To,

Date: 04.09.2026

BSE Limited
Department of Listing Compliance,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400 001

Script Symbol: AIRFLOA
Scrip Code: 544516

Sub: Disclosure under Regulation 34 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") - Notice of the 27th Annual General Meeting and Annual Report for the financial year 2025-26

Dear Sir / Madam,

With reference to the captioned subject, we wish to inform you that the 27th Annual General Meeting of our Company M/s. Airfloa Rail Technology Limited (the Company) is scheduled to be held on Monday, 28th September, 2026 at 11:30 A.M. through Video Conferencing (VC) or Other Audio- Visual Means (OAVM).

The Notice convening the 27th Annual General Meeting-cum-the Annual Report of the Company, for the financial year 2025-26, are being sent through electronic mode to the members.

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid Notice and Annual Report are attached herein.

Further, the Annual Report including notice of AGM as mentioned above, are also being made available on website of the company at https://www.airflow.co.in

Kindly acknowledge and take the same on records.

Thanking you,

Yours faithfully,

For Airfloa Rail Technology Limited

HARAPRASAD ROUT
Digitally signed by HARAPRASAD ROUT
Date: 2026.09.04 13:59:47 +05'30'

Haraprasad Rout
Company Secretary and Compliance Officer
Enclo: As above

AIRFLOA RAIL TECHNOLOGY LIMITED

ENGINEERING THE NEXT HORIZON.

Building capability.
Expanding possibilities.

ANNUAL REPORT **2025-26**

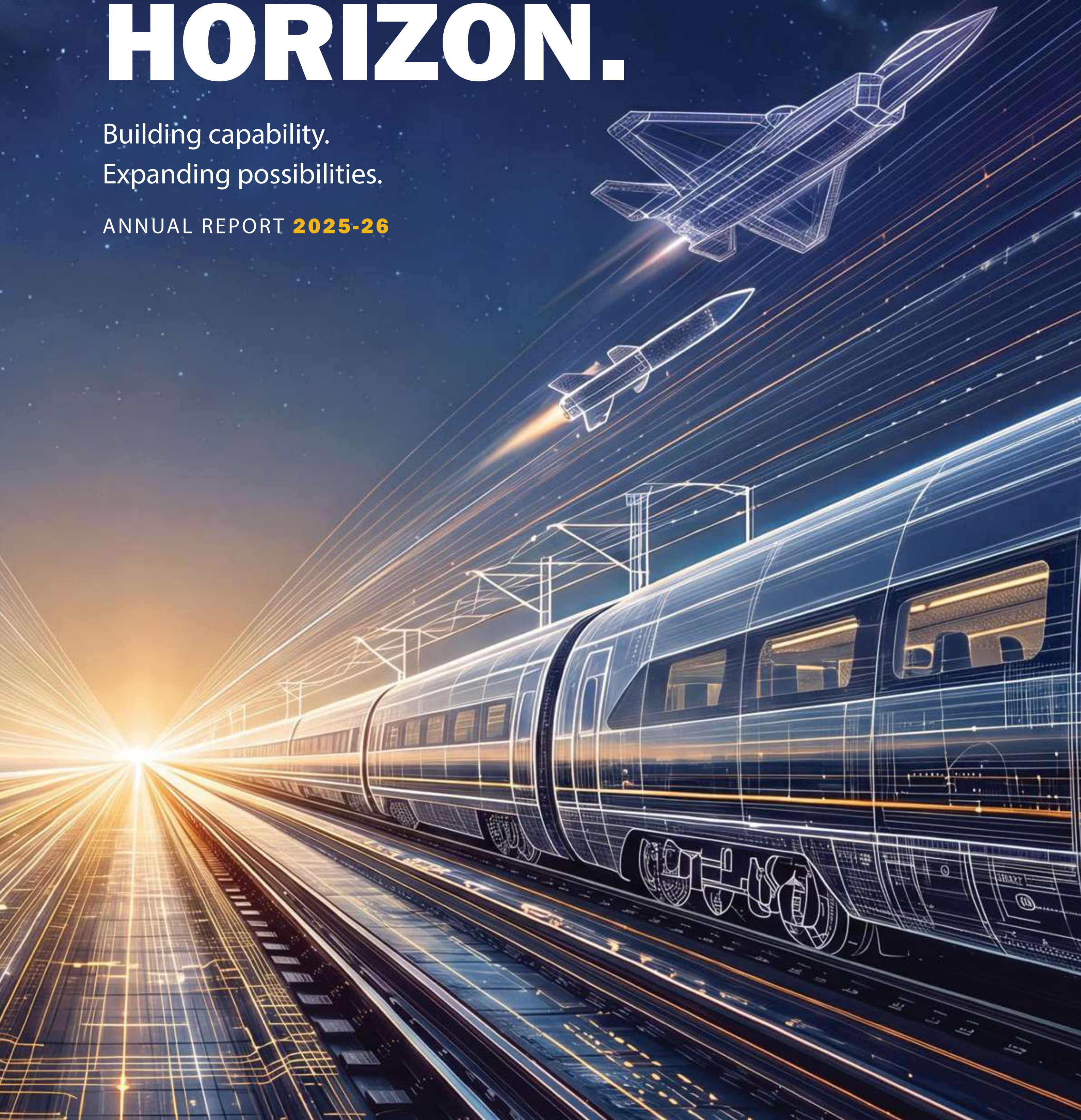


TABLE OF CONTENT.

01 Corporate Overview

21 Statutory Report

62 Financial Statements

FOR INSTITUTIONAL INVESTORS

Atlas Capital

CAPITAL MARKETS & STRATEGIC ADVISORY

Research Team
research@atlascapital.in
+91 63549 47366

Mr. Rutul Shah
rutul.shah@atlascapital.in

Forward-looking statement

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will", or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or bases in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

The future of mobility is being shaped not only by new trains and new infrastructure, but by the quality of the engineering behind them. Every component has a role. Every interface matters. Every detail must work together, repeatedly, reliably, and under demanding conditions.

That is the environment in which Airfloa has built its experience.

Over the years, our work has moved closer to the heart of the final product. What began with individual railway components has evolved into a broader ability to design, manufacture and execute across systems, interiors, structures and complete project requirements. This has changed not only what we make, but the responsibility we take for the outcome.

We believe the next stage of manufacturing will be defined by integration. Engineering cannot remain separate from manufacturing. Manufacturing cannot remain separate from execution. And growth cannot come at the expense of quality, consistency or discipline.

Our focus is therefore on bringing these elements closer together, combining technical capability with manufacturing depth, stronger processes with practical execution, and experience with the willingness to continuously improve. This mindset also shapes how we look beyond our existing markets.

Railways will remain an important part of our identity, but the capabilities developed through demanding railway programmes have relevance in other technically intensive applications. Aerospace and defence offer opportunities to apply that experience in new environments, provided we enter them with the same patience, qualification discipline and engineering rigour that have shaped our core business.

The objective is not to pursue every opportunity. It is to build the capability to recognise the right ones, and the discipline to execute them well.

Because sustainable growth is not created by doing more of everything. It is created by becoming better at what matters.

Better engineering. Better manufacturing. Better execution.

And ultimately, a stronger role in building the systems that move people, industries and the country forward.

COMPANY OVERVIEW

Airfloa Rail Technology at ***a Glance***

Incorporated in 1998, Airfloa Rail Technology Limited has developed into an engineering-driven manufacturing company serving the railways, aerospace, and defence sectors. Beginning with railway components, the Company progressively expanded into aluminium products, coach windows, metro rail, full coach body building, Vande Bharat interiors and seating, and aerospace applications.

Airfloa's portfolio includes high-precision forged and machined rolling stock components, rail coach exterior and interior systems, composite structures, and turnkey furnishing solutions for passenger coaches and metro platforms. It also manufactures complex, mission-critical components for aerospace and defence programs. Its in-house capabilities encompass engineering, design, tooling, material development, manufacturing, finishing, assembly, installation, and commissioning.

Over the years, the Company has participated in prominent railway platforms and projects including Vande Bharat, Amrit Bharat, RRTS, Metro, Vistadome, Sri Lankan DEMU and mainline coaches. Its customer ecosystem includes Indian Railways production units, metro projects, RITES, and global rolling stock OEMs, reflecting its experience across domestic and export assignments.

As of FY2026, Airfloa operated through five manufacturing units with 90% capacity utilisation and had delivered seven major turnkey projects. Its operations are supported by certifications and approvals including AS9100D, ISO 9001 and IRIS, along with approvals from HAL, CVRDE, DRDO units, and Indian Railways, enabling participation in regulated and high-entry-barrier manufacturing ecosystems.

Numbers that **define US**

27 YEARS
Enriching industry experience

2
Business verticals

90%
Capacity utilization

20.1%
EBITDA Margin

359
Our engaged workforce

81%
Percentage of repeat customers

24.9%
Return on Capital Employed (RoCE)

7
Major turnkey projects delivered till date

12.2%
PAT Margin

₹**469**CR
Order Book

5
Manufacturing units

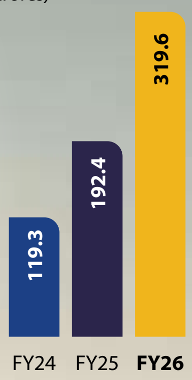
₹**319.6**CR
Revenue from operations

Building ***capabilities.*** THROUGH CONSISTENT GROWTH.

The company has demonstrated consistent financial and operational progress over FY24-FY26, supported by strong revenue and profitability growth and steadily improving capacity utilization. Operational efficiency has strengthened meaningfully, with debtor, payable and inventory days declining substantially, resulting in a more efficient cash conversion cycle. While margins and returns moderated in FY26 amid increased scale, the overall performance reflects healthy business growth, improving working-capital discipline and higher utilization of available capacity.

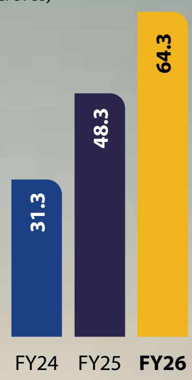
REVENUE FROM OPERATIONS

(₹ crores)



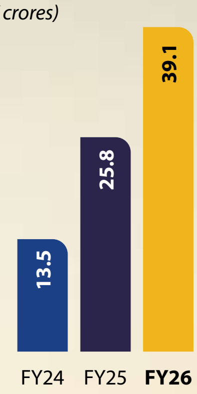
EBITDA

(₹ crores)



PROFIT AFTER TAX

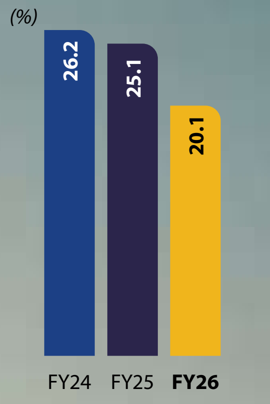
(₹ crores)



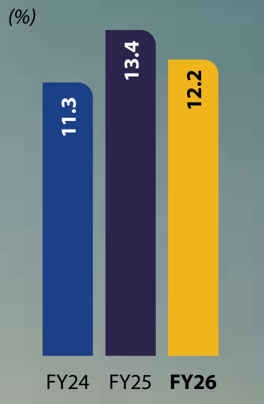
CAPACITY UTILIZATION

(%)

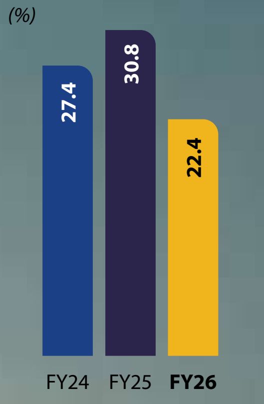
EBITDA MARGIN



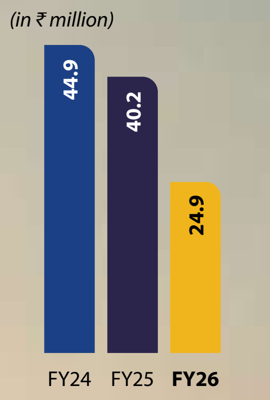
PAT MARGIN



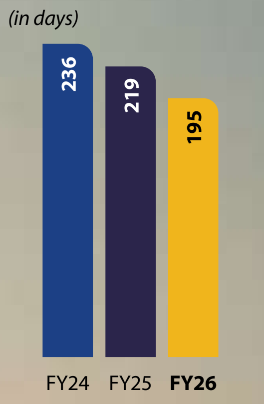
RETURN ON EQUITY (ROE)



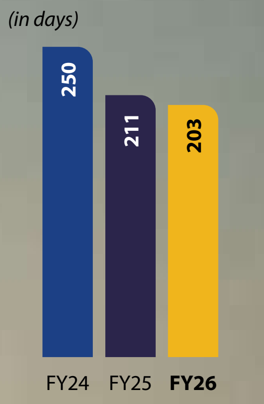
RETURN ON CAPITAL EMPLOYED (ROCE)



DEBTOR DAYS



CASH CONVERSION CYCLE



OUR JOURNEY

Airfloa's journey reflects a gradual shift from being a component supplier to building deeper capabilities across the rail value chain. Over the years, the Company has expanded both the complexity of work it undertakes and the extent of its involvement in projects, moving from individual components to larger design, manufacturing and execution responsibilities.

2014-16 — ***Entered full coach-body building***

2010 — ***Entered metro rail segment***

2008 — ***In-house rail design capability established***

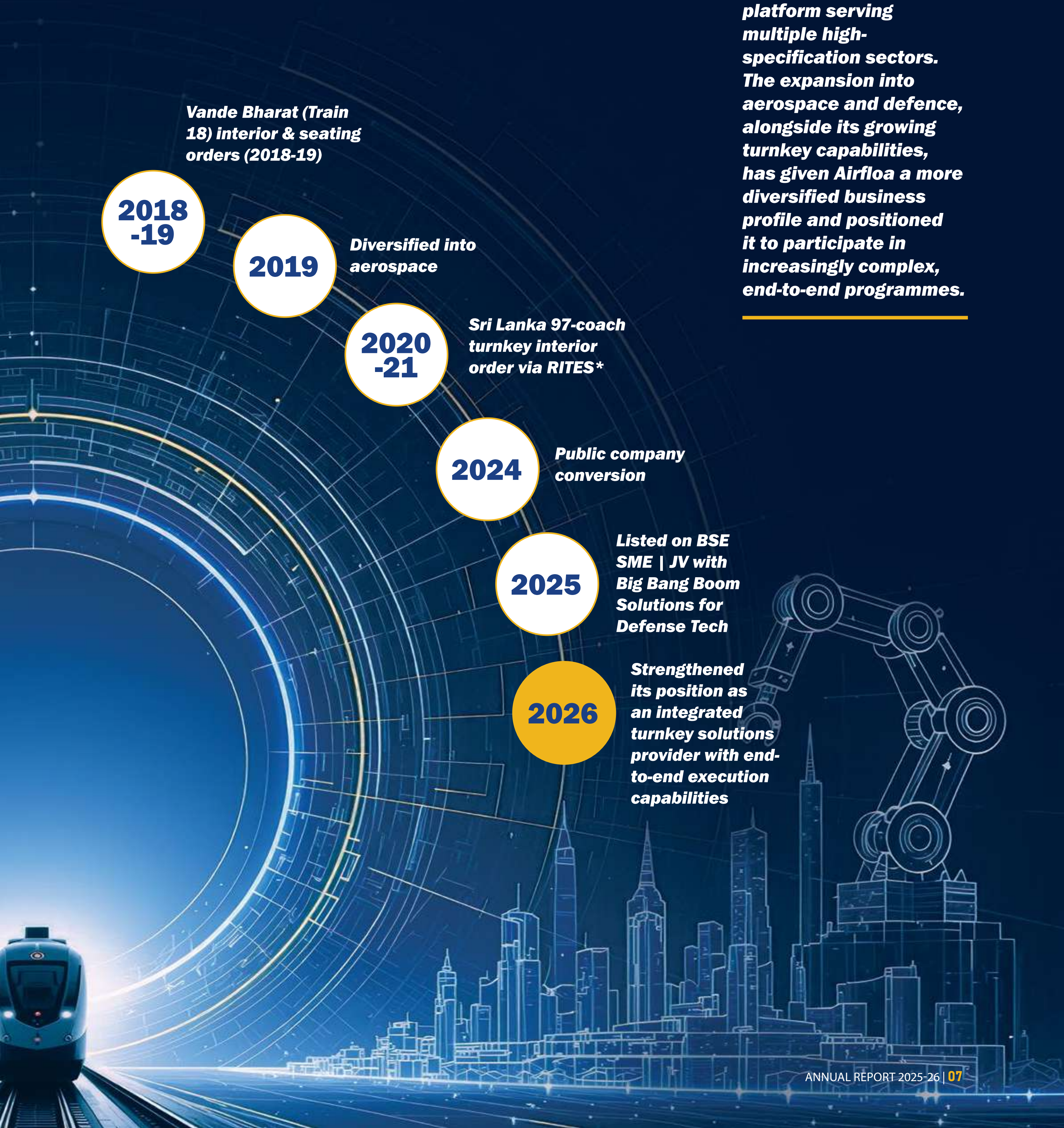
2004-05 — ***First export order for coach windows***

2003-04 — ***First in India to supply aluminum components with powder coating***

1998 — ***Incorporation of the company***

*RITES: Rail India Technical and Economic Service

What began as a focused rail business has evolved into a broader engineering platform serving multiple high-specification sectors. The expansion into aerospace and defence, alongside its growing turnkey capabilities, has given Airfloa a more diversified business profile and positioned it to participate in increasingly complex, end-to-end programmes.



2018-19 — *Vande Bharat (Train 18) interior & seating orders (2018-19)*

2019 — *Diversified into aerospace*

2020-21 — *Sri Lanka 97-coach turnkey interior order via RITES**

2024 — *Public company conversion*

2025 — *Listed on BSE SME | JV with Big Bang Boom Solutions for Defense Tech*

2026 — *Strengthened its position as an integrated turnkey solutions provider with end-to-end execution capabilities*

WHAT WE HAVE ON OFFER

Our ***Services***

Airfloa Rail Technology Limited offers integrated solutions in railway, aerospace, and defence, covering engineering, design, tooling, material development, manufacturing, finishing, assembly, installation, and commissioning. This allows the Company to handle both precision manufacturing and full project delivery.

Railway Rolling Stock Solutions

The Company manufactures high-precision forged and machined rolling stock components and provides solutions across rail car bodies, rail interiors, and composite structures. Its exterior offerings include sidewalls, end walls, roofs, and nose cones, while interior solutions comprise doors, windows, seats, luggage racks, panels, toilets, lighting systems, and HVAC interfaces. Airfloa also manufactures FRP and aluminium composite structures for railway applications.

Its capabilities extend to turnkey interiors for ICF, MCF and RCF, along with export coach manufacturing through RITES. The Company has served Indian Railways, metro rail projects, and international rolling stock programmes across a range of passenger mobility applications.

Turnkey Interior Solutions

Airfloa has transformed from a rolling stock manufacturer into a comprehensive solutions provider, offering end-to-end project services. These encompass design, engineering, manufacturing, assembly, installation, and commissioning, enabling clients to work with a single partner throughout various project phases. The Company has completed turnkey projects for Indian Railways, metro systems, and international clients, notably the 97-coach Sri Lankan Mainline and Diesel Electric Multiple Unit (DEMU) program.

From rolling stock interiors to aerospace and defence applications, Airfloa has built capabilities across the value chain—from engineering and tooling to manufacturing, assembly and commissioning. This breadth allows the Company to work across varied programmes, including metro and railway projects, aerospace applications and specialised defence platforms.

Aerospace Solutions

Airfloa's aerospace offerings include AMCA ground simulators, precision machining, and structural assemblies. The Company's execution track record also includes projects associated with the Aeronautical Development Agency and Jaguar cockpit applications for HAL.

Defence Solutions

The Company undertakes manufacturing of specialized structures and systems for defence applications, including artillery body structures and armour systems. Its execution track record includes hull assembly for T90 applications for HVF, Avadi, and a medium ballistic missile railway wagon with split hood structure and launching pad for DRDO-MSC, Pune.

