("IPO") of the Company during the half year ended September 30, 2026. A management certificate in this regard along with the utilisation certificate issued by the Auditors, is enclosed herewith**.**

The aforesaid statement has been reviewed by the Audit Committee and taken on record by the Board.

Kindly acknowledge and take the same on records.

Thanking you,

For **Airfloa Rail Technology Limited.**

HARAP RASAD ROUT Digitally signed by HARAPRASAD ROUT Date: 2026.11.14 17:48:56 +05'30'

Haraprasad Rout
Company Secretary and Compliance Officer

FRN : 0004515S

VARADARAJAN & CO

CHARTERED ACCOUNTANTS

Ph: 044 - 24453533
044 - 49539520

BRANCH OFFICE

"Srivatsa" - Basement, Door No.49, Kamaraj Avenue, 1st Street, Adyar, Chennai - 20
Email : varadarajan.coadyar@gmail.com

To
TheBoardofDirectorsofAirfloa Rail Technology Limited
9, ChelliammanKoil Street,
Keelkattlai, Chennai - 600117

Statutory Auditor's Certificate certifying utilization during the quarter ended 30thSeptember2026ofthenet offer proceeds received consequent to the public issue of Airfloa Rail Technology Limited equity sharesthroughtheInitialPublicOffer("IPO")as per prospectus dated 16/09/2025.

1. Thiscertificateisissuedinaccordancewiththetermsofourengagementletterdated16/09/2025.

We,**M/s. Varadarajan & Co,CharteredAccountants(Firms'RegistrationNo:004515S)**,thestatutoryauditorsof**M/s. Airfloa Rail TechnologyLimited** ("theCompany"),havingitsregisteredofficeat 9, ChelliammanKoil Street, Keelkattlai, Chennai – 600 117 have examined the unaudited books of account for the period 1stJuly to 30thSeptember2026 tocertifyiftheutilizationofthenetofferproceedsreceivedthroughtheIPOforthequarterended 30thSeptember2026includedinthe"StatementofUtilizationoftheNetProceedsoftheInitialPublicOfferduring the Period **1stJuly2026 to 30thSeptember 2026**"(hereinafterreferredtoas"theStatement"),isinagreementwiththeunaudited books of account and in accordance with the terms of utilization included in the Prospectus to the IPO.

Management'sResponsibility

2. ManagementoftheCompanyisresponsiblefortheappropriateutilizationoffundsforobjectsstated in the Letter of offer of the Company.

3. The preparation of the Statement is the responsibility of the Management of the Company, including thepreparationandmaintenanceofallaccountingandotherrelevantsupportingrecordsanddocuments. TheManagementoftheCompanyisresponsibleforthemaintenanceofproperbooksofaccountandsuch other records, as necessary. This responsibility includes collecting, collating, validating data, designing, implementationandmaintenanceofinternalcontrolrelevanttothepreparationandpresentationofthe Statementandapplyinganappropriatebasisofpreparation;andmakingestimatesthatarereasonablein the circumstances.

4. The Management of the Company is also responsible for the adherence to the provisions of the Companies Act, 2013 and all the applicable guidelines/ regulations specified by the Securities and Exchange Board of India ("SEBI"), the Ministry of Corporate Affairs ("MCA") and with the Monitoring



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Agency Agreement.

Auditor'sResponsibility

5. Our responsibility is to provide limited assurance on whether the payments made representing the utilization of the net proceeds of the IPO is in agreement with the unaudited books of account and in accordance with the purposes mentioned in the Prospectus to the IPO. Nothing contained in this Certificate, noranythingsaidordone inthe courseof,orinconnectionwiththe services that are subject tothisCertificate,willextendtoanydutyofcarethatwemayhaveinourcapacityofthestatutoryauditors of any financial statements of the Company.

6. Wehavebeenprovidedwithsufficient and appropriate documents to confirm the utilization including bank statements, invoice of utilization.

7. We have conductedourexamination inaccordancewiththe Guidance NoteonReportsor Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India ("ICAI") and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose ofthis certificate.This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

8. WehavecompliedwiththerelevantapplicablerequirementsoftheStandardonQualityControl(SQC) 1,QualityControlforFirmsthatPerformAuditsandReviewsofHistoricalFinancialInformation,andOther Assurance and Related Services Engagements as issued by ICAI.