Expanding ***Possibilities.***

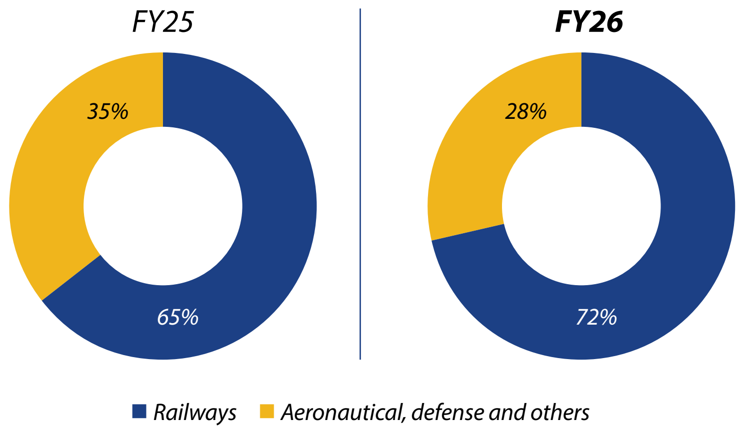
THROUGH OUR BUSINESS & REVENUE MIX

Airfloa Rail Technology Limited has developed a diversified business presence across railways, aerospace, defence, and other engineering applications. Railways remain the core of the Company's operations, while its presence in aeronautical, defence, and other segments provides additional sectoral diversification.

Sectoral Mix

The Company's revenue profile remains primarily anchored in the railway segment, which accounted for 72% of revenue from operations in FY2026. The remaining 28% came from aeronautical, defence, and other businesses. This mix reflects Airfloa's established position in railway rolling stock alongside its growing participation in strategic manufacturing sectors.

Revenue mix across sectors (in %)



Year-on-year growth

84%

Growth in railway revenue from ₹124 crores in FY25 to ₹229 crores in FY26

33%

Growth in aeronautical, defense and other revenue from ₹68.20 crores in FY25 to ₹90.80 crores in FY26

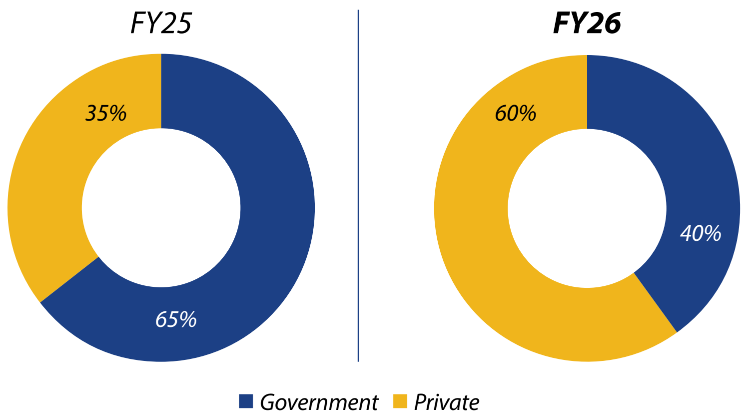
113%

Overall growth in total revenue from FY25 to FY26

Customer Mix

Airfloa serves both government and private-sector clients. In FY2026, private customers made up 60% of revenue, while the government contributed 40%. This mix offers exposure to institutional and private-sector opportunities.

Revenue composition by client (in %)



Key Projects & Execution Track Record

Airfloa Rail Technology Limited has executed assignments across passenger rail, metro, export rolling stock, aerospace and defence programmes. Its project portfolio reflects experience across both component-level supplies and larger turnkey assignments for domestic and international customers.

MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR

"Digital engineering and lean manufacturing practices will play a larger role as we scale, so manufacturing systems, project planning, and operational processes keep pace with the growing size and complexity of the business."

Venkatesan Dakshinamoorthy
Chairman & Managing Director

Dear Shareholders,

FY2026 was a landmark year in the journey of Airfloa Rail Technology Limited. We achieved meaningful scale growth, strengthened our operating capabilities, advanced our evolution toward integrated engineering solutions, and reached an important corporate milestone with the Company's listing on the BSE SME platform in September 2025.

For a Company that began its journey in 1998 as a railway component manufacturer, becoming publicly listed represents much more than access to capital. It brings greater responsibility to execute consistently, strengthen governance, allocate capital prudently, and communicate transparently with our shareholders and other stakeholders.

Over two decades, Airfloa has expanded in railway rolling stock, coach interiors and exteriors, composite structures, turnkey furnishing, precision manufacturing, and aerospace and defence. Its core strengths remain engineering, manufacturing, customer relationships, and execution.

A year of progress

FY2026 represented an important step forward for Airfloa. Revenue from operations increased by **66%** to **₹319.6 crore**, while profit after tax grew by **52%** to **₹39.1 crore**. Capacity utilisation reached **90%**, and we closed the year with an order book of **₹469 crore**. These outcomes reflect the increasing scale of our operations and the execution capabilities built over the years.

While we are encouraged by the progress made during the year, we believe the next phase of Airfloa's development must be measured not only by growth in revenue and profitability, but also by the quality of execution, capital discipline, operating efficiency and sustainability of returns.

Strengthening the railway franchise

Railways remain Airfloa's foundation, the market where our technical capabilities run deepest and our customer relationships longest. In FY26, the segment accounted for 72% of operating revenue, with aeronautical, defence, and other businesses making up the balance.

Our next phase is about building depth, not just scale - executing better, serving customers more comprehensively and strengthening the capabilities that will support Airfloa's long-term growth.

We have contributed to several significant railway and mobility programmes, including Vande Bharat, Amrit Bharat, international coach programmes, metro rail, RRTS and Vistadome. These assignments have progressively widened our role across the railway ecosystem, from supplying individual components to delivering larger systems, interiors, composite structures and turnkey assignments.

Equally valuable are the relationships we have built with ICF, RCF, MCF, metro authorities, RITES, and rolling-stock OEMs (Original Equipment Manufacturers). A repeat-customer share of 81% reflects both the continuity of these engagements and the confidence customers place in our delivery.

Our order book remains predominantly railway-led. This affirms our position in the sector while reminding us that diversification into aerospace and defence is still at an emerging stage. We therefore intend to strengthen our railway franchise while developing newer opportunities progressively and with appropriate discipline.

Progressing towards integrated solutions

One of the most important strategic changes taking place at Airfloa is our progression from component-focused manufacturing towards a broader engineering and solutions model.

Our capabilities today extend across engineering, design, tooling, material development, manufacturing, finishing, assembly, installation and commissioning. This allows us to participate across a larger portion of the project lifecycle and, where appropriate, provide customers with a single integrated partner across multiple stages of execution.

We believe this progression can deepen our engagement with existing customers and increase the value of the work Airfloa undertakes within each programme.

However, larger and more integrated assignments also bring greater responsibility. They require tighter project management, supply-chain coordination, production planning, installation capability and working-capital control. Our approach will therefore remain selective, with an emphasis on projects that fit our technical strengths and meet our expectations on execution and returns.

Engineering our next growth phase

With capacity utilisation at 90%, creating manufacturing headroom has become a priority. We intend to add machinery and automation and develop a new facility, investments aimed not only at greater capacity, but at better throughput, precision, productivity, and lead times.

Digital engineering and lean manufacturing practices will play a larger role as we scale, so manufacturing systems, project planning, and operational processes keep pace with the growing size and complexity of the business.

Capital raised through our public listing provides additional resources for this development while strengthening the Company's financial foundation. We remain conscious that we must deploy capital carefully, and intend to balance growth investment with financial discipline.

Expanding capabilities beyond railways

Railways will remain our core business, but we continue to build aerospace and defence capabilities selectively, where our engineering and manufacturing experience suits technically demanding applications.

Our aerospace work includes assignments linked to the AMCA programme for the Aeronautical Development Agency, Jaguar cockpit applications for HAL and aviation training simulator projects; on the defence side, specialised manufacturing for organisations within India's defence ecosystem. Participation in these sectors demands stringent technical qualifications, quality systems, and customer approvals. Airfloa's AS9100D, ISO 9001, and IRIS certifications, along with approvals from railway, aerospace, and defence organisations, give us a strong foundation to pursue these opportunities.

Our growth has been built one programme at a time. Each assignment has expanded our capabilities, strengthened our relationships and raised the level of responsibility we can take on. That accumulated experience is now one of Airfloa's most valuable assets.

Our proposed 51:49 joint venture with Big Bang Boom Solutions is another step in this direction, pairing Airfloa's manufacturing capabilities with BBBS's technology and R&D expertise in electronic warfare systems, high-precision defence components, advanced materials and system integration. We view this as long-term capability building. Aerospace and defence programmes involve extended development, testing and qualification cycles, so we intend to scale participation progressively rather than let diversification distract from our established railway franchise.

Industry outlook

Airfloa's operating environment remains supportive of the long-term opportunities. India continues to invest substantially in railway infrastructure, passenger mobility and rolling-stock modernisation, and the expansion of modern train platforms, metro networks and regional rapid-transit systems, alongside continued localisation of railway manufacturing, is creating opportunities across the wider rolling-stock supply chain.

For Airfloa, the relevance extends beyond the number of trains or coaches built. As platforms become more modern and passenger-focused, demand rises for engineered interiors, seating systems, composite structures, doors, windows and integrated furnishing solutions — closely aligned with the capabilities we have developed and with our strategy of widening the scope of work for existing railway customers.

India is also gradually strengthening its position as a railway manufacturing and export base, and our earlier execution in international programmes gives us a foundation from which to pursue selected overseas opportunities.

Aerospace and defence manufacturing is undergoing similar structural development as India emphasises indigenous manufacturing, localisation and greater participation by domestic private-sector companies — a supportive backdrop for qualified engineering manufacturers.

Attractive industry conditions alone, however, do not guarantee execution. Railway and defence programmes can both involve extended qualification cycles, competitive bidding, project-specific requirements and significant working-capital commitments. We therefore intend to participate selectively, staying focused on opportunities where our capabilities and economics are appropriately aligned.

Our priorities going forward

Looking ahead, our priorities are to strengthen the railway business, expand capacity, improve execution, and broaden the solutions we provide.

First, deepen wallet share with existing railway customers, widen our range across seating systems, interiors, and FRP-based solutions, and add component lines through established relationships with Indian Railways, metro projects, and OEMs. Earlier international programmes also give us a base to strengthen export outreach.

Second, capacity. IPO proceeds will fund additional machinery and automation alongside the proposed 14-acre facility, raising output precision, streamlining operations, and shortening lead times as we scale.

Third, execution. Timely delivery of the order book remains important, supported by throughput planning, supply-chain scheduling, digital engineering, automation, and lean manufacturing, improving efficiency and quality consistency while keeping prices competitive.

Fourth, broadening capabilities. Within railways, this means progressing from component supply to turnkey interior systems and deepening our aluminium and FRP interior capabilities. In parallel, we will build the qualification and production capabilities for longer-cycle strategic programmes, including the proposed defence platform in electronic warfare systems and AI-enabled defence applications.

Together, these priorities strengthen Airfloa's core railway franchise while building the capacity, operating capabilities and strategic platforms for our next phase of growth.

Looking ahead

We enter FY2027 with an established order book, a larger operating platform, longstanding customer relationships and clear strategic direction. Execution is the immediate priority — delivering the order book efficiently, holding quality as volumes rise, strengthening capacity and growing our systems with our scale.

Beyond that, three complementary areas can build the Company. Railways remain the foundation, with scope to deepen participation with existing customers, widen our offering and take on more turnkey work. Exports can carry existing capabilities to a wider customer base, and aerospace and defence can emerge as longer-term platforms as qualifications and opportunities develop.

The opportunity is not simply to grow larger, but to build a stronger, more resilient engineering organisation, execute with discipline, deepen customer engagement, strengthen manufacturing, and invest selectively for sustainable long-term value.

On behalf of the Board, I thank our customers, employees, suppliers and partners for their trust, commitment and support, and our shareholders, including those who joined at listing, whose confidence obliges us to build with transparency and prudence. Over two decades, Airfloa has grown by expanding its capabilities and taking on greater responsibility for customers. As a listed company, we carry that philosophy forward, confident that lasting value comes from consistent execution, responsible growth and stakeholder trust.

Thank you for your continued trust and support.

Warm regards,

Venkatesan Dakshinamoorthy
Chairman & Managing Director
Airfloa Rail Technology Limited

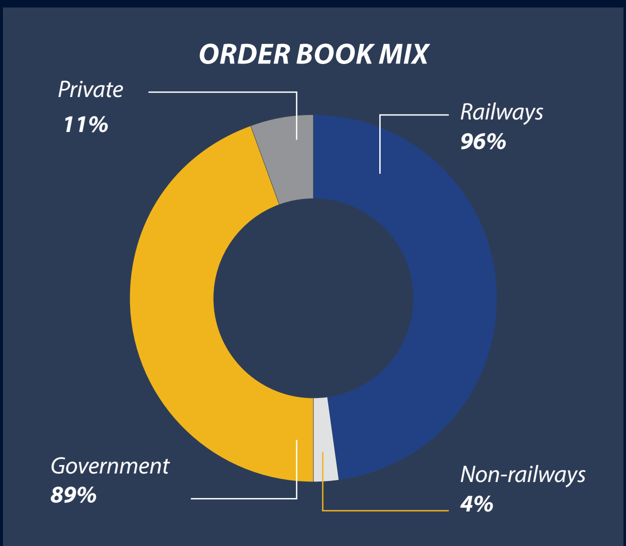
Scale brings its own demands. As the business has grown, we have remained equally focused on how efficiently we operate — improving the movement of capital through the business while building the capacity needed for the next stage.

DEFENSIBLE BUSINESS MODEL

Airfloa Rail Technology Limited's strengths lie in its enduring customer relationships, qualification-based access to regulated markets, and specialized engineering expertise cultivated over more than twenty years.

Robust Order Book Across High-Value Strategic Sectors

Airfloa closed FY2026 with an order book of ₹469 crore spanning Indian Railways, metro rail, aerospace and defence programmes and other emerging sectors. Major orders included turnkey interior furnishing for Amrit Bharat coaches, coach components, lighting systems for the Chennai Metro Rail project, and roller blinds for LHB AC Amrit Bharat coaches. The book was 96% railway and 4% non-railway, with government customers accounting for 89% and private customers 11%. Beyond this, an active bid pipeline of about ₹1,200 crore, against a historical win ratio of 20–25%, gives us further scope for conversion as we continue to bid across railway, metro, aerospace and defence opportunities, though the timing and nature of order wins will remain project-driven and lumpy.



Diversified manufacturing base

The Company operates across railway, aerospace, and defence applications, providing exposure to multiple end markets. Its railway portfolio includes end-to-end manufacturing of coach exterior and interior components such as car bodies, windows, doors, seats, panels, and related systems. In aerospace and defence, Airfloa manufactures precision-engineered and mission-critical products, including ground simulators and structural components. This multi-industry presence gives the company a platform to diversify beyond its established railway business while expanding its participation in aerospace and defence opportunities.

Operational excellence backed by integrated capabilities

Airfloa's manufacturing platform is backed by five core units and integrates capabilities across engineering, design, tooling, material development, manufacturing, finishing, assembly, installation, and commissioning. It holds certifications such as AS9100D and ISO 9001, IRIS certification under ISO/TS 22163, and approvals from vendors like HAL, CVRDE, Defence Avionics Research, and Indian Railways through IREPS. These credentials enable participation in highly regulated railway, aerospace, and defence sectors. Further, we established a new manufacturing facility to consolidate multiple units under one roof and deploy advanced machinery and automation, improving operational efficiency and increasing output.

Unit	Area	Location
Unit 1	6,179 sq. ft.	Keelkattalai, Chennai
Unit 3	7,200 sq. ft.	Kancheepuram, Chennai
Unit 5	52,259 sq. ft.	
Unit 6A	32,000 sq. ft.	
Unit 6B	44,000 sq. ft.	

Integrated solutions provider

Airfloa has evolved from a rolling stock manufacturer into an integrated turnkey solutions provider, capable of managing complete project lifecycles across design, engineering, manufacturing, assembly, installation, and commissioning. This breadth allows customers to engage a single partner across multiple execution phases, simplifying procurement through single-point responsibility and improving overall project efficiency. The Company has demonstrated this capability in high-profile assignments such as the Sri Lankan DEMU programme and multiple metro rail systems in India, reinforcing its position as a trusted partner to Indian Railways and global railway coach OEMs and a preferred choice for end-to-end execution.

Building a scalable defense manufacturing platform

The Company has identified defence manufacturing as an important strategic growth area, and its proposed 51:49 joint venture with Big Bang Boom Solutions envisages Airfloa as the majority and manufacturing partner and BBBS as the technology and R&D partner, with the objective of industrialising next-generation defence technologies. The platform's intended scope spans electronic warfare systems, AI-driven autonomous defence platforms, high-precision defence components, advanced materials and nanotechnology products, and end-to-end system integration and testing, with intellectual property developed through the venture residing with the JV itself. By drawing on BBBS's existing infrastructure, the structure is designed to accelerate go-to-market without placing an incremental strain on Airfloa's resources, positioning the Company in high-value defence segments beyond rail while enhancing export readiness and longer-term growth visibility. Commercialisation is targeted from around mid-FY2027, subject to progress in incorporation, product development, qualification, and execution.

From component supplier to solutions partner

Airfloa is enhancing its capacity, operational discipline, and technical expertise for its upcoming growth phase. IPO funds will be allocated for additional machinery, automation, and a proposed 14-acre facility with a built-up area between 50,000 and 1,00,000 sq. ft. This will boost output precision, streamline operations, reduce lead times, and provide room to meet increasing demand. Execution remains a top priority, focusing on timely delivery of current orders, improved throughput planning, and better supply-chain scheduling. Digital engineering, automation, and lean practices support these initiatives by enhancing production efficiency, ensuring quality, and improving cost competitiveness. Meanwhile, the Company is expanding beyond component supply into broader solutions, emphasizing turnkey interior systems and investing in aluminium and FRP interiors for railway rolling stock. It is also expanding in strategic sectors through its proposed defence platform for electronic warfare and AI-enabled defense applications, while developing the necessary qualification and manufacturing capabilities for lengthy strategic programs.

Trusted relationships & qualified access

Airfloa's position rests on enduring customer relationships and hard-won qualifications. The Company has built partnerships spanning over 25 years with ICF, RCF, MCF, metro authorities, and RITES, and an 81% repeat-customer share reflects the continuity of these engagements across its customer ecosystem. That continuity is reinforced by the credentials required to operate in regulated markets with stringent qualification requirements: certifications including AS9100D, ISO 9001 and IRIS, supported by approvals from HAL, CVRDE, DRDO units and Indian Railways, which together enable participation in railway, aerospace and defence programmes carrying demanding technical and quality expectations.

Specialised capabilities & disciplined execution capabilities

Airfloa has developed specialised offerings across its operating sectors, including Train 18 components, FRP and composite solutions, simulators and precision structures, which complement its broader manufacturing portfolio and allow the Company to address demanding requirements across railway and strategic manufacturing applications. This depth of capability is matched by a disciplined approach to project selection: Airfloa focuses on opportunities aligned with its engineering strengths, execution capacity, and profitability objectives, prioritising projects with attractive margin potential over top-line growth alone, and thereby maintaining a balanced approach to growth, execution, and returns.

OUR BOARD OF DIRECTORS

Airfloa Rail Technology Limited is guided by a six-member Board comprising experienced promoter-directors and independent professionals with expertise across manufacturing, railways, engineering, operations and corporate leadership. The Board combines deep institutional knowledge of the Company with external industry experience to support its strategic and operational direction.

MR. VENKATESAN DAKSHINAMOORTHY
MANAGING DIRECTOR

With over two decades of technical and operational experience, Mr. Venkatesan Dakshinamoorthy shapes the Company's strategy, governance and execution across functions. His deep grounding in operations has been pivotal in driving Airfloa's business performance.

MR. MANIKANDAN DAKSHINAMOORTHY
JOINT MANAGING DIRECTOR

Bringing more than 20 years of industry experience, Mr. Manikandan Dakshinamoorthy leads the management team with a combination of vision and technical acumen, driving the Company's growth through innovative thinking and strategic guidance.

MR. SATHISHKUMAR VENKATESAN
WHOLE-TIME DIRECTOR

A Bachelor of Engineering from Sathyabama University with a Master of Science from Coventry University, Mr. Sathishkumar Venkatesan has been associated with the Board since July 2024, supporting operational decision-making across business functions.

MS. NANDHINI MANIKANDAN
NON-EXECUTIVE DIRECTOR

A Bachelor of Engineering from the University of Madras, Ms. Nandhini Manikandan is a Promoter of the Company and has served on the Board since July 2024, contributing to board-level governance and oversight.

MR. SUDHANSHU MANI
INDEPENDENT DIRECTOR

A Mechanical Engineer and member of IMechE, London, Mr. Sudhanshu Mani brings over 38 years of experience with Indian Railways, where he led the Train 18 (Vande Bharat) project from concept to delivery. He has also served as railway advisor at the Embassy of India, Berlin, and works today as an advisor, author, and corporate consultant.

MR. TILAK RAJ SETH
INDEPENDENT DIRECTOR

An Electrical Engineering graduate of Delhi College of Engineering with a Bachelor of Law from the University of Delhi, Mr. Tilak Raj Seth spent over 35 years at Siemens Limited in senior leadership roles. He brings a rare combination of engineering and legal expertise, together with strategic and industry insight.

COMPANY INFORMATION

Board of Directors

Dakshinamoorthy Venkatesan
Chairman & Managing Director

Dakshna Moorthy Manikandan
Joint Managing Director

Venkatesan Sathishkumar
Whole Time Director

Manikandan Nanthini
Non Executive – Non independent Director

Sudhanshu Mani
Independent Director

Tilak Raj Seth
Independent Director

Chief Financial Officer

Papa Sanjeevi Karunakaran

Company Secretary & Compliance Officer

Haraprasad Rout

Bankers

Union Bank of India
Axis Bank Limited

Statutory Auditors

Varadarajan & Co.
Chartered Accountants
Srivatsa Basement Door No. 49 Kamaraj Avenue,
1st Street Adyar, Chennai- 600020
Firm's Registration No: 0004515S
Peer Review Certificate No. 015965

Cost Auditors

SVM & Associates.,
Cost and Management Accountants
New No. 15 (Old No. AP13), First sector,
Sixth Street, K. K Nagar,
Chennai – 600078
Firm's Registration No: 000536

Internal Auditors.

C. Subramanian
Chartered Accountant,
New no.12/1, Old no.10/1, First Floor,
Varadappan Street, West Mambalam
Chennai - 600033
Membership No. 027959

Secretarial Auditor

SKD & Associates
Company Secretaries
S2, Sri Sai Anugraha Apartment,
Plot No.804/806, 3rd Main Road,
Ramnagar South, Madipakkam,
Chennai-600091
Firm Regn No. S2023TN958600
Peer Review Certificate No.7582/2026

Registrar & Share Transfer Agent.

KFin Technologies Limited
Selenium Tower-B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad – 500032, Telangana
Tel: +91 40 6716 2222
Email: airfloa.ipo@kfintech.com
Website: www.kfintech.com
Investor Grievance Email: einward.ris@kfintech.com

Address of Registered Office

No. 9, Chelliamman Koil Street, Keelkttalai Chennai-600117,
Tamil Nadu, India

Address of Corporate Office

4/169, 3rd Floor, Lotte India Building,
Rajiv Gandhi Salai (Old Mahabalipuram Road),
Kandhachavadi, Perungudi, Chennai - 600096
Tamil Nadu, India

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis ("MD&A") has been prepared in accordance with the requirements of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It should be read in conjunction with the Company's Financial Statements, Notes to Accounts, Directors' Report and others schedules / Annexures forming part of this Annual Report.

Certain statements in this report describing the Company's objectives, projections, estimates and expectations may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ materially due to various economic, regulatory, market and operational factors beyond the Company's control.

1. GLOBAL AND INDIAN ECONOMY OVERVIEW.

Global Overview

The global railway rolling stock manufacturing industry is presently experiencing **moderate but sustained growth**, supported by urbanisation, increasing investment in railway infrastructure, replacement of ageing fleets, expansion of metro and suburban rail systems, and the global shift towards low-carbon transportation.

Current industry estimates place the global rolling stock market at approximately **US$55–65 billion in 2025-26**, depending on the market definition used. Forecasts generally indicate a **4%-5% CAGR over the medium term**, with the market expected to expand significantly by the early-to-mid 2030s.

The major global trends influencing the industry are:

- **Railway infrastructure modernisation:** Governments in Europe, North America and Asia are increasing expenditure on railway infrastructure and fleet renewal.
- **Urban and suburban mobility:** Rapid urbanisation is generating demand for metro coaches, EMUs, light rail and other urban transportation systems.
- **High-speed rail:** Expansion of high-speed and semi-high-speed networks, particularly in Asia and Europe, is creating demand for technologically advanced trainsets.
- **Electrification and decarbonisation:** Rail is increasingly being preferred over road and air transportation for energy efficiency and lower carbon emissions.
- **Digitalisation:** IoT, artificial intelligence, predictive maintenance, condition monitoring and advanced signalling are becoming increasingly important in rolling stock.
- **Energy-efficient rolling stock:** Lightweight coaches, regenerative braking, improved propulsion systems, battery-electric and hydrogen-powered trains are emerging areas.
- **Replacement demand:** Ageing fleets in developed markets are creating a substantial replacement market in addition to new-build demand.
- **Aftermarket opportunities:** Maintenance, refurbishment, spare parts and lifecycle-management services are becoming an increasingly important revenue stream. The global railway aftermarket is estimated to have been approximately US$105 billion in 2026 and is projected to grow considerably through 2035.

Source: Global Market Insights (February-2026)

Indian Overview.

The Indian railway rolling stock industry has a strong medium-to long-term growth outlook, supported by substantial Government investment in railway infrastructure and modernisation.

Key growth drivers include:

- Expansion of Vande Bharat and other modern trainsets.
- Increasing demand for metro coaches and AC EMUs.
- Expansion of freight corridors and freight wagon capacity.
- Continued railway electrification and network modernisation.
- Government initiatives such as Make in India and Atmanirbhar Bharat.
- Increasing opportunities for export of rolling stock and railway components.
- Growing demand for maintenance, refurbishment and lifecycle services.

2. INDUSTRY STRUCTURE & DEVELOPMENTS:

Financial Year 2025–26 has marked a defining year in the growth journey of Airfloa Rail Technology Limited as we strengthened our position in the railway infrastructure and rolling stock sector. During the year, we continued to build on our core capabilities in the manufacturing of railway rolling stock and the execution of interior furnishing works for railway coaches and allied railway projects, while strategically enhancing our operational capacity, project execution capabilities and technological expertise.

As the management team, we are proud of the significant progress achieved in aligning our business with the evolving needs of the Indian railway sector. Our focus remained on delivering high-quality products and services, executing projects within committed timelines, strengthening customer relationships, and improving operational efficiencies. We also continued to invest in process improvements, quality systems and skilled human resources to support our long-term growth aspirations.

Driven by the Government of India's continued emphasis on railway modernisation, network expansion, Dedicated Freight Corridors, station redevelopment, capacity augmentation, indigenous manufacturing and sustainable mobility, Vande Bharat initiatives and the "Make in India" programme continue to create significant opportunities for the railway manufacturing industry. We believe Airfloa Rail Technology Limited is well positioned to participate in the expanding opportunities across railway rolling stock manufacturing, refurbishment, coach interior furnishing and other rail infrastructure projects. The strategic initiatives undertaken during the year have laid a strong foundation for sustainable growth, enhanced competitiveness and long-term value creation for our valued shareholders and all other stakeholders.

To leverage these opportunities, the Company continues to strengthen its manufacturing capabilities, improve operational efficiencies and enhance project execution capacity. Our focus remains on adopting advanced manufacturing practices, maintaining high quality standards and delivering projects within committed timelines.

We continue to invest in our people by strengthening technical capabilities across engineering, manufacturing, quality and project execution. Building a skilled and motivated workforce remains central to our strategy of delivering reliable products and services while meeting evolving customer expectations.

The Company is actively pursuing new business opportunities across Indian Railways, metro rail projects and other rail infrastructure segments, while also exploring opportunities in export markets. Our emphasis remains on executing quality projects, expanding our customer base and enhancing long-term stakeholder value.

With favourable industry dynamics, a healthy project pipeline and a disciplined approach to execution, Airfloa Rail Technology Limited is well positioned to deliver sustainable growth and strengthen its presence in the railway rolling stock and rail infrastructure sector.

Economic Scenario in FY 2025–26.

The Indian railway rolling stock manufacturing industry is a strategic pillar of India's transportation and manufacturing sectors. Rolling stock includes electric and diesel locomotives, passenger coaches, freight wagons, Electric Multiple Units (EMUs), Mainline Electric Multiple Units (MEMUs), metro coaches, and semi-high-speed trainsets such as the **Vande Bharat Express.** The industry is primarily supported by Indian Railways' production units—Integral Coach Factory (ICF), Rail Coach Factory (RCF), Modern Coach Factory (MCF), Chittaranjan Locomotive Works (CLW), and Banaras Locomotive Works (BLW)—with increasing participation from public sector enterprises and private manufacturers including BEML, Titagarh Rail Systems, Texmaco Rail & Engineering, Jupiter Wagons, and Medha Servo Drives.

The financial year 2025-26 marks another year of sustained investment in railway infrastructure, supported by one of the highest capital outlays ever allocated to the Ministry of Railways. The Union Budget 2025-26 continued the Government of India's emphasis on expanding railway capacity, modernizing rolling stock, improving safety, and promoting indigenous manufacturing under the **Atmanirbhar Bharat** and **Make in India** initiatives. The budget maintained capital expenditure at approximately **₹2.65 lakh crore**, reflecting the Government's long-term commitment to railway-led infrastructure development.

Indian Railways also projected total revenue of over **₹3 lakh crore** during FY 2025-26, driven by higher freight loading, increased passenger earnings, and improved operational efficiency. Freight revenue continues to be the primary source of earnings, while passenger revenues are expected to register robust growth due to increased traffic and premium services.

Rolling Stock Manufacturing Performance

During FY 2025–26, the rolling stock manufacturing industry continued to witness strong production growth. Major developments include:

- Expansion of **Vande Bharat** trainset production to meet increasing passenger demand.
- Continued replacement of conventional ICF coaches with safer and lighter LHB coaches.
- Increased production of high-horsepower electric locomotives to support almost complete electrification of the Broad Gauge network.
- Higher procurement of freight wagons to support Dedicated Freight Corridors (DFCs) and the PM Gati Shakti National Master Plan.

- Increased localization of components, reducing dependence on imported propulsion systems, traction equipment, braking systems, and electronics.

Segment–wise or product-wise performance:

Airfloa Rail Technology Limited operates in a single reportable operating segment, namely manufacturing of railway rolling stock products. Although the Company manufactures various products within this category, the operations are managed and reviewed as a single segment. Accordingly, separate product-wise performance measurement is not undertaken, and product-wise segment information is not reported.

3. CORPORATE OVERVIEW:

The Company Airfloa Rail Technology Limited (formerly known as Airflow Equipments (India) Private Limited) is mainly engaged in the business of manufacturing, processing, assembling, developing, designing all type of railway rolling stocks, passenger rail coaches and their discrete components, Rail wagons and their discrete components, locomotives and their discrete components.

The Company Incorporated in 1998 by Mr. D. Venkatesan and Mrs. D. Revathy, the Company has grown from a regional Railway Rolling Stock Manufacturer into a pan-India enterprise with its first international project in Sri Lanka.

The Company's equity shares are listed on SME Platform of BSE Limited, marking a defining milestone in its journey toward institutional credibility and public accountability.

Key credentials as at March 31, 2026 include the company is IRIS Certified in the areas of Design and Development of products and services & Production and service provision & Control of externally provided processes, products and services & Project management & Requirements for products and services. The Company is an ISO 9001:2015 company, in the area Design, Manufacture, Services and Supply of Railway Rolling Stocks and other allied products. The company is also AS 9100:2016 certified in the area of manufacture of sheet metal components, fiber reinforced polymer (FRP) claddings and assemblies for aerospace and defence applications.

Considering the continued focus on the part of Indian Government towards different advanced Railway project developments along with the positive trajectory of the overall economy, the Company anticipates a significant expansion in its order book. This anticipated growth is expected to strengthen the Company’s business position and will be reflected in higher revenues as well as improved profitability in the forthcoming periods.

4. FINANCIAL YEAR 2025-26 OVERVIEW.

During the financial year, the Company continued to focus on operational excellence, efficient project execution, and prudent financial management. The operational performance was supported by disciplined cost control measures, improved resource utilization, and continued emphasis on quality, customer satisfaction, and timely execution of orders. The Company's financial performance reflected the impact of business volumes, product mix, input costs, and prevailing market conditions during the year.

Revenue from operations, profitability, and cash flows were influenced by the execution of ongoing projects, order inflows, and effective working capital management. The Company remained focused on optimizing operational efficiencies, strengthening its cost structure, and maintaining financial discipline to enhance shareholder value. Management continues to monitor key business and financial indicators and remains committed to improving operational performance, sustaining profitability, and pursuing long-term growth opportunities while maintaining a strong financial position. Details of financial performance of the Company, reference may be given to the heading ‘Segment–wise or product-wise performance’ above.

In FY2025-26, Airfloa Rail Technology Limited delivered a record breaking financial performance and robust execution capabilities. The Company successfully capitalized on translating a healthy order book into exceptional financial results while maintaining a disciplined approach to capital management and profitability.

i) Financial Performance Review

Profit & Loss Summary

Particulars	FY-2025:26 (₹ Lakhs)	FY-2024:25 (₹ Lakhs)	YoY Change
Revenue from Operations	31,959.76	19,238.70	66.12%
Other Income	47.44	27.56	72.13%
Total Income	32,007.20	19,266.26	66.13%
Cost of Consumption	20,362.20	1 3,343.47	52.60%
Direct Expenses	1,305.69	1,172.67	11.34%
Change in Inventories	748.33	-2,048.25	136.54% decrease*
Employee Benefits Expenses	1,760.93	1,252.19	40.63%

Particulars	FY-2025:26 (₹ Lakhs)	FY-2024:25 (₹ Lakhs)	YoY Change
Finance Costs	857.94	1,107.03	22.50%
Depreciation and Amortisation	346.94	253.27	36.98%
Other Expenses	1,357.48	688.20	97.25%
Total Expenses	26,739.51	15,768.58	97.25%
EBITDA (approx.)	5,267.69	3,497.68	69.57%
Profit Before Exceptional Items and Tax	5,267.69	3,497.68	50.61%
Exceptional Items (Post-listing expenses)	5,267.69	3,497.68	50.61%
Profit Before Tax	5,267.69	3,499.21	50.54%
Total Tax Expense	1,352.47	920.94	46.86%
Profit After Tax	3,915.22	2,578.27	51.85%
Basic EPS (₹)	18.67	15.78	18.31%
Diluted EPS (₹)	18.67	15.78	18.31%

Balance Sheet Summary

Particulars	March 31, 2026 (₹ Lakhs)	March 31, 2025 (₹ Lakhs)	YoY Change
Total Assets	40,100.25	25,575.84	56.79%
Total Non-Current Assets	6,657.35	4,605.31	44.56%
Total Current Assets	33,442.90	20,970.53	59.47%
Total Equity	2,397.00	1,746.30	37.26%
Total Non-Current Liabilities	616.18	280.11	119.99%
Total Current Liabilities	15,806.27	14,420.35	9.61%

Key Margin Metrics

Metric	FY-2025:26)	FY-2024:25
EBITDA Margin	16.46%	18.15%
PBT Margin	16.46%	18.16%
PAT Margin	12.23%	13.38%
Gross Profit Margin	16.46%	18.15%

ii) Description and Analysis

During the financial year under review, Airfloa continued to focus on strengthening its position in the railway rolling stock manufacturing sector through operational excellence, efficient resource utilisation, and timely execution of customer orders. The Company recorded revenue from operations of ₹31,959.76 lakhs as against ₹19,238.69 lakhs in the previous year 2024-25 registering a growth of 66.12%. The performance during the year reflects the Company's continued efforts towards enhancing manufacturing capabilities, improving productivity, and maintaining operational efficiency.

The Company reported a Profit Before Tax (PBT) of ₹5,267.68 lakhs as against ₹3,497.65 lakhs in the previous year 2024-25 a growth of 50.61%. After considering the total tax expenses of ₹1352.46 lakhs, the Company achieved a Profit After Tax (PAT) of ₹3,915.21 lakhs compared to ₹2,578.24 lakhs in the previous year. The profitability performance was influenced by various factors including product mix, order execution, input cost management, and overall market conditions prevailing in the railway infrastructure sector.

The Company remains committed to sustainable growth by leveraging its technical capabilities, manufacturing expertise, and industry experience. Continuous focus on quality improvement, cost optimisation, strengthening of operational processes, and meeting evolving customer requirements remains central to the Company's business strategy. The management believes that the Company is well positioned to capitalise on opportunities arising from the continued development and modernisation of railway infrastructure.

iii. Ratio Analysis

Particulars	FY-2025-26	FY-2024-25	% Variance	Reason for Variance
Current Ratio (in times)	2.12	1.45	46.21	The improvement was primarily due to a substantial increase in current assets, particularly trade receivables, inventories, cash and other current assets, which increased at a higher rate than current liabilities.
Debt-Equity Ratio (in times)	0.29	0.55	-47.27	The decrease was mainly attributable to a significant increase in shareholders' funds, including fresh capital infusion and accretion of reserves, while the overall debt level increased only moderately.
Return on Equity Ratio (%)	22.66	31.28	-27.56	The decline was mainly due to a substantial increase in the equity base during the year, including fresh capital infusion and increase in reserves, which was proportionately higher than the growth in profit after tax.
Inventory Turnover Ratio (In times)	3.32	2.30	44.35	The improvement was primarily due to higher revenue/ operating activity during the year, while the increase in inventory was comparatively moderate, resulting in more efficient utilisation of inventory.
Trade Receivables Turnover Ratio (in times)	1.87	2.28	-17.98	The decline was mainly due to a significant increase in trade receivables during the year, which grew at a higher rate than the increase in revenue from operations.
Trade Payable Turnover Ratio (in times)	3.54	1.98	81.31	The increase was mainly due to higher business and procurement activity during the year coupled with a reduction in the year-end trade payable position, resulting in a higher turnover ratio.
Net Capital Turnover Ratio (in times)	1.81	3.94	54.06%	The ratio reflects the utilisation of net working capital in generating revenue during the year.
Operating Profit Margin (%)	19.02	23.94	-20.55	The decline was mainly due to an increase in operating expenses, particularly employee benefits, other operating expenses and depreciation, which grew at a higher rate than operating revenue, thereby moderating the operating margin.
Net Profit Margin (%)	12.25	13.40	-8.58	The marginal decline was primarily due to pressure on operating margins arising from higher operating expenses, despite strong growth in revenue and a reduction in finance costs.
Return on Capital Employed%	19.99	27.15	26.37	The improvement was mainly attributable to higher operating earnings during the year, which resulted in better returns generated from the capital employed in the business.

iv. Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the applicable Accounting Standards and the provisions of the Companies Act, 2013. The Company has not followed any accounting treatment different from that prescribed under the applicable Accounting Standards during the financial year 2025-26.

5. EXECUTION EXCELLENCE

Material developments in Human Resources / Industrial Relations front, including number of people employed.

The Company recognizes its human resources as one of its most valuable assets and remains committed to fostering a performance-driven, inclusive, and safe work environment. During the year, the Company continued to focus on talent development through learning and development initiatives, employee engagement programmes, performance management, and measures to enhance employee well-being. Emphasis was also placed on strengthening organizational capabilities to support the Company's business objectives and future growth.

Industrial relations remained cordial and harmonious throughout the year, with continued cooperation between the management and employees across all operational locations. The Company maintained a strong focus on workplace safety, statutory compliance, and employee welfare while encouraging a culture of collaboration, integrity, and continuous improvement.

The Human Resources department plays a pivotal role in fostering a productive and positive work environment. HR is responsible for attracting and retaining top talent, ensuring that the company’s workforce is equipped with the skills and motivation needed to drive business success. This includes managing recruitment processes, onboarding, employee training, and development programs. HR also oversees performance management, employee relations, and compliance with labor laws. By promoting a culture of continuous learning and professional growth, the HR department helps employees achieve their full potential, contributing to overall organizational effectiveness. Additionally, HR plays a crucial role in maintaining employee satisfaction and engagement through regular feedback mechanisms, wellness programs, and initiatives that promote diversity and inclusion.

As on March 31, 2026 the Company had 329 employees on its rolls.

6. OPPORTUNITIES AND THREATS:

Several factors continue to stimulate growth in the rolling stock manufacturing industry during FY 2025–26 and in the days to come.

1. Government Capital Investment

The sustained capital allocation for railway infrastructure continues to create strong demand for locomotives, coaches, wagons, signalling equipment, and associated manufacturing industries.

2. Electrification and Decarbonization

With nearly the entire Broad Gauge network electrified, demand for electric locomotives and energy-efficient rolling stock has increased substantially. This transition has reduced dependence on diesel traction and lowered operating costs.

3. Expansion of Vande Bharat Programme

Production of Vande Bharat trainsets remains a major growth driver. The programme has accelerated technological innovation, indigenous manufacturing, and supplier development across the railway manufacturing ecosystem.

4. Freight Modernization

Expansion of Dedicated Freight Corridors and increasing logistics demand have significantly boosted procurement of high-capacity freight wagons and electric freight locomotives.

5. Urban Rail and Metro Systems

The continued expansion of metro rail projects across major Indian cities has created additional opportunities for domestic rolling stock manufacturers, particularly in aluminium coach manufacturing and advanced propulsion technologies.