Conclusion

9. Basedonourexamination,asreferredabove,andtheinformationandexplanationsprovidedtousby the Management of the Company, nothing has come to our attention that causes us to believe that the utilization of the net proceeds during the period ended 30th September 2026arisingfromtheCompany'sIPOasincluded in the Statement, read with and subject to the notes thereon, are not in agreement with the unaudited booksofaccountoftheCompanyorhavenotbeenusedforthepurposesasmentionedintheProspectus to the IPO.

VARADARAJAN & CO. CHENNAI-20 CHARTERED ACCOUNTANTS

FRN : 0004515S

VARADARAJAN & CO

CHARTERED ACCOUNTANTS

Ph: 044 - 24453533
044 - 49539520

BRANCH OFFICE

"Srivatsa" - Basement, Door No.49, Kamaraj Avenue, 1st Street, Adyar, Chennai - 20
Email : varadarajan.coadyar@gmail.com

Restrictiononuse

10. ThiscertificatehasbeenissuedattherequestoftheBoardofDirectorsoftheCompanytowhomitis addressed, solely for onward submission to the Monitoring Agency, and is not to be used, referred to or

distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Varadarajan & Co
Chartered Accountants
ICAI Firm Registration No.: 004515S

VARADARAJAN & CO. CHENNAI-20 CHARTERED ACCOUNTANTS

Partner: V. SADAGOPAN
Membership No: 022618
Place: Chennai
Date: 04-11-2026
UDIN:26022618LTPMGA2188

Statement of Deviation from Managing Director

Detailed Statement:

1) Issuer Details:

Name of the issuer: Airfloa Rail Technology Limited

Names of the promoters: Mr. Dakshinamoorthy Venkatesan,
Mr. Dakshna Moorthy Manikandan,
Mr. Sathishkumar Venkatesan
Mrs. Nandhini Manikandan

Industry/Sector to which it belongs: Industrial Products (Manufacturing of railway products.)

2) Issue Details:

Issue period: 11th September 2025 to 15th September 2025
Type of issue (public/rights): Public Issue
Type of specified securities: Equity Share
IPO Grading, if any:
Issue size (in Lakhs): Rs. 9,109.80 Lakhs (Net proceeds of Rs. 8,884.80 lakhs*)

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply (Yes/No/NA)	Comments of the Auditor
Whether all utilization is as per the disclosures in the Offer Document?	NA	No utilization during the reported quarter.
Whether shareholder approval has beenobtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	No Comments
Whether the means of finance for the disclosed objects of the issue haschanged?	No	No Comments
Is there any major deviation observedover the earlier monitoring agency reports?	No	No comments
Whether all Government / statutory approvals related to the object(s) have been obtained?	NA	No comments
Whether all arrangements pertaining to technical assistance / collaboration are in operation?	NA	No comments
Are there any favorable events improving the viability of these object(s)?	No	No comments
Are there any unfavorable events affecting the viability of the object(s)?	No	No comments
Is there any other relevant information that may materially affect the decisionmaking of the investors?	No	No comments

4) **Details of object(s)s to be monitored:**

(i) **Cost of object(s)-** (Amount in Lakhs.)

Sr. No.	Item Head	Original cost (as per the Offer Document) (Rs in lakh)	Revised Cost (Rs in lakh)	Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Capital expenditure towards purchase of machinery and equipment	1,367.78	NA	NA		
2	Repayment of a portion of certain outstanding borrowing availed by the Company	600.00	NA	NA		
3	Funding working capital requirements	5,927.02	NA	NA		
4	General Corporate Purposes	990.00	NA	NA		
	Total	**8,884.80**	**8,884.80**	-	-	-

There has been no revision in the cost of the objects during the reported quarter.