Contribution to the Indian Economy

The railway rolling stock manufacturing industry contributes significantly to India's economic development through:

- Employment generation for engineers, technicians, and skilled workers.
- Growth of ancillary industries including steel, electrical equipment, castings, forgings, electronics, and signalling systems.
- Enhancement of domestic manufacturing capabilities through technology transfer and indigenous design.
- Increased exports of railway coaches, wagons, and components to Asia, Africa, Latin America, and the Middle East.
- Promotion of regional industrial development around railway production units and industrial clusters.

Emerging Trends

The industry is witnessing several technological and economic trends:

- Adoption of Industry 4.0 and digital manufacturing.
- AI-enabled predictive maintenance.
- Smart coaches with IoT-based diagnostics.
- Lightweight aluminium coach technology.
- Green manufacturing and energy-efficient production processes.
- Increased public-private partnerships in manufacturing and maintenance.
- Greater localization of critical railway systems under the Make in India programme.

Threats

While the Indian railway rolling stock manufacturing industry offers significant growth opportunities, certain external and operational factors may impact its growth trajectory.

Key threats include:

- **Raw Material Price Volatility:** Fluctuations in the prices of steel, aluminium, copper, and other critical inputs may increase production costs and exert pressure on profitability.
- **Supply Chain Dependencies:** Dependence on specialised components, advanced electronics, semiconductor-based control systems, and imported technologies may expose manufacturers to supply disruptions, foreign exchange fluctuations, and geopolitical risks.
- **Increasing Global Competition:** Competition from established international railway equipment manufacturers with advanced technologies and larger global manufacturing capabilities may create pricing and technological pressures for domestic players.
- **Rapid Technological Changes:** The fast evolution of railway technologies, including high-speed trains, digital signalling, automation, and intelligent transportation systems, requires continuous investment in research, development, and technology upgrades.
- **Project Execution and Procurement Risks:** Delays in government tenders, changes in procurement policies, project execution challenges, and extended order cycles may impact revenue visibility and capacity utilisation.
- **Regulatory and Safety Requirements:** Increasing emphasis on stringent safety standards, quality certifications, and environmental compliance may require additional investments in manufacturing processes and systems.
- **Availability of Skilled Workforce:** Shortage of specialised manpower in areas such as advanced engineering, automation, electronics, and digital manufacturing could impact innovation and operational efficiency.
- **Economic and Policy Risks:** Any slowdown in infrastructure spending, changes in government priorities, or delays in railway modernisation programmes could affect long-term demand for rolling stock.

7. ESG AND SUSTAINABILITY.

Environmental Stewardship

The Company recognises environmental sustainability as an integral part of responsible manufacturing and remains committed to minimising the environmental impact of its railway rolling stock manufacturing operations. The Company focuses on efficient utilisation of energy and natural resources, reduction of waste and emissions, responsible management of hazardous and non-hazardous waste, and compliance with applicable environmental laws and regulations. Emphasis is also placed on energy-efficient manufacturing processes, recycling and reuse of materials, water conservation and adoption of environmentally sustainable practices across its operations. The Company continues to explore opportunities for improving resource efficiency and reducing its carbon footprint, while supporting the broader objective of promoting sustainable and environmentally responsible railway transportation.

Social Responsibility

The Company incurred CSR expenditure of **₹38.00 lakhs during FY 2025-26**, against the statutory CSR obligation of **₹37.74 lakhs**, resulting in an excess expenditure of **₹0.26 lakhs**. The CSR initiatives undertaken by the Company were focused on public development, including **education, healthcare and community welfare**. The Company has consistently fulfilled and, wherever applicable, exceeded its CSR obligations since becoming subject to the mandatory CSR provisions under **Section 135 of the Companies Act, 2013**. The Company has discharged its CSR obligations through **engagement of eligible external implementing agencies** for undertaking and implementing the approved CSR activities.

The Company remains committed to contributing meaningfully towards the welfare and development of the communities in which it operates. The CSR initiatives are undertaken with a focus on creating sustainable and measurable social impact and are aligned with the activities specified under **Schedule VII of the Companies Act, 2013**. The Company will continue to identify and support suitable initiatives in the areas of education, healthcare, community development and other socially beneficial activities in the coming years.

Governance

The Company's Board comprises six directors, of whom two are Independent Directors, meeting the requirements of the listing requirement as well as the provisions of the Companies Act, 2013. The Board includes professionals with expertise engineering, IT bringing diverse oversight to the Company's management.

Since listing on BSE SME in September 2025, the Company has operated under the enhanced disclosure and governance obligations of a public company. The annual report, quarterly results, and exchange filings reflect the Company's commitment to transparency and investor communication.

The promoter holding as at March 31, 2026 stands at 54.20%, with D. Venkatesan and D. Manikandan holding 27.10% each individually, providing stability of ownership while leaving meaningful public float.

Related party transactions, including procurement of goods and /or availing of services from different group entities, are disclosed in full in Note 16 of stand alone Financials, conducted at arm's length terms and subject to Board oversight.

8. INTERNAL CONTROL SYSTEMS

The Company has established an adequate system of internal controls commensurate with the size, nature, and complexity of its business operations. The internal control framework is designed to safeguard the Company's assets, ensure the accuracy and reliability of financial reporting, promote operational efficiency, and ensure compliance with applicable laws, regulations, and internal policies. Well-defined policies, standard operating procedures, delegation of authority, and appropriate checks and balances are embedded across key business processes to mitigate operational and financial risks.

The Company's internal audit function carries out periodic risk-based audits to evaluate the adequacy and effectiveness of internal controls and compliance with established policies and procedures. The observations and recommendations arising from internal audits are reviewed by the management and the Audit Committee of the Board, and necessary corrective actions are implemented in a timely manner. The Audit Committee also periodically reviews the effectiveness of the internal financial controls and the overall governance framework.

Based on the reviews conducted during the year, the management is of the opinion that the Company's internal control systems, including internal financial controls over financial reporting, are adequate and operating effectively. The Company remains committed to continuously strengthening its internal control environment and governance practices in line with evolving business requirements and regulatory expectations.

Financial controls are reviewed by the Company's statutory auditors, M/s. Varadarajan & Co, (ICAI Firm Registration No: 004515S) Chartered Accountants, having office at Srivatsa Basement, Door No.49, Kamaraj Avenue, 1st Street Adyar, Chennai, 600020, Tamil Nadu, India.

The Company's audit committee, comprising majority of Independent Directors, meets regularly to review internal audit findings, risk assessments, and financial reporting. The internal audit function provides an independent assessment of control effectiveness across financial, operational, and compliance domains.

No material weaknesses in internal controls over financial reporting were identified during FY-26.

9. RISK MANAGEMENT.

Risk management is integral to Airfloa's governance. Risks spanning project delays, cost volatility, contractual complexities, regulatory changes, and cyber events are continuously assessed and mitigated through a combination of contract structuring, insurance, coordinated project management, supply chain partnerships, and comprehensive compliance regimes. Digital monitoring enables real time identification of deviations, allowing swift corrective action. By maintaining a diversified project and client base and prudent financial strategy, Airfloa preserves flexibility to respond swiftly to changing sectoral, regulatory, and economic conditions.

Working Capital and Liquidity Risk

The most active risk in the Company's operating environment is the management of working capital as project scale increases. Contract assets, retention money, and advances paid to vendors and suppliers create a significant funding requirement ahead of client billing milestones. The Company manages this through secured bank credit facilities collateralised against book debts, inventories and immovables. However, in spite of all these, the finance costs is reduced to ₹857.94 lakhs in FY 2026 as against 1,107.03 Lakhs in FY-25, reflecting this increased reliance on working capital financing.

Client Concentration Risk

Majority portion of order inflows during the FY 2025-26 were attributable to Indian Railways. The largest client contributed over ₹300.00 Crores to revenue in FY26, representing over 90% of total revenue. The Company is actively widening its client base across new industrial sectors, new geographies, and the government segment to reduce this concentration over the medium term.

Execution and Cost Risk

Fixed-price contracts expose the Company to the risk of cost overruns arising from input price inflation, unforeseen site conditions, or scope changes. The Company mitigates this through disciplined pre-bid cost estimation, selective bidding, procurement hedging, and contract terms that include escalation clauses where achievable. The consistent maintenance of EBITDA margins at approximately 16% across years of rapid growth reflects effective cost control.

Regulatory and Statutory Risk

The Company operates in a regulatory environment involving GST, income tax, labour laws, environmental clearances, and electrical safety regulations. The Company's legal and compliance team monitors all regulatory developments, and adequate provisions are made where management assesses liability as probable.

Human Capital Risk

The Company's growth trajectory requires continuous recruitment and retention of skilled engineers, project managers, and site supervisors. Attrition of key project management personnel could adversely affect execution quality and client relationships. The Company invests in competitive compensation, career development, and a strong organisational culture to retain talent.

Credit Risk

Trade receivables of ₹21,401.59 Lakhs as at March 31, 2026 are concentrated among Indian Railway as major client of the Company with no credit-impaired receivables. The Company has a limited history of customer defaults, and no provision for expected credit loss has been recognised.

10. FUTURE OUTLOOK

The outlook for Airfloa Rail Technology Limited remains positive, supported by the continued growth and modernisation of railway infrastructure and increasing emphasis on enhancing rail connectivity, safety, and passenger experience. The Company is well positioned to leverage its manufacturing capabilities, technical expertise, and industry experience in the railway rolling stock segment to participate in emerging opportunities arising from the expansion and upgradation of railway systems. With continued government investment, strong domestic demand, and increasing private sector participation, the rolling stock manufacturing industry is expected to remain one of India's fastest-growing heavy engineering sectors.

The Indian railway rolling stock manufacturing industry is a key pillar of the country's transportation infrastructure, encompassing the production of passenger coaches, freight wagons, locomotives, metro coaches, electric multiple units (EMUs), and critical railway components such as bogies, braking systems, wheels, axles, and signalling equipment, interior furnishing. Driven by the Government of India's continued focus on infrastructure-led economic growth, the sector has witnessed significant momentum through record capital expenditure on Indian Railways, accelerated network expansion, complete electrification, Dedicated Freight Corridors, Vande Bharat trains, station redevelopment, and the PM Gati Shakti initiative, creating sustained demand for modern rolling stock and railway equipment.

The Government's emphasis on the "Make in India" and "Atmanirbhar Bharat" initiatives has further strengthened domestic manufacturing capabilities by promoting localisation, technology adoption, and increased private sector participation. Manufacturers are increasingly investing in automation, digital technologies, lightweight materials, energy-efficient propulsion systems, and predictive maintenance solutions to enhance operational efficiency and meet evolving customer requirements. Simultaneously, growing urbanisation, metro rail expansion, regional rapid transit systems, and replacement of ageing railway assets continue to support long-term demand across the sector.

Looking ahead, the industry outlook remains positive, supported by sustained government investments, policy support, rising freight and passenger traffic, and increasing export opportunities. Although challenges such as raw material price volatility, supply chain constraints, and execution risks persist, companies with strong manufacturing capabilities, technological expertise, and diversified product portfolios are well positioned to benefit from the long-term growth trajectory of India's railway modernisation programme.

Secondly, India has established itself as a leading global railway market, with the world's fourth-largest railway network, the largest railway system under single management, and one of the world's largest manufacturers of railway rolling stock. Backed by strong policy support and record capital investments, the Indian railway sector continues to strengthen its position as a global hub for railway manufacturing and exports.

The railway sector continues to be one of India's most strategically important infrastructure sectors. Government investment in railways has increased significantly, with Gross Capital Formation in railways rising to approximately 0.9% of India's GDP. This sustained investment is driving capacity expansion, rolling stock modernisation, network electrification, and creating substantial opportunities for the domestic railway manufacturing industry.

Sources:

1. *Indian Railways. Annual Report and Accounts 2024–25. Government of India.*
2. *PRS Legislative Research. Demand for Grants 2025–26: Ministry of Railways.*
3. *Ministry of Railways, Government of India. Union Budget 2025–26 – Railway Financial Estimates.*
4. *Moneycontrol. Indian Railways aims to cross ₹3 lakh crore revenue in FY 2025–26.*

11. CAUTIONARY STATEMENT

This MD&A contains forward looking statements, including those concerning projections, expectations, and business strategies. Actual results may differ materially from those expressed due to external and internal risks, such as economic fluctuations, regulatory changes, supply chain challenges, and unforeseen events. Airfloa assumes no obligation to update forward looking statements post publication and advises stakeholders to exercise caution and not place undue reliance on such statements.

DIRECTORS REPORT

Dear Members,

The Board of Directors have pleasure in presenting the 27th Board's Report of the Company together with the Audited financial statements (Standalone and Consolidated) for the financial year ended 31st March, 2026.

FINANCIAL RESULTS AND STATE OF COMPANY AFFAIRS

(Amount in ₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	31,959.76	19,238.70	31,959.76	19,238.70
Other Income	47.44	27.55	47.44	27.56
Total Income	32,007.20	19,266.25	32,007.20	19,266.26
Cost of Consumption	20,362.20	13,343.47	20,362.20	13,343.47
Direct Expenses	1,305.69	1,172.67	1,305.69	1,172.67
Changes In Inventories Of Work- In- Progress & Finished Goods	748.33	-2,048.25	748.33	-2,048.25
Employee Benefit Expenses	1,760.93	1,252.19	1,760.93	1,252.19
Finance Costs	857.94	1,107.03	857.94	1,107.03
Depreciation and Amortization Expenses	346.94	253.27	346.94	253.27
Other Expenses	1,357.48	688.20	1,358.11	689.52
Total Expenses	**26,739.51**	**15,768.58**	**26,740.03**	**15,769.90**
Profit/ (Loss) before Tax	5,267.69	3,497.68	5,267.17	3,496.36
Prior Period Items	-	-1.53	-	-1.53
Current Tax	1,295.99	953.17	1,295.99	953.17
Deferred Tax	34.13	-15.10	34.13	-15.10
Short /excess provision for tax	22.35	-17.13	22.35	-17.13
Profit/ Loss After Tax	**3,915.22**	**2,578.27**	**3,914.81**	**2,577.22**

COMPANY PERFORMANCE OVERVIEW:

During the financial year 2025-26, revenue from operations on a standalone basis stood at ₹31,959.76/- lakhs as against ₹19,238.70/- lakhs in the previous year 2024-25 registering a growth of 66.12%. The total expenditure of the company was ₹26,739.51/- Lakhs (on Standalone basis) as against ₹15,768.58/- lakhs in the previous year 2024-25, an increase of 69.57%. Profit before exceptional items and tax for the current year is ₹5,267.69/- lakhs as against ₹3,497.68/- lakhs in the previous year 2024-25 a growth of 50.61%. Profit after tax for the current year is ₹3,915.22/- Lakhs as against ₹2,578.27/- lakhs in the previous year 2024-25 registering a growth of 51.85%.

During the financial year 2025-26, revenue from operations on a consolidated basis was ₹31,959.76/- Lakhs as against ₹19,238.70/- Lakhs in the previous year 2024-25 registering a growth of 66.12%. The total expenditure of the company was ₹26,740.03/- lakhs (on Consolidation basis) as against ₹15,769.90/- lakhs in the previous year 2024-25, showing an increase of 69.57%. Profit before exceptional items and tax for the current year is ₹5,267.17/- lakhs as against ₹3,496.36/- lakhs in the previous year 2024-25 a growth of 50.64%. Profit after tax for the current year is ₹3,914.81/- Lakhs as against ₹2,577.22/- Lakhs in the previous year 2024-25 showing a growth of 51.90%.

During the year under review, the Company has achieved an important milestone in its history wherein the equity shares of the Company were listed on the SME Platform of BSE viz., "BSE SME" **on September 18, 2025**. Upon listing, the Corporate Identification Number (CIN) of the Company is changed to **L30204TN1998PLC041571**.

The financial year of the Company remains unchanged. The Company continues to follow the financial year commencing on 1st April and ending on 31st March, in accordance with the provisions of the Companies Act, 2013.

No acquisition, merger, expansion, modernization, or diversification activities were undertaken during the year under review. The operations of the Company continued in the normal course of business without any structural or strategic changes. The Company has not acquired, assigned, or developed any material Intellectual Property Rights during the year under review.

BUSINESS OUTLOOK

The Company Airfloa Rail Technology Limited (formerly known as Airflow Equipments (India) Private Limited) is mainly engaged in the business of manufacturing, processing, assembling, developing, designing all type of railway rolling stocks, passenger rail coaches and their discrete components, Rail wagons and their discrete components, locomotives and their discrete components.

Considering the continued focus on the part of Indian Government towards advanced Railway project developments along with the positive trajectory of the overall economy, the Company anticipates a significant expansion in its order book. This anticipated growth is expected to strengthen the Company's business position and will be reflected in higher revenues as well as improved profitability in the forthcoming periods.

A more detailed explanation of the business and the performance of the Company has been provided in the Management Discussion and Analysis Report, which is forming part of the Annual Report.

CHANGE IN THE NATURE BUSINESS OF COMPANY

During the year under review, there was no change in the nature of the Company's business.

LISTING OF THE COMPANY

The Shares of your Company are listed on SME Platform of BSE Limited. The annual Listing Fees for the Year 2026-27 has been paid to the exchange within due date.

SHARE CAPITAL

As on 31st March, 2026 the Company has authorized share capital of ₹25,00,00,000/- consisting of 2,50,00,000 Equity Shares of ₹10/- each.

The Company has Issued 65,07,000 equity shares of ₹10/- each at an Issue price of ₹140/- per share (including a securities premium of ₹130 per equity share) ("issue price") aggregating a total amount of ₹9,109.80 Lakhs of which 3,26,000 equity shares aggregating to ₹456.40 lakhs was reserved for subscription by market maker ("market maker reservation portion"). The issue less the market maker reservation portion i.e. issue of upto 61,81,000 equity shares of face value of ₹10/- each at an issue price of ₹140/- per equity share aggregating to an amount of ₹8,653.40 lakhs was offered to the public as part of the Initial Public Offer (IPO). The total issue constitute 27.15% out of which 25.79% constitute the IPO size.

As on 31st March, 2026 the issued, subscribed and paid-up capital of the Company stood at ₹23,96,99,540/- comprising of 2,39,69,954 Equity shares of face value ₹10/- each.

Apart from as stated above, the Company has not:

i) issued any shares, warrants, debentures, bonds, or any other convertible or non-convertible securities.

ii) issued equity shares with differential rights as to dividend, voting or otherwise

iii) issued any sweat equity shares to its directors or employees

iv) made any change in voting rights

v) reduced its share capital or bought back shares

vi) changed the capital structure resulting from restructuring

vii) made any corporate action except in respect of it's IPO process.

The Company's securities were not suspended for trading during the year since its listing.

DIVIDEND

The Board considering the need to conserve capital to fund the expansion activities as well as to augment working capital requirements do not recommend any dividend for the financial year ended 31st March, 2026.

To bring transparency in the matter of declaration of dividend and protect the interests of investors, the company had adopted a Dividend Distribution Policy since listing of its shares. The policy has been displayed on the Company's website at link https://www.airflow.co.in/pdf/Policies-21.08.2025/18.%20dividend-distribution-policy.pdf

UNCLAIMED DIVIDEND

In the absence of any declaration of dividend in the past, the Company does not have any unpaid/unclaimed dividend coming under the purview of Section 124(5) of the Act to be transferred to Investors Education and Protection Fund ("IEPF") of the Central Government.

TRANSFER TO RESERVES

The Board has decided to retain the entire amount of profit for FY-26 in the distributable retained earnings. Accordingly no amount is proposed to transferred to Reserves.

QUALITY ASSURANCE

Your Company has obtained certification from International Railway Industry Standard (IRIS) in the areas of Design and Development of products and services & Production and service provision & Control of externally provided processes, products and services & Project management & Requirements for products and services. Your Company has also obtained ISO 9001:2015 certification in the area of Design, Manufacture, Services and Supply of Railway Rolling Stocks and other allied products besides AS 9100:2016 certificate in the area of manufacture of sheet metal components, fiber reinforced polymer (FRP) claddings and assemblies for aerospace and defence applications. Right from manufacturing to distribution, we have consistently delivered competitive edge in the form of robust, foresighted, and quality products confirming to the Indian Railway's quality Standards.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report, which forms part of this report.

DEPOSITS

The Company has not accepted any deposits from public falling within the ambit of section 73 and Section 76 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, no disclosure is required under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014.

BORROWINGS

As on 31st March, 2026, an amount of ₹6830.98/- Lakhs was outstanding towards borrowings, which comprises of both secured and unsecured loans. The company has not defaulted in payment of interest and/or repayment of loan to any of the financial institutions and/or bank. The Details of the Borrowings can be referred in the specified schedules (Long term Borrowings & Short Term Borrowings) of the notes to stand alone financial statements.

COMPLIANCE OF SECRETARIAL STANDARDS

During the financial year under review, the Company has complied with the applicable provisions of the Secretarial Standard-1 and Secretarial Standard-2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by the Institute of Company Secretaries of India ('ICSI') and approved by the Central Government under Section 118 (10) of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) & 134 (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement it is hereby confirmed that:

a) in the preparation of the annual accounts for the financial year ended 31st March, 2026, the applicable accounting standards have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2026 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts for the financial year ended 31st March, 2026 on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE ACT

The Company has not given any Loans, made any Investments, given any Guarantees and provided any Securities during the Financial Year coming under the purview of Section 186 of the Companies Act, 2013 during the year under review.

However during the year under report the Company has subscribed of 20 nos. of Compulsorily Convertible Debentures (CCD) of face value of ₹25.00 Lakhs each of Big Bang Boom Solutions Private Limited as part of its strategic collaboration with further investment in a phased manner.

CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES UNDER SECTION 188(1) OF THE ACT:

All the transactions with related parties were in the ordinary course of the business and on the arm's length basis and are reported in the Notes to Financial Statements. The related party transactions entered into by the company during the year under review have been approved by the Board and Audit Committee. The details of materially significant related party transactions entered into by the Company are disclosed in **Form AOC- 2** pursuant to Section 134(3) of the Act and enclosed as **Annexure-I** to this report.

Reference may also be made Related Party transactions in Note 16 of Notes to Accounts of the Financial Statements for more details. (stand alone financial statements)

All transactions with related parties are in accordance with the RPT Policy. The policy on materiality of related party transactions and dealing with related party transactions ("RPT Policy") formulated by the Board can be accessed at https://www.airflow.co.in/pdf/Policies-21.08.2025/8.%20Policy%20for%20Materiality%20of%20Related%20Party%20Transaction.pdf

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company pertaining to the financial year ended on 31st March, 2026 is available on the Company's website and can be accessed at https://www.airflow.co.in/financial/

DIRECTORS OR KEY MANAGERIAL PERSONNEL

A. COMPOSITION OF THE BOARD OF DIRECTORS:

As on 31st March 2026, the Board of Directors of the Company consists of total six directors, including a Chairman and Managing Director, Joint Managing Director, Whole-Time Director, Women Director and two Independent Directors.

The Board of Directors of the Company comprises the following individuals who bring the right mix of knowledge, skills and expertise and help the Company in implementing the best Corporate Governance practices:

- Mr. Dakshinamoorthy Venkatesan (DIN:00232210) - Chairman-Cum- Managing Director
- Mr. Dakshna Moorthy Manikandan (DIN: 00232275) – Joint Managing Director
- Mr. Venkatesan Sathishkumar (DIN: 08561438) - Whole-time Director
- Ms. Manikandan Nanthini (DIN: 08561378) - Non-Executive Non-Independent Director
- Mr. Sudhanshu Mani (DIN: 10124439) - Independent Director
- Mr. Tilak Raj Seth (DIN: 07027068) - Independent Director

The composition of the Board consists of a combination of Executive and Non-Executive Directors and not less than 1/3rd of the Board comprising of Independent Directors.

The Board of Directors of the company are of the opinion that all the Independent Directors of the company appointed / re-appointed had possess impeccable integrity, relevant expertise and experience required to best serve the interests of the company.

B. KEY MANAGERIAL PERSONNEL:

As on March 31, 2026, the Key Managerial Personnel (KMP) of the Company, in terms of Sections 2(51) and 203 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, comprise of Mr. Dakshinamoorthy Venkatesan (DIN:00232210), Chairman & Managing Director; Mr. Dakshna Moorthy Manikandan (DIN: 00232275), Joint-Managing Director; Mr. Venkatesan Sathishkumar (DIN: 08561438), Whole-time Director; Mr. P S Karunakaran (PAN:AZWPK0854H), Chief Financial Officer; and Mr. Haraprasad Rout (Mem.No:A18749), Company Secretary and Compliance Officer.

C. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, there was no any change in the constitution of board of Directors and key managerial personnel of the Company, except the following:

Mr. Thygarajan Sivakumar (Membership Number: A8192) has resigned as Company Secretary of the Company w.e.f. 13/11/2025, The Board of Directors took note of resignation of Mr.Thygarajan Sivakumar (Membership Number: A8192) as Company Secretary of the Company and expressed their sincere appreciation for the valuable services rendered by him during his tenure as Company Secretary of the Company.

Subsequent to the resignation of Mr. Thygarajan Sivakumar (Membership Number: A8192) as Company Secretary of the Company, Mr.Haraprasad Rout (Membership Number: A18749) was appointed as the Company Secretary and Compliance officer of the Company w.e.f. 14/11/2025.

D. RETIREMENT BY ROTATION:

In accordance with the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of the Company, Mr. Venkatesan Sathishkumar (DIN: 08561438), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has recommended his re-appointment. Details of the Directors retiring by rotation and seeking re-appointment have been furnished in the annexure to the notice of the ensuing Annual General Meeting.

E. REMUNERATION OF DIRECTORS:

Remuneration of the executive directors consists of the salary and other benefits. The Nomination and Remuneration Committee makes annual appraisal of the performance of the Executive Directors based on a detailed performance evaluation, and recommends the compensation payable to them, within the parameters approved by the shareholders, to the Board for their approval.

The Non-Executive Directors including Independent Directors are entitled for sitting fees for attending meetings of the board/ committees thereof. The Company pays sitting fees of ₹50,000/- per meeting to its Independent and Non-executive Directors for attending the meetings of Board and Committees.

F. NUMBER OF BOARD MEETINGS AND ATTENDANCE OF DIRECTORS:

During the Financial Year 2025-2026 a total no. of 17 (Seventeen) Board meetings were held, the details of attendance of Directors are provided below. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013:

S. No	Date of meeting	Total No of Directors as on date of meeting	No. of Directors Present	
			No. of Directors attended	% of Attendance
1	01/04/2025	6	6	100%
2	20/04/2025	6	6	100%
3	10/06/2025	6	6	100%
4	19/06/2025	6	6	100%
5	23/06/2025	6	6	100%
6	30/06/2025	6	6	100%
7	16/07/2025	6	6	100%
8	14/08/2025	6	6	100%
9	21/08/2025	6	6	100%
10	29/08/2025	6	6	100%
11	10/09/2025	6	6	100%
12	16/09/2025	6	6	100%
13	16/09/2025	6	6	100%
14	13/11/2025	6	6	100%
15	21/11/2025	6	6	100%
16	05/02/2026	6	5	83%
17	14/02/2026	6	5	83%

Detailed agenda with explanatory notes and all other related information is circulated to the members of the Board in advance of each meeting. Detailed presentations are made to the Board covering all major functions and activities. The requisite strategic and material information is made available to the Board to ensure transparent decision making by the Board.

Adequate notice is given to all directors for the meetings of the Board. Except where consent of directors was received for scheduling meeting at a shorter notice, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors.

AUDITORS AND AUDITORS' REPORT:

A. STATUTORY AUDITORS AND THEIR REPORT:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and in accordance with the resolution passed by the members at the AGM held on 30/09/2024, M/s. Varadarajan & Co, (Firm Registration No: 004515S) Chartered Accountants, having office at Srivatsa Basement, Door No.49, Kamaraj Avenue, 1st Street Adyar, Chennai, 600020, Tamil Nadu, India were appointed as the Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of 25th Annual General meeting, (for the financial year 31.03.2024), till the conclusion of 30th Annual General Meeting (for the financial year 31.03.2029) of the Company and the Board of Directors were authorized to fix the remuneration of the Auditors in consultation with the Auditors.

The Auditors have confirmed that they are not disqualified from continuing as the Statutory Auditors of the Company and satisfy the prescribed eligibility criteria.

M/s. Varadarajan & Co, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the FY 2025-26, which forms part of the Annual Report 2025-26.

B. COST AUDITORS, COST RECORDS AND COST AUDIT / COMPLIANCE:

For the financial year 2025-26, M/s SVM & Associates, Cost Accountants, Chennai, Firm Registration No: 000536, have conducted the audit of the cost records of the Company. In compliance with the provisions of Section 148 of the Act, the members of the company have ratified the remuneration paid/payable to the Cost Auditor for the financial years 2025-26 at the Annual General Meeting of the Company held on September 15, 2025. The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period.

The Company has maintained cost accounts and records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. Pursuant to the recommendation of the Audit Committee, the Board of Directors, at its meeting held on 30th May 2026, approved the re-appointment of M/s. SVM & Associates, Cost Accountants, Chennai (Firm Registration No. 000536) as the Cost Auditors of the Company to conduct the audit of the Company's Cost Records for the financial year 2026–27, at a remuneration to be finalised by the Board in consultation with the Cost Auditors. In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is subject to ratification by the Members of the Company.

The remuneration of the Cost Auditors for the FY 2026-27 is being placed before the Members for ratification / approval at the ensuing Annual General Meeting.

C. SECRETARIAL AUDITOR AND SECRETARIAL AUDITORS' REPORT:

The Board of Directors of the Company, based on the recommendation made by the Audit Committee, and subject to the approval of the shareholders of the Company at the ensuing AGM, have approved the appointment of M/s. SKD & Associates, as the Secretarial Auditors of the Company to conduct the secretarial audit for a period of five consecutive years from the financial year 2025-26 to the financial year 2029-30, in terms of provisions of Regulation 24A of the Listing Regulations and provisions of Section 204(1) of the Companies Act, 2013. M/s. SKD & Associates has given consent and confirmed that he is not disqualified from being appointed as the Secretarial Auditor of the Company and satisfies the eligibility criteria. The profile of the Secretarial Auditor is provided as part of the explanatory statement to the AGM Notice.

The Secretarial Audit report received from M/s. SKD & Associates for the financial year 2025-26 in the prescribed form MR3 pursuant to the provisions of Section 204 of the Act is provided in Annexure III forming part of this report.

The said Report does not contain any qualification, reservation or adverse remark, except for observations relating to delay/non-filing of certain statutory forms and returns, delay in disclosure of Related Party Transactions for the half-year ended 30th September 2025 to BSE Limited, and certain website disclosures required under the applicable provisions. The management response in respect of the observations Secretarial Auditor and Statutory Auditor form part of this Report.

Management Reply on observation in the Auditors Report

With reference to the observations of the Statutory Auditors in their Report the Board provides the following explanation:

The GST demands referred to in the Auditors' Report pertain to earlier financial years and were outstanding as they are under dispute as at March 31, 2026. The Company has contested the said demands and has filed appeals/replies, as applicable, before the appropriate authorities. The respective proceedings are pending adjudication/disposal. The Company is pursuing the matters in accordance with law and shall take such action as may be necessary based on the final outcome of the proceedings.

The adjudication orders referred to in the Auditors' Report relate to non-compliance with the provisions of Sections 135(5) and 135(6) of the Companies Act, 2013 for the financial years 2019-20 to 2022-23. Being aggrieved by the adjudication orders passed by the Registrar of Companies (RoC), Chennai on the suo-motto adjudication application of the company before the RoC, the Company preferred appeals under Section 454(5) of the Companies Act, 2013 before the Regional Director, Southern Region, Ministry of Corporate Affairs. The appeals were pending for consideration and disposal as at March 31, 2026. Accordingly, the aforesaid adjudication orders are under challenge before the competent appellate authority and have not attained finality. The Company is pursuing the appeals on their merits and shall take appropriate action based on the final outcome of the appellate proceedings.

The Secretarial Audit contain observations relating to delay/non-filing of certain statutory forms and returns, delay in disclosure of Related Party Transactions for the half-year ended 30th September 2025 to BSE Limited, and certain website disclosures required under the applicable provisions.

In this regard, the Directors wish to clarify that the statutory forms and returns referred to in the Secretarial Audit Report have since been duly filed with the Registrar of Companies along with the applicable additional fees, wherever required, and necessary steps are being taken to complete the pending filings at the earliest. The delay in submission of the Related Party Transactions disclosure was for one day and the applicable fine levied by BSE Limited has been duly paid. The Company has also taken necessary steps to update the requisite disclosures on its website and strengthen its compliance monitoring mechanism.

The Company has also strengthened its internal compliance monitoring and review mechanism to ensure timely filings, disclosures and adherence to applicable statutory and regulatory requirements going forward.

The Board continues to monitor statutory compliances and has advised the management to maintain appropriate systems and controls for timely compliance with applicable statutory requirements.

D. INTERNAL AUDITOR:

As per section 138 of The Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the Board of Directors at their meeting held on 21/08/2025, on the recommendation of Audit Committee, has Appointed Mr. C. Subramanian, Chartered Accountants, Chennai (Membership. No.027959), as Internal Auditor to conduct Internal Audit for the Financial Years 2025-26 & 2026-27. The Internal Audit reports are periodically reviewed by the Audit Committee.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

In terms of the provisions of section 143(12) of the Act read with rule 13 of the Companies (Audit and Auditors) Rules, 2014, during the year under review, none of the auditors have reported any frauds to the Audit Committee or to the Board and therefore, no details pursuant to the provisions of section 134(3) of the Act are required to be disclosed.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has put in place an effective internal control system to synchronize its business processes, operations, financial reporting, fraud control, and compliance with extant regulatory guidelines and compliance parameters. The Company ensures that a standard and effective internal control framework operates throughout the organization, providing assurance about the safekeeping of the assets and the execution of transactions as per the authorization in compliance with the internal control policies of the Company.

The internal control system is supplemented by internal audits, regular reviews by the management, and guidelines that ensure the reliability of financial and all other records. The management periodically reviews the framework, efficacy, and operating effectiveness of the Internal Financial Controls of the Company

The Company has, in material respects, adequate internal financial control over financial reporting, and such controls are operating effectively. Internal Audits are carried out to review the adequacy of the internal control systems and compliance with policies and procedures. Internal Audit areas are planned based on inherent risk assessment, risk score, and other factors such as probability, impact, significance, and strength of the control environment. Its adequacy was assessed, and the operating effectiveness was also tested.

COMPLIANCE WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013 READ WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) RULES, 2013

The Company has zero tolerance for sexual harassment at workplace and has a mechanism in place for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company is committed to provide equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc.

All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment at workplace. All employees (permanent, contractual, temporary, trainees) are covered under the Anti-Sexual Harassment Policy. Details Policy in this regard is available in https://www.airflow.co.in/pdf/Policies-21.08.2025/10.%20Prevention%20of%20Sexual%20Harrassment%20Policy%20(1).pdf

The following is a summary of sexual harassment complaints received and disposed off during the year 2025-2026.

No. of complaints at the beginning of the year	Nil
No. of complaints received during the year	Nil
No. of complaints disposed of during the year	Nil
No. of cases pending for more than ninety days during the financial year	Nil
No. of complaints at the end of the year	Nil
No of workshops or awareness program against sexual harassment carried out	Two
Nature of action taken by employer or District officer	Nil

DISCLOSURE WITH RESPECT TO THE COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT, 1961

The Company has complied with the applicable provisions of the Maternity Benefit Act, 1961, including the grant of maternity leave, work-from-home options where applicable, and provision of creche facilities as required. The Company remains committed to ensuring a safe and supportive work environment for its women employees.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, the Company has not any significant or material orders passed by any regulatory authority, court or tribunal which shall impact the going concern status and Company's operations in future, except as separately disclosed under Compounding/Adjudication Proceedings, none of which, in the Board's assessment, affects the going concern status.

COMPOUNDING / ADJUDICATION PROCEEDINGS

During the year, the following compounding and adjudication proceedings, arising out of suo motu applications made by the Company in respect of certain past non-compliances under the Companies Act, 2013, were concluded:

1. **Compounding under Section 96(1) of the Act in respect of Annual General Meeting pertaining to Financial Year 2022-23**

   The Company had filed a suo motu application for compounding in respect of non-compliance with the provisions of Section 96(1) of the Companies Act, 2013 for the financial year 2022-23. The Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, vide order dated 29th August 2025, compounded the offence and imposed a compounding fee of ₹1,50,000 on the Company and ₹1,00,000 on each of the Directors concerned. The compounding fees so imposed have been duly paid and default is compounded.

2. **Compounding under Section 148(3) of the Act in respect of Financial Years 2018-19 to 2022-23**

   The Company had filed a suo motu application for compounding in respect of non-compliance with the provisions of Section 148(3) of the Companies Act, 2013 for the financial years 2018-19 to 2022-23. The Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, vide order dated 29th August 2025, compounded the offence and imposed a compounding fee of ₹3,50,000 on the Company and ₹12,00,000 on each of the Directors concerned. The compounding fees so imposed have been duly paid and default is compounded.

3. **Adjudication under Sections 135(5) and 135(6) – Financial Year 2019-20**

   The Company had filed a suo motu application for adjudication in respect of non-compliance with the provisions of Sections 135(5) and 135(6) of the Companies Act, 2013 for the financial year 2019-20. The Registrar of Companies, Chennai, vide order dated 20th January 2026, imposed a penalty of ₹17,27,343 on the Company and ₹1,72,734 on each of the two Directors concerned.

4. **Adjudication under Sections 135(5) and 135(6) – Financial Year 2020-21**

   The Company had filed a suo motu application for adjudication in respect of non-compliance with the provisions of Sections 135(5) and 135(6) of the Companies Act, 2013 for the financial year 2020-21. The Registrar of Companies, Chennai, vide order dated 7th January 2026, imposed a penalty of ₹25,99,631 on the Company and ₹2,00,000 on each of the two Directors concerned.

5. **Adjudication under Sections 135(5) and 135(6) – Financial Year 2021-22**

   The Company had filed a suo motu application for adjudication in respect of non-compliance with the provisions of Sections 135(5) and 135(6) of the Companies Act, 2013 for the financial year 2021-22. The Registrar of Companies, Chennai, vide order dated 7th January 2026, imposed a penalty of ₹27,12,722 on the Company and ₹2,00,000 on each of the two Directors concerned.

6. **Adjudication under Sections 135(5) and 135(6) – Financial Year 2022-23**

   The Company had filed a suo motu application for adjudication in respect of non-compliance with the provisions of Sections 135(5) and 135(6) of the Companies Act, 2013 for the financial year 2022-23. The Registrar of Companies, Chennai, vide order dated 7th January 2026, imposed a penalty of ₹19,64,272 on the Company and ₹1,96,427 on each of the two Directors concerned.

   The Company has preferred appeals against the adjudication orders passed by the Registrar of Companies, Chennai, in respect of the matters referred to at Item Nos. 3 to 6 above, before the Regional Director, Southern Region, Ministry of Corporate Affairs, on 6th March 2026. The said appeals are pending for disposal. Pending the outcome of the appeals, in the event the penalties imposed are not waived or reduced by the Appellate Authority, the Company may be required to bear the penalties to the extent sustained, which may have a consequential impact on the profitability of the Company.

   The Company has taken necessary corrective measures in respect of the aforesaid matters and has strengthened its internal compliance monitoring framework with a view to ensuring timely compliance with the applicable provisions of the Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Companies Act, 2013 read with the Rules made thereunder, the Company has formed Corporate Social Responsibility ("CSR") Committee on June 19, 2025. The Company has framed a Corporate Social

Responsibility (CSR) Policy as required under Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, to oversee the CSR activities initiated by the Company. The CSR Committee has adopted a CSR Policy in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder. The details of the CSR initiatives undertaken by the Company during the FY 2025-26 in the prescribed format are annexed as **Annexure-IV**.

RISK MANAGEMENT

Pursuant to provisions of Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) & 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Risk Management Committee and laid down a framework to inform the Board about the particulars of Risks Identification, Assessment and Minimization Procedures. In the opinion of the Board, there is no such risk, which may threaten the existence of the Company. During the year, such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

Proper Risk Management Practices have been followed for the purpose of risk identification, analysis, and mitigation planning, monitoring, and reporting. Although, all risks cannot be eliminated, but mitigation and contingency plans are developed to lessen their impact if they occur.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in **Annexure-V** to this Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Board, based on the recommendation of the Nomination and Remuneration Committee, has framed a policy for the selection and appointment of Directors and Senior Management Personnel and their remuneration. The Company's policy relating to the Directors appointment, payment of remuneration and discharge of their duties is available on the website of the Company at https://www.airflow.co.in/pdf/Policies-21.08.2025/9.%20Orderly%20Succession%20Policy%20for%20Appt%20of%20Directors%20%26%20Sr%20MGT.%20(1).pdf

PARTICULARS OF HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE

As on 31st March 2026, the company has one subsidiary i.e., **Sree Dakssnaa Aerospace and Defence India Private Limited** bearing CIN: U30305TN2024PTC170955, incorporated on 11/06/2024, and having its registered office at No.127, Mettupalayam Road, Opp. to Samsung, Panruti, Kanchipuram, Sriperumbudur, 631604, Tamil Nadu, India, is engaged in the business of "Aerospace and Defense". The Company has not yet started commercial operation. Your company is holding 79.20 % of the Paid-up Equity Share Capital as on date of signing this report. There has been no material change in the nature of the business of the subsidiary.