(ii) Progress in the object(s) –

Sr. No.	Item Head#	Amount as proposed in the Offer Document (Rs in lakh)	Amount utilized (Rs in lakh)			Total unutilized amount (Rs in lakh)	Reasons for idle funds	Proposed course of action
			As at beginning of the quarter	During the quarter	At the end of the quarter			
1	Capital expenditure towards purchase of machinery and equipment	1,367.78	291.08	Nil	291.08	1,076.70	Refer Note No-5	
2	Repayment of a portion of certain outstanding borrowing availed by our company	600.00	600.00	Nil	600.00	0.00	--	
3	Funding working capital requirements	5,927.02	5,927.02	Nil	5,927.02	0.00	--	
4	General Corporate Purposes	990.00	990.00	Nil	990.00	0.00	--	
	Total	**8,884.80**	**7,808.10**	**Nil**	**7,808.10**	**1,076.70**	-	-

(iii) Deployment of unutilized IPO proceeds:

S. No.	Type of instrument where amount is invested	Amount invested (Rs in lakh)	Maturity date	Earnings as on September 30, 2026 (Rs in lakh) *Refer note 3*	Return on Investment (%)	Market value as at the end of quarter (Rs in lakh)
1	Fixed Deposit - Axis Bank - 925040105382542	50.00	06/07/2026	6.31	3.00	56.31
2	Fixed Deposit held in Axis Bank - 925040105413413	40.00	06/07/2026	6.07	3.00	46.07
3	Balance in Monitoring Account – Axis Bank 925020041866195 ***(Refer note 2)***	984.11	NA	NA	NA	984.11
4	Balance in Public Issue Account - Axis Bank 925020039322902 (Refer note 1)	2.59	NA	NA	NA	2.59
	Total	1,076.70		-		1,08.08

Note 1: As of September 30, 2026, the balance in public issue account stands at Rs. 20.51 lakhs, comprising Rs. 2.59 lakhs towards net proceeds and Rs. 17.92 lakhs towards issue expenses.
Note 2: As of September 30, 2026, the balance in monitoring account stands at Rs. 986.97 lakhs, comprising Rs. 984.11 lakhs towards net proceeds and the remaining amount of Rs. 2.86 lakhs pertain to interest received from redemption of fixed deposits during the reported quarter.
Note 3: Monitoring the deployment of Interest Income earned from un utilised proceeds does not form part of the scope of Monitoring Agency report.
Note 4: The Company has not created lien of any nature during the interim use of proceeds, as per the management undertaking provided by the Company.

(iv) Delay in implementation of the objects:

Object(s)	Completion Date		Delay (no. of days/ months)	Reason of delay	Proposed course of action
	As per the Offer Document	Actual			
Capital expenditure towards purchase of machinery and equipment	FY 26 – Rs 1,367.78 lakhs	Q1 FY27 – Rs 291.08 lakhs	Refer note 5	Refer note 5	Refer note 5

Note 5: As per Company's Prospectus dated September 16, 2025, the Company had estimated to utilize Rs. 1,367.78 lakhs for object 1: Capital expenditure towards purchase of machinery and equipment by Fiscal 2026. However, based on Statutory Auditor certificate, issued by M/s Varadarajan & Co, Chartered Accountants (Firm Registration Number: 004515S), Statutory Auditors of the Company and management undertaking, the Company has utilized Rs. 291.08 lakhs only as at the end of Q2FY27, hence, there is a delay in the implementation schedule for the said object. The delay pertains to certain capital expenditure items and is primarily attributable to recent policy changes introduced by the Chinese Government, coupled with prevailing market conditions impacting supplier capacity and lead times. In view of the same, the management has deferred placement of orders for the proposed machinery. The Company now proposes placing orders for the new machinery during Fiscal 2027 and expects to complete the procurement by the end of Fiscal 2027.

However, the Prospectus further states that, "If Net Proceeds are not utilized in part or full for the objects for the period stated, amounts shall be utilized (in part or full) in subsequent periods, in accordance with applicable laws."

4) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sl. No.	Item heads	Amount	Remarks
	NA	NIL	No amount was utilized from GCP as on the quarter ended 30th September 2026

Details of utilization of Issue Proceeds stated as per general corporate purpose (GCP) amount in the offer document – Not applicable

For and on behalf of Board of Directors of

Airfloa Rail Technology Limited

DAKSHINAMOORTHY VENKATESAN
Digitally signed by DAKSHINAMOORTHY VENKATESAN
Date: 2026.11.14 17:47:56 +05'30'

Dakshinamoorthy Venkatesan
Chairman-Cum- Managing Director
DIN: 00232210