The consolidated financial statement has been prepared in accordance with the relevant accounting standards and a separate statement containing the salient features of the financial statement of its subsidiary pursuant to provision of Section 129(3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules 2014 in form AOC- 1 is attached along with the financial statement of the company as **Annexure–II**.

Pursuant to the provisions of Section 136 of the Act, the Company's financial statements, consolidated financial statements along with relevant documents, and separate audited financial statements of its subsidiaries are posted and available on the Company's website at https://www.airflow.co.in/pdf/Financial%20Statement%20of%20Subsidiary%20Company.pdf

The Board of Directors at their meeting held on November 21, 2025 approved formation of a Joint Venture under the name and style M/s. Airbang Solutions Private Limited in collaboration with M/s. Big Bang Boom Solutions Private Limited. The Company is in the process of forming the said Joint Venture. Hence, details of the same are not required to be disclosed in Form No. AOC-1.

Further, the company does not have any holding, joint venture or associate company as on 31/03/2026.

PARTICULARS OF EMPLOYEES

Employee relations continued to be cordial during the year under review. The Company continued its thrust on Human Resources Development.

No employees of the Company are drawing remuneration in excess of the limit specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

As on the end of the Financial Year, the Company has 329 employees (including the employees on contract basis).

Details are as under:

Male	322	Female	07	Transgender	NIL

A statement containing the particulars of the top ten employees in terms of remuneration drawn and disclosures containing, inter-alia, the ratio of remuneration of Directors to median remuneration of employees, percentage increase in the median remuneration as prescribed under Section 197(12) of the Act, read with Rule 5(1), Rules 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this Report as **ANNEXURE-VI**.

RECEIPT OF REMUNERATION OR COMMISSION BY THE MANAGING / WHOLE TIME DIRECTOR FROM ITS HOLDING OR SUBSIDIARY COMPANY

During the year under review, the company has no holding company and no remuneration / commission has been received by the Managing Director or the Whole-Time Director of the Company from its subsidiary company in terms of Section 197(14) of the Companies Act, 2013.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Business Responsibility and Sustainability Report pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company for the financial year ended on 31st March, 2026.

CORPORATE GOVERNANCE

The Equity Shares of the Company are listed on the SME platform BSE Limited. Pursuant to Regulation 15(2) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the compliance with the Corporate Governance provision as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulations (2) of regulation 46 and par as C, D and E of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is not applicable to the Company. The Company voluntarily adopted various practices of governance confirming to highest ethical and responsible standards of business and is committed to focus on long term value creation for its shareholders. The Corporate Governance practices followed by the Company is included and forms part of this Report.

COMMITTEES OF THE BOARD

The Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

a) Audit Committee;

b) Stakeholders' Relationship Committee;

c) Nomination and Remuneration Committee;

d) Risk Management Committee; and

e) Corporate Social Responsibility Committee.

Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance are provided below.

AUDIT COMMITTEE

The Audit Committee was constituted at the Board meeting held on December 12, 2024 pursuant to Section 177 of the Companies Act, 2013. During the Financial Year 2025-26, the Company held Seven (07) Audit Committee meeting on April 20, 2025, June 10, 2025, August 21, 2025, November 13, 2025, November 21, 2025, February 5, 2026, and February 14, 2026.

The composition of the Committee as on March 31, 2026 and the details of meetings attended by its members during the financial year 2025-26 are given below:

Sl No	Director	Designation	No. of Meeting Entitled	No. of Meeting Attended
1	Sudhanshu Mani	Chairman	7	7
2	Tilak Raj Seth	Member	7	7
3	Dakshna Moorthy Manikandan	Member	7	7

All recommendations of Audit Committee during the year under review were accepted by the Board of Directors. Company Secretary acted as the secretary of the Committee. The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 177 of the Companies Act, 2013 and available on the website of the Company at https://www.airflow.co.in/pdf/Policies

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been formed by the Board of Directors, at the meeting held on December 12, 2024. During the Financial Year 2025-26, the Company held four (4) nos of Stakeholder's Relationship Committee meeting on September 26, 2025, November 13, 2025, December 10, 2025 & February 14, 2026.

The composition of the Committee and the details of meetings attended by its members are given below:-

Sl No	Director	Designation	No. of Meeting Entitled	No. of Meeting Attended
1	Sudhanshu Mani	Chairman	4	4
2	Dakshinamoorthy Venkatesan	Member	4	4
3	Dakshna Moorthy Manikandan	Member	4	4

The Company Secretary acted as the secretary of the Committee. The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 is available on the website of the Company at https://www.airflow.co.in/.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on December 12, 2024. During the Financial Year 2025-26, the Company held one (02) Nomination and Remuneration Committee meeting on August 21, 2025 and November 13, 2025.

The composition of the Committee and the details of meetings attended by its members are given below:

Sl No	Director	Designation	No. of Meeting Entitled	No. of Meeting Attended
1	Sudhanshu Mani	Chairman	2	2
2	Tilak Raj Seth	Member	2	2
3	Manikandan Nanthini	Member	2	2

The Company Secretary acted as the secretary of the Committee. The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and Listing Regulations and is available on the website of the Company at https://www.airflow.co.in/.

In pursuant to the provisions of section 178 (4) of the Companies Act, 2013, the Nomination and Remuneration Policy recommended by the Nomination and Remuneration committee is duly approved by the Board of Directors of the Company. Policy is disclosed on the website of the Company viz. https://www.airflow.co.in/.

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee was constituted at a meeting of the Board of Directors held on December 12, 2024. During the Financial Year 2025-26, the Company held One (1) Risk Management Committee on February 14, 2026.

The composition of the Committee and the details of meetings attended by its members are given below:

Sl No	Director	Designation	No. of Meeting Entitled	No. of Meeting Attended
1	Sudhanshu Mani	Chairman	1	1
2	Tilak Raj Seth	Member	1	1
3	Dakshna Moorthy Manikandan	Member	1	1

The Company Secretary acted as the secretary of the Committee. The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and Listing Regulations and is available on the website of the Company at https://www.airflow.co.in/pdf/Policies.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been formed by the Board of Directors, at the meeting held on June 19, 2025 in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules 2014. During the Financial Year 2025-26, the Company held 01 (One) Corporate Social Responsibility Committee meeting on 21st August, 2025.The composition of the Committee and the details of meeting attended by its members are given below:

Sl No	Director	Designation	No. of Meeting Entitled	No. of Meeting Attended
1	Dakshna Moorthy Manikandan	Chairman	01	01
2	Manikandan Nanthini	Member	01	01
3	Tilak Raj Seth	Member	01	01

The Company Secretary acted as the secretary of the Committee. The Corporate Social Responsibility Policy of the Company is available on the website of the Company at https://www.airflow.co.in/pdf/Policies.

DECLARATION OF INDEPENDENT DIRECTORS:

The Company has received necessary declarations from all Independent Directors of the Company in accordance with the provisions of Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company endeavors, through presentations at regular intervals to familiarize the Independent Directors with the strategy, operations and functioning of the Company.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at https://www.airflow.co.in/pdf/Policies-21.08.2025/4.%20Familiarisation-Programme-of-IDs%20(1).pdf.

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS:

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company https://www.airflow.co.in/pdf/Policies.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Independent Directors of the Company met separately on 30th March, 2026 without the presence of Non-Independent Directors and members of Management. In accordance with the provisions under Section 149 and Schedule-IV of the Act, following matters were, inter alia, reviewed and discussed in the meeting:

i) Performance of Non-Independent Directors and the Board of Directors as a whole;

ii) Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors;

iii) Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

CRITERIA FOR PAYMENT TO NON-EXECUTIVE DIRECTORS

The Company has adopted a policy on remuneration of Directors, Key Managerial Personnel and Senior Management Personnel based on the recommendations of the Nomination and Remuneration Committee, in terms of the provisions of Section 178 of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Non-Executive Directors are paid remuneration by way of sitting fees for attending meetings of the Board and Committees thereof and reimbursement of expenses incurred for participation in such meetings, within the limits approved by the shareholders and permitted under applicable laws.

The payment of remuneration to Non-Executive Directors is in accordance with the Nomination and Remuneration Policy of the Company and within the limits prescribed under the Companies Act, 2013 and SEBI regulations.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The annual evaluation process of the Board, Individual Directors and Committees was conducted in accordance with the provision of the Act and the SEBI Listing Regulations. The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the SEBI.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of Non-Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the performance of Chairman of the Board, taking into account the views of Executive and Non-Executive Directors in the aforesaid Meeting. The Board also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluations were then discussed in the Board Meeting and performance evaluation of Independent directors was done by the entire Board, excluding the Independent Director being evaluated.

VIGIL MECHANISM AND WHISTLE-BLOWER POLICY

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy in accordance with the provisions of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 7 of the Companies (Meeting of the Board and its Power) Rules 2014. The policy enables directors, employees and business associates to report unethical behaviour, malpractices, wrongful conduct, fraud, violation of Company's code of conduct, leak or suspected leak of unpublished price sensitive information without fear of reprisal for appropriate action. Under the vigil mechanism, all directors, employees, business associates have direct access to the Chairman of the Audit committee. The whistle blower policy can be accessed at https://www.airflow.co.in/pdf/Policies-21.08.2025/11.%20Vigil%20Mechanism%20Whistle%20Blower%20Policy.pdf.

CODE FOR PREVENTION OF INSIDER-TRADING:

Post listing of Equity Shares of the company, in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place the following: -

1. Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI).
2. Policy for determination of "legitimate purposes" forms part of this Code.
3. Policy and procedures for inquiry in case of leak of UPSI/ suspected leak of UPSI

All compliances relating to Code of Conduct for Prevention of Insider Trading which includes maintenance of structural digital data base (SDD) are being managed through a software installed by the Company in-house including maintenance structural digital data base (SDD). This code lays down guidelines advising the designated employees and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of the company, and while handling any unpublished price sensitive information.

CODE OF CONDUCT

Commitment to ethical professional conduct is a must for every employee including Board members and senior management personnel of the company. The duties of Directors including duties as an Independent Director as laid down in the Act also forms part of the Code of Conduct. The Code of Conduct is available on the website of the Company https://www.airflow.co.in/pdf/Code%20of%20Conduct%20for%20Independent%20Directors.pdf. All Board members and senior management personnel affirm compliance with the Code of Conduct annually.

POLICIES OF THE COMPANY

The Company is committed to a good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of professionalism and building shareholder equity with principles of fairness, integrity and ethics. The Board of Directors of the Company have from time to time framed and approved various Policies as required by the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. These Policies and Codes are reviewed by the Board and are updated, if required. The aforesaid policies can be accessed at https://www.airflow.co.in/pdf/Policies.

REGISTRAR AND TRANSFER AGENT (RTA)

The Company appointed KFIN Technologies Limited as its RTA. Details of the RTA are given below.

KFIN TECHNOLOGIES LIMITED

Address:
301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road,
Nav Pada, Kurla (West), Kurla, Mumbai, Mumbai,
Maharashtra, India, 400070
Toll-free No.: 1800 309 4001
Website: www.kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221
CIN: L72400MH2017PLC444072

DEMATERIALISATION OF SHARES

The Company has entered into tripartite agreements for dematerialization of equity shares with the KFIN Technologies Limited, National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2026, the shares of the Company held in demat form represents 100% of the total issued and paid-up capital of the Company.

The ISIN for the Equity shares of the Company is INE0XBS01012.

POSTAL BALLOT

During the year under review, no resolution was passed through postal ballot.

PENALTIES

During the year under review, there were no penalties, strictures imposed on the company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, except, the fine of ₹5,000/- levied by the Stock Exchange for the delay in disclosure of the related party transaction details for the half year ended 30th September 2025 as required under Regulation 23(9) of SEBI (LODR) Regulations, 2015 and the penalties imposed by the Registrar of Companies, Chennai (RoC) on various suo motto adjudication applications preferred by the company before the RoC the details of which are provided in this Report.

SCORES

SEBI processes investor complaints in a centralized web-based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The company uploads the action taken on the complaint which can be viewed by the shareholder. The company and shareholder can seek and provide clarifications online through SEBI.

RECONCILIATION OF SHARE CAPITAL AUDIT

Pursuant to Regulation 76 of Securities and Exchange Board of India (Depositories Participants) Regulations, 2018 a Company Secretary in Practice carries out audit of Reconciliation of Share Capital on quarterly basis to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The said report, duly signed by practicing company secretary is submitted to stock exchanges where the securities of the company are listed within 30 days of the end of each quarter and this Report is also placed before the Board of Directors of the company.

CREDIT RATING

In the absence of issue of any debt securities, the Company has not obtained any credit rating with respect to any debt securities. Further, CRISIL has assigned a long-term rating of BBB-/ Stable and short-term rating of CRISIL A3 for the credit facilities availed by the Company from Banks.

APPOINTMENT OF MONITORING AGENCY

Pursuant to Regulation 262 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated August 06, 2025, Crisil Ratings Limited (CRISIL), has been appointed as Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations to monitor and submit its report towards utilization of proceeds of IPO on quarterly basis. The quarterly report submitted by CRISILis regularly placed before the Board for its noting and approval.

UTILIZATION OF ISSUE PROCEEDS / DEVIATIONS

During the year under review, Pursuant to the Company's Initial Public Offer ("IPO" / "Issue"), the Company raised an aggregate amount of ₹9,109.80 Lakhs through a fresh issue of 65,07,000 equity shares. After deducting issue-related expenses, the net proceeds received by the Company amounted to ₹8,884.80 Lakhs ("IPO Proceeds"). The IPO Proceeds were proposed to be utilized towards the objects of the Issue as detailed in the Prospectus dated 16th September, 2025, in accordance with the proposed schedule and manner of utilization stated therein.

The details of the proposed utilization of IPO Proceeds are as follows:

Sr. No.	Particulars	Amount (₹ In Lakhs)
1	Capital expenditure towards purchase of machinery and equipment	1,367.78
2	Repayment of a portion of certain outstanding borrowing availed by our company	600.00
3	Funding working capital requirements	5,927.02
4	General Corporate Purposes	990.00
	Total	**8,884.80 ***

**Total issue size is ₹9,109.80 lakhs, Including Issue Related Expenses of ₹225.00 lakhs*

The details of the Utilisation / Variation of IPO proceeds as on 31st March 2026 is as follows:

Sr. No.	Item Head#	Amount as proposed in the Offer Document (₹ in lakh)	Total at the end of the Financial Year 2026 (₹ in lakhs)	% of unutilized amount as per prospectus	
				Un utilized Amount	% of Utilized Amount
1	Capital expenditure towards purchase of machinery and equipment	1,367.78	291.08	1,076.70	21.19
2	Repayment of a portion of certain outstanding borrowing availed by our company	600.00	600.00	0.00	100
3	Funding working capital requirements	5,927.02	5,927.02	0.00	100
4	General Corporate Purposes	990.00	990.00	0.00	100
5.	Issue Related Expenses	225.00	222.57	0	100
	Total	**9,109.80**	**8030.67**	**1,076.70**	

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

The Company has not made any application or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the Financial Year under review, there has been no incident of one-time settlement for loan taken from the banks of financial institutions.

DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

As per the information available with the Company, there are no agreements entered into by the shareholders, Promoters, Promoters Group entities, Related Parties, Directors, Key Managerial Personnel, Employees of the Company, its subsidiaries and associates companies which are binding the Company in terms of clause 5A of Para A of Part A of Schedule III of the Listing Regulations.

INVESTOR GRIEVANCE REDRESSAL

During the period since listing of shares of the company to the date of this report, there were no complaints received from the investors. The designated email id for Investor complaint is cs@airflow.co.in.

COMPLIANCE OFFICER DETAILS AND ADDRESS FOR CORRESPONDENCE

Mr. Haraprasad Rout,
Company Secretary & Compliance Officer
Registered office: No. 9, Chelliamman Koil Street, Keelkttalai, Chennai-600117, Tamil Nadu, India.
Contact No. +91 9600615940;
E-mail: cs@airflow.co.in

DESIGNATED PERSON RESPONSIBLE FOR FURNISHING INFORMATION ON THE BENEFICIAL INTERESTS IN SHARES OF THE COMPANY

Mr. Haraprasad Rout (Mem.No:A18749), who was appointed as Company Secretary with effect from 14/11/2025, has also been designated as the responsible person for furnishing information on beneficial interests in the Company's shares.

BUSINESS LOCATIONS

As on March 31, 2026, the company has its place of business in the following location;

Registered Office- Cum-Manufacturing Unit	No 9, Chelliamman Koilstreet, Keelkttalai, Chennai, 600117, Tamil Nadu,India,
Corporate Office:	4/169, 3rd Floor, Lotte India Building, Rajiv Gandhi Salai (Old Mahabalipuram Road), Kandhachavadi, Perungudi, Chennai-600096, Tamil Nadu, India.
Manufacturing Unit	4D, Boopathy, Nagar Industrial, Area, Kilkattalai,, Chennai, Kancheepuram,Tamil Nadu - 600117
Manufacturing Unit	No.127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram- 631604, Chennai, Tamil Nadu

ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the government and regulatory authorities, stock exchange, financial institutions, banks, business associates, customers, vendors, members, for their co-operation and support and looks forward to their continued support in future. The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company.

For and on behalf of the Board of Directors of
AIRFLOA RAIL TECHNOLOGY LIMITED

	Sd/-	Sd/-
	Dakshinamoorthy Venkatesan	**Dakshna Moorthy Manikandan**
Place: Chennai	Managing Director	Joint Managing Director
Date: 30.05.2026	DIN:00232210	DIN: 00232275

Annexure-I to the Board's Report

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014);

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Not Applicable
B	Nature of contracts/arrangements/transactions	
C	Duration of the contracts/arrangements/transactions	
D	Salient terms of the contracts or arrangements or transactions including the value, if any	
E	Justification for entering into such contracts or arrangements or transactions	
F	Date of approval by the Board	
G	Amount paid as advances, if any	
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(Amount ₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Total value, if any during the year	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
Dakshinamoorthy Venkatesan, Managing Director	Rent paid	2025-26	Lease/rental of premises/property for business purposes at mutually agreed rent and other terms,	15.60	01.04.2025	-
Dakshna Moorthy Manikandan Joint Managing Director	Rent paid	2025-26		11.40		-
V.Revathy Relative of Managing Director	Rent Paid	2025-26		8.40		-
Manikandan Nanthini	Rent Paid	2025-26		8.40		-
Raghavendra Industries (Controlled by Relative of Director)	Purchase of Goods	2025-26	In the ordinary course of business at prevailing market/ commercial terms	77.4		-
	Sale of Goods			10.41		
Starkeon Engineering Private Limited (Controlled by Relative of Director)	Purchase of Capital Assets	2025-26	based on mutually agreed commercial terms and specifications	210.000		29.69

For and on behalf of the Board of Directors of
AIRFLOA RAIL TECHNOLOGY LIMITED

Sd/-
Dakshinamoorthy Venkatesan
Managing Director
DIN:00232210

Sd/-
Dakshna Moorthy Manikandan
Joint Managing Director
DIN: 00232275

Place: Chennai
Date: 30.05.2026

Annexure-II to the Board's Report

FORM NO. AOC 1

Statement containing salient features of the financial statement of subsidiaries/Associate companies/ joint ventures

Part "A": Subsidiaries (Amount in ₹ lakhs)

S. No.	Name of the subsidiary and CIN	Sree Dakssnaa Aerospace and Defence India Private Limited CIN: U30305TN2024PTC170955
1.	The date since when Subsidiary was acquired	June 11, 2024
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31/03/2026
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4.	Share capital (₹)	1.25
5.	Reserves & surplus	297.91
6.	Total assets	314.66
7.	Total Liabilities	15.50
8	Investments	0
9.	Turnover	0
10.	Profit / (Loss) before taxation	(0.52)
11.	Provision for taxation-Deferred Tax	0
12.	Profit / (Loss) after taxation	(0.52)
13.	Proposed Dividend	0
14.	% of Shareholding	79.20

The following information shall be furnished:

1. Names of subsidiaries which are yet to commence operations: M/s. SREE DAKSSNAA AEROSPACE AND DEFENCE INDIA PRIVATE LIMITED - The aforesaid subsidiary is yet to commence operations.
2. Names of subsidiaries which have been liquidated or sold during the year- NIL

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures		NA
1.	Date on which the associate or JV was associated or acquired by the company	NA
2.	Latest audited Balance Sheet Date	NA
3.	Shares of Associate/Joint Ventures held by the company on the year end	NA
	Nos.	NA
	Amount of Investment in Associates/Joint Venture	NA
	Extend of Holding %	NA
4.	Description of how there is significant influence	NA
5.	Reason why the associate/joint venture is not consolidated	NA
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	NIL
7.	Profit / Loss for the year	
	i. Considered in Consolidation	NIL
	ii. Not Considered in Consolidation	

The following information shall be furnished:-

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors of
AIRFLOA RAIL TECHNOLOGY LIMITED

Sd/-
Dakshinamoorthy Venkatesan
Managing Director
DIN:00232210

Sd/-
Dakshna Moorthy Manikandan
Joint Managing Director
DIN: 00232275

Sd/-
Papa Sanjeevi Karunakaran
(CFO)
PAN-AZWPK0854H

Sd/-
Haraprasad Rout
(Company Secretary)
ACS 18749

Place: Chennai
Date: 30.05.2026

Annexure-III to the Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
AIRFLOA RAIL TECHNOLOGY LIMITED
CIN: L30204TN1998PLC041571
Registered Office: N0 9, Chelliamman Koil Street
Keelkttalai, Chennai-600117
Tamil Nadu, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AIRFLOA RAIL TECHNOLOGY LIMITED having CIN L30204TN1998PLC041571 (hereinafter called the company) for the financial year ended March 31, 2026 ("Audit Period"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and representations made by the Management, I hereby report that in my opinion, the company has, during the audit period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (applicable from September 18, 2025, the date of listing of equity shares on BSE EMERGE Platform):-

    a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

    b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    e. The Securities and Exchange Board of India (Depositories and Participants Regulations, 2018)

    f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – No events / actions occurred during the Audit Period coming under the purview of this regulation.

    g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – No events / actions occurred during the Audit Period coming under the purview of this regulation;

h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; – No events / actions occurred during the Audit Period coming under the purview of this regulation; and

j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; – No events / actions occurred during the Audit Period coming under the purview of this regulation;

(vi) Other specifically applicable laws to the Company:

As informed by the management, there are no other laws applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

(ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Ltd (BSE) in respect of listing of equity shares of the company on BSE EMERGE Platform.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

During the period under review, the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above, except for certain delayed filings/non-compliances, including the following:

i. The disclosure of Related Party Transactions under Regulation 23(9) of SEBI LODR Regulations for the half-year ended 30th September 2025 was filed with a delay of one day. The consequential fine of ₹5,000 levied by the Stock Exchange was duly paid.

ii. Certain disclosures/documents required to be hosted/updated on the Company's website under Regulation 46 of SEBI LODR Regulations and Section 92(3) of the Companies Act, 2013 were not duly updated/hosted during the period under review.

iii. Certain statutory forms/returns were filed with delay on payment of applicable additional fees. Further, e-Form MGT-14 in respect of borrowings from Mercedes-Benz Financial Services India Private Limited and SIDBI, and modification of borrowing facilities from Union Bank of India, remained to be filed.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including a Woman Director. The Key Managerial Persons (KMPs) required by the Companies Act, 2013 under the provisions of section 203 has been appointed. The changes in the composition of the Board of Directors and KMPs that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors for the meetings of the Board and Committees except where consent of directors was received for scheduling meeting at a shorter notice, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors.

Decisions at the meetings of the Board of Directors/ Committees of the Company were carried unanimously. I was informed that there were no dissenting views of the members on any of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

I further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory auditors, tax auditors and other designated professionals

I further report that as per the explanations given to me, by the company, its officers and authorised representatives during the conduct of the audit and compliance certificate (s) placed before the board meeting, the representation made by the Management and relied upon by me, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

I further report that during the audit period, there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.:

1. Approval of Board of Directors in their Board meeting held on 21st November 2025 for investment of upto ₹25.00 Crores (Rupees Twenty Five Crores only) in tranches by way of acquisition of Compulsory Convertible Debentures to be issued by Big Bang Boom Solutions Private Limited on or before 30th June 2026.

2. Initial Public Offer (IPO) of 65,07,000 Equity Shares of the face value of ₹10/-each at premium of ₹130/- per equity share and consequent listing of equity shares of the company on EMERGE Platform of Bombay Stock Exchange Limited ("BSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 with effect from September 18, 2025.

3. Resignation of Mr. Thyagarajan Sivakumar (Membership No. A8192) as the Company Secretary cum Compliance Officer of the Company, w.e.f 13/11/2025

4. Appointment of Mr. Haraprasad Rout (Membership No. A18749) as the Company Secretary cum Compliance Officer of the Company, w.e.f 14/11/2025

5. During the year under review, certain compounding and adjudication proceedings arising out of suo motu applications made by the Company in respect of past non-compliances under the Companies Act, 2013 were concluded. The Regional Director, Southern Region, Ministry of Corporate Affairs, vide orders dated 29th August 2025, compounded the offences relating to Section 96(1) for FY 2022-23 and Section 148(3) for FYs 2018-19 to 2022-23.

6. The Registrar of Companies, Chennai, vide orders dated 7th January 2026 and 20th January 2026, adjudicated the non-compliances under Sections 135(5) and 135(6) for FYs 2019-20 to 2022-23 and imposed penalties on the Company and the officers concerned. The Company has preferred appeals against the adjudication orders passed by the Registrar of Companies, Chennai before the Regional Director, Southern Region, Ministry of Corporate Affairs, on 6th March 2026.

For **SKD & ASSOCIATES**
Company Secretary in Practice
Firm Regn. No. S2023TN958600

Sd/-
Susanta Kumar Dehury
Proprietor
Membership No. F.7408
C.P.No. 27050
Peer Review Cert No. 7582/2026
UDIN Number: F007408H000548575

Date: 30/05/2026
Place: Chennai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

Annexure – A

To,
The Members,
AIRFLOA RAIL TECHNOLOGY LIMITED
CIN: L30204TN1998PLC041571
Registered Office: N0 9, Chelliamman Koil Street
Keelkttalai, Chennai-600117
Tamil Nadu, India

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SKD & ASSOCIATES**
Company Secretary in Practice
Firm Regn. No. S2023TN958600

Sd/-
Susanta Kumar Dehury
Proprietor
Membership No. F.7408
C.P.No. 27050
Peer Review Cert No. 7582/2026
UDIN Number: F007408H000548575

Date: 30/05/2026
Place: Chennai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To:
The Members
AIRFLOA RAIL TECHNOLOGY LIMITED
CIN: L30204TN1998PLC041571

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AIRFLOA RAIL TECHNOLOGY LIMITED having CIN L30204TN1998PLC041571 and registered office at N0 9, Chelliamman Koil Street Keelkttalai Chennai-117, Tamil Nadu, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31 March, 2026, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in the Company
1	DAKSHINAMOORTHY VENKATESAN	00232210	14/12/1988
2	DAKSHNA MOORTHY MANIKANDAN	00232275	18/08/2005
3	MANIKANDAN NANTHINI	08561378	24/07/2024
4	VENKATESAN SATHISHKUMAR	08561438	24/07/2024
5	SUDHANSHU MANI	10124439	24/07/2024
6	TILAK RAJ SETH	07027068	28/08/2024

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SKD & ASSOCIATES**
Company Secretary in Practice
Firm Regn. No. S2023TN958600

Sd/-
Susanta Kumar Dehury
Proprietor
Membership No. F.7408
C.P.No. 27050
Peer Review Cert No. 7582/2026
UDIN Number: F007408H000548575

Date: 30/05/2026
Place: Chennai

Annexure-IV to the Board's Report

CSR ACTIVITIES FOR THE FY 2025-26

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2025-26

Brief outline on CSR Policy of the Company:

The Company's focus areas are education, healthcare, skill development, Promotion and Development of Promoting Environmental Sustainability, Empowering Women and Youth, Serving Rural and Remote Communities, Fostering Child Welfare, Enhancing Community Health, Promoting Awareness on Consumer Rights and Market Trends and Supporting Income Generation Initiatives and infrastructure improvement.

The Company's has incorporated CSR Policy making it more comprehensive and in alignment with the broad framework of Schedule VII of the Companies Act, 2013. The Company is committed to Corporate Social Responsibility and strongly believes that the business objectives of the Company must be in congruence with the legitimate development needs of the society in which it operates.

1. **Composition of CSR Committee:**

   The Corporate Social Responsibility Committee of the Company was duly constituted on June 19, 2025, in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the applicable rules made thereunder with the following Directors as it's Members.

Sl no.	Name of Director	Designation in the Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01	Dakshna Moorthy Manikandan	Chairman	01	01
02	Manikandan Nanthini	Member	01	01
03	Tilak Raj Seth	Member	01	01

2. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. - https://www.airflow.co.in/investor-relation/

3. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – Not Applicable

4. a) Average net profit of the company as per sub-section (5) of section 135: ₹18,87,13,642/-

   b) Two percent of the average net profit of the company as per sub-section (5) of section 135: ₹37,74,273/-

   c) Surplus arising out of CSR Projects, programmes, or activities from previous financial years: Nil

   d) Amount required to be set off for the financial year, if any: ₹3,850.00/-

   e) Total CSR obligation for the financial year = (b) + (c) - (d): ₹37,70,423/-

5. (a) Amount spent on CSR Projects (including both Ongoing Projects and other Projects): ₹ 38,00,000/-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in chedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Reg Number
1.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	II	Yes	Tamil Nadu	Chengalpettu	10,00,000/-	No	Paradise Home	CSR00013719
2.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	II	No	Bihar	Patna	19,00,000/-	No	Satyam Sri	CSR00008611
3.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	II	Yes	Tamil Nadu	Kancipuram	9,00,000/-	No	Vidya Sagar	CSR00003082
	TOTAL					38,00,000/-			

(b) Amount spent on Administrative Overheads.: NIL

(c) Amount spent on Impact Assessment, if applicable. NIL

(d) Total amount spent for the Financial Year = (a) + (b) + (c): 38,00,000/-

(e) CSR amount spent or Unspent for the Financial Year:

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per Sub Section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per Second Proviso to Sub – Section (5) of Section 135		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
38,00,000/-	Nil	Nil	Nil	Nil	Nil

(F) Excess amount for set-off, If any.

Sl No	Particular	Amount (In ₹)
1	2	3
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	37,74,273.00
(ii)	Total amount spent for the Financial Year	38,00,000.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	25,727.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	00
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	25,727.00

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, If any
					Amount (in ₹)	Date of Transfer		
1	2024-25	-	-	-	-	-	-	-
2	2023-24	-	-	-	-	-	-	-
3	2022-23	19,64,272.00	-	-	19,64,272.00	24-12-2024	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **None**

If Yes, enter the number of Capital Asset created/Acquired: **None**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable Name Registered address	Name	Registered Address
NIL							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

For and on behalf of the Board of Directors of
AIRFLOA RAIL TECHNOLOGY LIMITED

Sd/-
Dakshinamoorthy Venkatesan
Managing Director
DIN: 00232210

Sd/-
Dakshna Moorthy Manikandan
Joint Managing Director/Chairman of the CSR Committee
DIN: 00232275

Place: Chennai
Date: 30.05.2026

Annexure-V to the Board's Report

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(Pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014)

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are as under: -

(a) Conservation of Energy

(i)	the steps taken or impact on conservation of energy;	i) The company is using latest technologies and installing energy efficient solutions wherever available. ii) Conducting awareness and sensitization programmes for employees on responsible energy usage. iii) Regulated and optimized use of plant, machinery and allied equipment. iv) The company is continuously in the monitoring energy usage to conserve energy. v) Continuous monitoring to minimize wastage and optimize energy consumption in manufacturing processes.
(ii)	the steps taken by the company for utilising alternate sources of energy;	The Company is actively exploring viable options for adoption of alternate and renewable sources of energy to reduce dependency on conventional power.
(iii)	the capital investment on energy conservation equipments;	During the year, the Company has not incurred any capital expenditure towards installation of energy conservation equipment.

(b) Technology Absorption

(i)	the efforts made towards technology absorption;	The Company uses latest technologies wherever possible. The company understands its strength lies in adaptation of new technologies and keen on implementation. Efforts focus on adoption of latest technologies and innovation to improve productivity and quality of services/products. Improvement in product quality.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	No technology has been imported
	(a) the details of technology imported;	
	(b) the year of import;	
	(c) whether the technology been fully absorbed;	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	the expenditure incurred on Research and Development.	Nil

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

₹ in Lakhs

Particulars		2025-26	2024-25
1)	Earnings in foreign currency	0	0
2	Foreign Exchange outgo: Value of imports on CIF Basis	243.62	735.81

For and on behalf of the Board of Directors of
AIRFLOA RAIL TECHNOLOGY LIMITED

	Sd/-	Sd/-
	Dakshinamoorthy Venkatesan	**Dakshna Moorthy Manikandan**
Place: Chennai	Managing Director	Joint Managing Director
Date: 30.05.2026	DIN:00232210	DIN: 00232275

Annexure-VI to the Board's Report

PARTICULARS OF EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1), Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2026]

1. a). The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2025-26 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year.

Sr. No.	Name of Directors / Key Managerial Person	Designation	Ratio of Remuneration to Median Remuneration	% Increase in the Remuneration
1.	Dakshinamoorthy Venkatesan	Managing Director	27.78	Nil
2.	Dakshna Moorthy Manikandan	Joint Managing Director	27.78	Nil
3.	Venkatesan Sathishkumar	Whole time Director	8.89	Nil
KEY MANAGERIAL PERSONNEL				
4.	Papa Sanjeevi Karunakaran	Chief Financial Officer	2.76	Nil
5.	Haraprasad Rout	Company Secretary	1.68*	Nil

Notes:

Note 1: Non-Executive Directors are paid remuneration only by way of sitting fees. The remuneration package of the above Directors was approved by the Board of Directors and which were also approved by the Members of the Company at the General Meeting. For the Computation of median remuneration of the employees of the Company for the Financial Year 2025-26, Gross Salary paid to each employee is taken into consideration.

Note 2: The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors of the Company other than payment of the sitting fees for attending meetings. During FY 2025-26, the Company did not advance any loan to any of its Directors.

Note 3: Remuneration of the executive directors consists of a salary and other benefits. The Nomination and Remuneration Committee makes annual appraisal of the performance of the Executive Directors based on a detailed performance evaluation, and recommends the compensation payable to them, within the parameters approved by the shareholders, to the Board for their approval.

Note 4: There is no increase in the remuneration payable to Mr. Dakshinamoorthy Venkatesan (DIN:00232210), Mr. Dakshna Moorthy Manikandan (DIN:00232275), Mr. Venkatesan Sathishkumar (DIN:08561438), Mr. Haraprasad Rout (PAN:AKGPR4705H), CS and Mr. Papa Sanjivi Karunakaran (PAN:AZWPK0854H) CFO of the Company as their employment in the present position was only for a part of the previous financial year.

***Note 5:** The Company secretary is employed for a part of the financial year, effective from 14th November, 2025.

b) The percentage increase in the median remuneration of employees in the Financial Year:

There was no increase in the median remuneration of employees in the Financial Year 2025-26.

c) The number of permanent employees on the rolls of Company: The number of permanent employees on the rolls of Company as on March 31, 2026 was 329.

d) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was no increase in the salaries of the employees other than the managerial personnel as compared to last year. During the year there was no also increase in the managerial remuneration.

e) The key parameters for any variable component of remuneration availed by the directors; -
Not Applicable

f) Affirmation that the remuneration is as per the Remuneration Policy of the Company:
It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

Explanation: - For the purposes of this rule:-

(i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;

(ii) if there is an even number of observations, the median shall be the average of the two middle values.

2. a) The names of the top ten employees in terms of remuneration drawn:

Name	Designation	Yearly Remuneration (₹)	Nature of Employment (Contractual or otherwise)	Qualification & Experience	Date of Commence-ment of employment	Age	Last Employment Held	% of Equity Shares held	Relation with any Director or Manager
Dakshinamoorthy Venkatesan	Chairman & Managing Director	75,00,000	Fixed term	Graduate	14/12/1998	61	N.A.	27.10	1. Brother of Manikandan Dakshna moorthy 2. Brother-in-law of Nandhini Manikandan 3. Father of Sathishkumar Venkatesan
Dakshna Moorthy Manikandan	Joint Managing Director	75,00,000	Fixed Term	Bachelor of Engineering	18/08/2005	46	N.A.	27.10	1. Brother of Dakshinamoorthy Venkatesan. 2. Spouse of Nandhini Manikandan. 3. Uncle of Sathishkumar Venkatesan.
Venkatesan Sathishkumar	Wholetime Director.	24,00,000	Fixed Term	Bachelor of Engineering	24.07.2024	35	N.A.	0	1. Son of Dakshinamoorthy Venkatesan 2. Nephew of Manikandan Dakshna Moorthy. 3. Nephew of Nandhini Manikandan
Mohan Gandhi	Head - Plant Operation	48,00,000	Permanent	Bachelor of Engineering	01.01.2026	56	Sieges Spintech Equipments Pvt. Ltd	0	N.A.
Suresh Mohan	Head -EB	26,46,600	Permanent	Bachelor of Engineering	17.12.2025	48	Robert Bosch India	0	N.A.
Rajendrakumar S	Head -Designing	24,00,000	Permanent	Bachelor of Engineering	19.12.2018	45		0	N.A.
Mani Raja C	GM-HR	24,00,000	Permanent	MBA-HR	15.11.2025	48		0	N.A.
Arun Raja Thangavel	HO -Design	19,44,000	Permanent	Bachelor of Engineering	01.11.2025	46	BFG International Pvt Ltd	0	N.A.
U Gunaselvan	HO-Design	12,00,000	Permanent	Bachelor of Engineering	16.10.2023	47	KTK Transport Equipment Pt. Ltd.	0	N.A.
Siva R	Sr. Mgr-Finance	11,50,000	Permanent	MBA	02.02.2026	35	Gourmet Popcornica PVT LTD	0	N.A.

b) The name of every employee, who-

i) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;

There were no employee employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees

ii) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month

There were no employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.

iii) If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

There was no employee employed throughout the financial year or part thereof, who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

iv) Employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month:

There are no employees who are posted outside India.

For and on behalf of the Board of Directors of
AIRFLOA RAIL TECHNOLOGY LIMITED

	Sd/-	Sd/-
	Dakshinamoorthy Venkatesan	**Dakshna Moorthy Manikandan**
Place: Chennai	Managing Director	Joint Managing Director
Date: 30.05.2026	DIN:00232210	DIN: 00232275

INDEPENDENT AUDITOR'S REPORT

ON STANDALONE FINANCIAL STATEMENT

To the Members of Airfloa Rail Technology Limited (Formerly known as Airfloa Rail Technology Private Limited (or) Airflow Equipments (India) Private Limited)

Report on the audit of Financial Statements

Opinion

We have audited the standalone financial statements of Airfloa Rail Technology Limited (Formerly known as **Airfloa Rail Technology Private Limited or Airflow Equipments (India) Private Limited)** ("the Company") which comprise the Balance Sheet as at **March 31, 2026** and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the statement of affairs of the Company as at **March 31, 2026** its Profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether the other information is materially in consistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of such other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, and financial performance, and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to Going Concern and using the Going Concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable Assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of the audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a Going Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a Going Concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditors' Report) Order, 2020, issued by the Central Government in terms of Section 143(11) of the Act, we give in the **Annexure A**, a Statement on the matters specified in the Order.

   a. As required by Section 143(3) of the Act, we report that:

      (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

      (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books;

      (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement, dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of these financial statements;

      (d) In our opinion, the financial statements comply with the Accounting Standards specified under section 133 of the Act;

      (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to adequacy of Internal Financial Controls with reference to Financial statements and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements;

(g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, as amended, in our opinion and to the best of our information and the explanations given to us;

- The Company has disclosed the impact of pending litigations on its financial statements.
- The Company has not entered into long term contracts including derivative contracts.
- There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the company.

  (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Notes to the Accounts, no funds have been advanced or loaned or invested (either from Borrowed Funds or Share Premium or any other sources or kind of funds) by the Company to or in any other persons or Entities, including Foreign Entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

  (ii) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Notes to the Accounts, no funds have been received by the Company from any persons or entities, including Foreign Entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other Persons or Entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

  (iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under above sub–clause (i) and (ii) contain any material mis–statement.

- No Dividends have been declared or paid during the year by the Company. So, the issue of reporting compliance with Sec. 123 of the Companies Act, 2013 does not arise.
- Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.

For **Varadarajan & Co**
Chartered Accountants
Firm Regn.No. 004515S

Sd/-
CA V.Sadagopan, FCA
Partner,
Membership No. 022618
UDIN:26022618PPAYSV7607

Place: Chennai
Date: 30/05/2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Refer para 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Financial Statements of the Company for the year ended 31 March 2026)

1) Property, Plant and Equipment:

a) The Company has maintained proper records to show the full particulars including quantitative details and situation of Property, Plant and Equipment.

b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with the phased programme of verification which, in our opinion is reasonable having regard to the size of the Company. According to the information and explanations given to us, no material discrepancies were noticed during such verification.

c) According to information given to us and on the basis of our examination of records of the Company, the title deeds of all the immovable properties (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

d) The Company has not revalued its PPE (including Right of Use Assets) or Intangible Assets or both during the year. Hence, the reporting as to whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if change is 10% or more in the aggregate of the Net Carrying Value of each class of PPE or Intangible Assets, is not applicable to the Company.

e) According to information and explanations given to us and on the basis of our examination of the records of the Company produced before us, no proceedings have been initiated or are pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder. The question of whether the Company has appropriately disclosed the details in its Financial Statements, is not applicable to the Company.

2) Inventories:

(a) According to information and explanations given to us, the Management of the Company has conducted the physical verification of inventory at reasonable intervals.

(b) In our opinion, the coverage and procedure of such verification by the Management is appropriate during such verification, discrepancies of 10% or more in the aggregate for each class of inventory have not been noticed. The discrepancies noted were not material and have been suitably dealt with in Books of Account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned Working Capital Limits in excess of ₹5 Crores, from Banks or Financial Institutions on the basis of security of Current Assets. As per the information provided to us, the quarterly returns / statements filed by the company with such banks or financial institutions are in agreement with the books of accounts of the company.

3) Loans to Directors and Interested Parties: During the year, the Company has not provided any Guarantee or Security or granted any Loans or Advances in the nature of Loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. So, reporting under Para 3(iii) of the Order is not applicable to the Company.

4) Compliance of Sec. 185 & 186: The Company has not granted any Loans, made Investments or provided Guarantees or Security to the Parties covered under Section 185 or covered by Section 186 of the Act. Accordingly, reporting under Para 3(iv) of the Order is not applicable to the Company.

5) Deposits from Public: The Company has not accepted any Deposits from the Public. So, reporting under Para 3(v) of the Order is not applicable to the Company.

6) Cost Accounting Records: The requirement for maintenance of Cost Records pursuant to Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government under Section 148(1) of the Act is applicable to the Company for the year under audit and according to information and explanations given to us the company has complied with the same.

7) Statutory Dues:

a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of Income Tax, though there has been delay in payments for few cases and is regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, and other material statutory dues, as applicable with the appropriate authorities.

b) Details of Statutory dues which have not been deposited as on 31st March, 2026 on account of disputes are given below:

(i) The GST Department has raised demand of ₹20,01,526/- vide Order No. 527/2024 - SUPDT dated. August 20, 2024 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed an appeal to the appellate authority dated November 26, 2024.

(ii) The GST Department has raised demand of ₹19,87,584/- vide Order No. 17/2024 - SUPD dated. February 27, 2024 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed an appeal to the appellate authority dated June 21, 2024

(iii) The GST Department has raised demand of ₹38,38,488/- vide Order No. 30/2025- SUPD dated. March 24, 2025 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed a reply on 18/04/2025 and is awaiting personal hearing for the same.

(iv) RoC Chennai vide Adjudication Order dated 20/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹17,27,343/- on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2019-20. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562921 dated March 6, 2026.

(v) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹25,99,631/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2020-21. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562861 dated March 6, 2026.

(vi) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹27,12,722/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2021-22. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562670 dated March 6, 2026.

(vii) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹19,64,272/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2022-23. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN - AC2562117 dated March 6, 2026.

8) **Undisclosed Income:** On the basis of the examination of the records produced before us, there is no item of any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961., There is no material item of previously unrecorded income that has been properly recorded in the books of account during the year.

9) **Repayment of Dues:**

a) The Company has regularly paid the Principal and Interest dues to Banks / Financial Institutions / Government / Other Lenders, and there are no defaults in this regard.

b) The Company has not been declared as a Wilful Defaulter by any Bank or Financial Institution or Other Lender.

c) On the basis of the examination of records produced before us, Term Loans were applied for the purpose for which the loans were obtained.

d) On the basis of the examination of records produced before us and the overall position of the Financial Statements, funds raised on short–term basis have not been utilised for long term purposes.

e) The Company has not taken any funds from any Entity or person on account of or to meet the obligations of its Subsidiaries, Associates or Joint Ventures.

f) The Company has not raised any Loans during the year on the pledge of securities held in its Subsidiaries, Joint Ventures or Associate Companies.

10) **Moneys raised through IPO, etc.:**

(a) In our opinion and according to the explanation given to us, during the year Company has raised funds by way of initial public offer of 65,07,000 number of shares aggregating to Rs91.80 crore.

Basis of information and documents provided, the utilisation to the extent done by the company, is in accordance with the objects of the issue.

(b) During the period, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) under section 42 and section 62 of the Companies Act Accordingly, reporting of the purpose for which amount raised under clause 3 (x)(b) of the Order is not applicable.

11) Fraud:

(a) Based upon the audit procedures performed and the information and explanations given by the Management, we report that no frauds by or on the Company has been noticed or reported during the year.

(b) No report has been filed by the Auditors with the Central Government in Form ADT–4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, u/s 143(12) of the Companies Act.

(c) No Whistle–Blower Complaints have been received during the year by the Company.

12) Nidhi Company: The Company is not a Nidhi Company and accordingly reporting under Para 3(xii) of the Order is not applicable to the Company.

13) Related Party Transactions: In our opinion, all transactions with the related Parties are in compliance with Sec.177 and 188 of Companies Act, 2013 and the details of such transaction have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.

14) Internal Audit:

a) The company have an internal audit system to commensurate with its size and business activities.

b) The internal audit reports of the company issued till date of audit report, for the period under audit have been considered by us.

15) Non-Cash transactions with specified persons: According to the information and explanations given to us and based on our examination of the Company's records, the Company has not entered into any non–cash transactions with Directors or persons connected with them. Accordingly, Para 3(xv) of the Order is not applicable to the Company.

16) NBFC Companies:

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause 3(xvi)(a) of the Order is not applicable.

b) The Company has not conducted any non-banking financial or housing finance activities during the year under report.

c) The Company is not a Core Investment Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under Clause 3(xvi)(c) of the Order is not applicable.

d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3(xvi)(d) of the Order is not applicable.

17) Cash Losses: The Company has not incurred Cash Losses in the financial year and in the immediately preceding financial year.

18) Resignation of Auditors: There has been no resignation of the Statutory Auditors during the year, and hence reporting under Para 3(xviii) of the Order is not applicable to the Company.

19) Financial Ability and Material Uncertainty: On the basis of the Financial Ratios, Ageing and expected dates of realisation of Financial Assets and payment of Financial Liabilities, Other Information accompanying the Financial Statements, and our knowledge of the Board of Directors and Management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

20) CSR: The company during the year complied with the Provisions of Sec.135 of the Act and has spent the amount due for corporate social responsibility. Accordingly the provisions regarding the unspent CSR does not apply to the Company.

21) Consolidated Financial Statements: Clause 3(xxi), is applicable of the company, for preparation of consolidated financial statements and the required reporting has been disclosed.

For **Varadarajan & Co**
Chartered Accountants
Firm Regn.No. 004515S

Sd/-
CA V.Sadagopan, FCA
Partner,
Membership No. 022618
UDIN: 26022618PPAYSV7607

Place: Chennai
Date: 30/05/2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act ")

We have audited the internal financial controls over financial reporting of **Airfloa Rail Technology Limited (Formerly known as Airfloa Rail Technology Private Limited or Airflow Equipments (India) Private Limited)** ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management`s Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's Internal Financial Control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Control with reference to financial statements includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of the Internal Financial Controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system with reference to financial statements and such Internal Financial Controls with reference to financial statements were operating effectively as at 31st March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Varadarajan & Co**
Chartered Accountants
Firm Regn.No. 004515S

Sd/-
CA V.Sadagopan, FCA
Partner,
Membership No. 022618
UDIN:26022618PPAYSV7607

Place: Chennai
Date: 30/05/2026

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

AS ON 31st MARCH 2026

(₹ In Lacs)

Sr. No.	Particulars	Schedule No	As at March 31, 2026	As at March 31,2025
	EQUITY AND LIABILITIES			
1)	**Shareholders Funds**			
	a. Share Capital	I	2,397.00	1,746.30
	b. Reserves & Surplus	II	21,280.80	9,129.08
2)	**Non - Current Liabilities**			
	a. Long-term Borrowings	III	411.85	119.92
	b. Long-term Provisions	IV	75.42	65.41
	c. Deferred Tax Liabilities (net)	V	128.91	94.78
3)	**Current Liabilities**			
	a. Short Term Borrowings	VI	6,419.13	5,877.78
	b. Trade Payables	VII		
	- Payable to Micro and Small Enterprises		2.65	35.07
	- Payable to other than Micro and Small Enterprises		6,088.88	6,357.63
	c. Other Current liabilities	VIII	1,855.42	970.80
	d. Short Term Provisions	IX	1,440.19	1,179.07
	TOTAL		**40,100.25**	**25,575.84**
	ASSETS			
1)	**Non Current Assets**			
	a. Property, Plant & Equipment and Intangible Assets	X		
	- Property, Plant & Equipment		4,021.14	3,676.11
	- Intangible Assets		839.40	-
	- Capital Work-in-Progress		180.50	-
	b. Non-Current Investments	XI	500.99	0.99
	c. Deferred Tax Assets (Net)	V	-	-
	d. Long-term Loans & Advances	XII	328.09	198.38
	e. Other Non-current assets	XIII	787.23	729.84
2)	**Current Assets**			
	a. Inventories	XIV	7,240.00	6,243.89
	b. Trade Receivables	XV	21,401.59	12,760.05
	c. Cash and Bank Balance	XVI	1,307.55	391.54
	d. Other current assets	XVII	3,493.76	1,575.05
	TOTAL		**40,100.25**	**25,575.85**

For **M/S. Varadarajan & Co**
Chartered Accountants
FRN - 004515S

Sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 26022618PPAYSV7607

Place : Chennai
Date : 30/05/2026

For and on behalf of the Board of Directors of
Airfloa Rail Technology Limited

Sd/-
Dakshinamoorthy Venkatesan
(Chairman and Managing Director)
DIN - 00232210

Sd/-
Dakshna Moorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Sd/-
Papa Sanjeevi Karunakaran
(Chief Finance Officer)
PAN - AZWPK0854H
Place : Chennai
Date : 30/05/2026

Sd/-
CS Haraprasad Rout
(Company Secretary)
M.No - ACS18749

STATEMENT OF STANDALONE PROFIT & LOSS

FOR THE PERIOD ENDED ON 31st MARCH 2026

(₹ In Lacs)

Sr. No.	Particulars	Schedule No	Year Ended As at March 31, 2026	As at March 31, 2025
A	**INCOME**			
	Revenue from Operations	XVIII	31,959.76	19,238.70
	Other Income	XIX	47.44	27.56
	Total Income (A)		**32,007.20**	**19,266.26**
B	**EXPENDITURE**			
	Cost of Material Consumed	XX	20,362.20	13,343.47
	Purchases of goods	XXI	-	-
	Direct Expenses	XXI	1,305.69	1,172.67
	Changes In Inventories Of Work- In- Progress & Finished Goods	XXII	748.33	-2,048.25
	Employee benefits expense	XXIII	1,760.93	1,252.19
	Finance costs	XXIV	857.94	1,107.03
	Depreciation and amortization expense	XXV	346.94	253.27
	Other expenses	XXVI	1,357.48	688.20
	Total Expenses (B)		**26,739.51**	**15,768.58**
C	**Profit before extraordinary items and tax(A-B)**		**5,267.69**	**3,497.68**
	Prior period items (Net) (provision for Gratuity)		-	-1.53
	Profit before exceptional, extraordinary items and tax		**5,267.69**	**3,499.21**
	Exceptional items		-	-
	Profit before extraordinary items and tax		5,267.69	3,499.21
	Extraordinary items		-	-
C	**Profit before tax**		**5,267.69**	**3,499.21**
D	**Tax Expense:**			
	(i) Current tax		1,295.99	953.17
	(ii) Deferred tax expenses/(credit)		34.13	-15.10
	(iii) Short /excess provision for tax		22.35	-17.13
	(iv) MAT Credit Entitlement			
	Total Expenses (D)		**1,352.47**	**920.94**
E	**Profit for the year (C-D)**		**3,915.22**	**2,578.27**
F	**Earnings per share (Face value of ₹10/- each):**			
	i. Basic		**18.67**	**15.78**
	ii. Diluted		**18.67**	**15.78**

For **M/S. Varadarajan & Co**
Chartered Accountants
FRN - 004515S

Sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 26022618PPAYSV7607

Place : Chennai
Date : 30/05/2026

For and on behalf of the Board of Directors of
Airfloa Rail Technology Limited

Sd/-
Dakshinamoorthy Venkatesan
(Chairman and Managing Director)
DIN - 00232210

Sd/-
Dakshna Moorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Sd/-
Papa Sanjeevi Karunakaran
(Chief Finance Officer)
PAN - AZWPK0854H
Place : Chennai
Date : 30/05/2026

Sd/-
CS Haraprasad Rout
(Company Secretary)
M.No - ACS18749

STATEMENT OF STANDALONE CASH FLOW

FOR THE PERIOD ENDED ON 31st MARCH 2026

(₹ In Lacs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash Flow From Operating Activities:		
Net Profit before tax as per Profit And Loss A/c	**5,267.69**	**3,499.21**
Adjustments for:		
Interest Cost	874.55	1,107.04
Gratuity Provision	9.92	6.93
Interest Income	(26.53)	-
Profit / (loss) on sale of fixed asset	(0.64)	(8.74)
Depreciation and Amortisation Expense	346.94	253.27
Operating Profit Before Working Capital Changes	**6,471.93**	**4,857.71**
Adjusted for (Increase)/Decrease in operating assets		
Inventories	(996.12)	(1,663.60)
Trade Receivables	(8,641.54)	(2,445.33)
Loans and Advances	(2,048.43)	(1,469.60)
Other Non Current Assets	(57.42)	(416.69)
Other Current Assets (Including Other Bank balances)	-	
Adjusted for Increase/(Decrease) in operating liabilities:		
Trade Payables	(301.16)	1,397.34
Other Current Liabilities & Provisions	884.64	(79.62)
Cash Generated From Operations Before Extra-Ordinary Items	**(4,688.10)**	**180.21**
Net Income Tax paid/ refunded	(1,057.14)	(467.20)
Net Cash Flow from/(used in) Operating Activities: (A)	**(5,745.24)**	**(286.99)**
Purchase of property, plant & equipment and intangible assets	(1,715.42)	(567.32)
Sales of property, plant & equipment and intangible assets	4.20	11.50
Capital advances	-	-
Interest Income Received	26.53	-
Investment in Subsidiary company	-	(0.99)
Investment in other Body Corporate	(500.00)	-
	-	
Net Cash Flow from/(used in) Investing Activities: (B)	**(2,184.69)**	**(556.81)**

STATEMENT OF STANDALONE CASH FLOW (Contd.)

(₹ In Lacs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash Flow from Financing Activities:		
Proceeds / (repayment) from Borrowings (Net)	833.27	(557.15)
Fresh shares issued during the year (Net of issue exp)	8,887.23	2,689.95
Interest Cost	(874.56)	(1,107.04)
Net Cash Flow from/(used in) Financing Activities (C)	**8,845.94**	**1,025.76**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	916.01	181.96
Cash & Cash Equivalents As At Beginning of the Year	391.54	209.58
Cash & Cash Equivalents As At End of the Year	**1,307.55**	**391.54**
Component of cash and cash equivalent consist of :		
Cash-in-Hand	-	0.54
Bank Balance	401.27	233.59
Fixed Deposits (having original maturity of less than 3 months)	906.28	157.41
Total	**1,307.55**	**391.54**

For **M/S. Varadarajan & Co**
Chartered Accountants
FRN - 004515S

Sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 26022618PPAYSV7607

Place : Chennai
Date : 30/05/2026

For and on behalf of the Board of Directors of
Airfloa Rail Technology Limited

Sd/-
Dakshinamoorthy Venkatesan
(Chairman and Managing Director)
DIN - 00232210

Sd/-
Dakshna Moorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Sd/-
Papa Sanjeevi Karunakaran
(Chief Finance Officer)
PAN - AZWPK0854H
Place : Chennai
Date : 30/05/2026

Sd/-
CS Haraprasad Rout
(Company Secretary)
M.No - ACS18749

AIRFLOA RAIL TECHNOLOGY LIMITED

(Formerly known as Airflow Equipments (India) Private Limited)
No. 9, Chelliamman Koil Street, Keelkattalai, Chennai – 600 117
CIN: L30204TN1998PLC041571
Website: http://airflow.co.in/
Email: airflow1998@hotmail.com
Mob: +91 9384870774

COMPANY PROFILE

Airfloa Rail Technology Limited ("The Company") was incorporated under Companies Act, 1956 with CIN - U29309TN1998PTC041571 on 14th December 1998 as "Airflow Equipments India Private Limited". The name of the company was changed to Airfloa Rail Technology Private Limited on 27th August 2024 as to align towards the business of the company. The company further converted into a Public Limited (CIN: U30204TN1998PLC041571) on 15th November 2024.

During the year, Company has been listed on SME platform of Bombay Stock Exchange (BSE) on 18th September, 2025 by way of Initial Public Offer ("IPO") of 65,07,000 fully-paid-up equity shares of face value ₹10 each at a premium of ₹130 each and Corporate Identification Number of the Company is L30204TN1998PLC041571.

The Company is engaged in the business of manufacturing, supplying and installation of railway and railway rolling stock components, including engineering, design, fabrication, assembly and execution of turnkey projects. The Company undertakes development, manufacture and supply of a wide range of railway components and assemblies, including structural components, interior and exterior components, doors, windows, seats, luggage racks, partitions, FRP components, train set components and other customized engineering products. The Company also undertakes engineering, design, development and execution of turnkey projects relating to railway rolling stock and allied infrastructure.

The Standalone Financial Statements are approved for issue by the Company's Board of Directors on May 30, 2026.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2026

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES UNDER ACCOUNTING STANDARDS

1. AS 1 - DISCLOSURE OF ACCOUNTING POLICIES:

The Statement of Assets and Liabilities of the Company as on March 31, 2026, and the Statement of Profit and Loss and Statement of Cash Flows for the financial year ended on March 31, 2026 and the annexure thereto (collectively, the "Financial Statements") have been compiled by the management from the Financial Statements of the Company for the financial year ended on March 31, 2026.The Financial Statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2021.

2. AS 2 – ACCOUNTING FOR INVENTORIES:

(a) The Company's Closing Stock of Raw Materials is valued at Cost.

(b) Closing Stock of Finished Goods is valued at Cost or Net Realizable Value whichever is lower.

(c) Cost includes Cost of Conversion and Other Costs incurred in bringing the inventories to their present location and condition. Cost is ascertained on FIFO Method.

3. AS 3 - CASH FLOW STATEMENT:

The Cash Flow Statement for the year ended 31.03.2026 has been prepared in accordance with the applicable Accounting Standards.

4. AS 4- CONTINGENCIES & EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

There are no material contingencies or events occurring after the Balance Sheet date that would have a material impact on the financial position of the Company. Details of contingent liabilities, as applicable, are disclosed in the Notes to the Financial Statements.

5. AS 5- NET PROFIT OR LOSS FOR THE YEAR, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES:

During the year under review there was no extraordinary items. Significant Accounting policies applied are consistent with those applied in the previous year.

6. AS 7- CONSTRUCTION CONTRACTS:

The Company is not engaged in any construction business covered by this Standard.

7. AS 9- REVENUE RECOGNITION:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and can be reliably measured.

(a) Sales of goods

Revenue from sale of goods is recognized on dispatch of materials & on raising of Invoice on the customers where in all significant risks and rewards of ownership is transferred to the buyer. Sales are stated net of trade discount and duties.

(b) Service Income

Service income is recognized as per the terms of the contract when the related services are rendered.

(c) Interest income

Interest income is recognized on time proportion basis.

(d) Other Income

Other income, if any, recognized based on certainty of receipts and on accrual basis.

8. AS 10 – PROPERTY PLANT AND EQUIPMENT:

(a) The Company has provided depreciation under the 'written down' method as per the estimated useful lives as specified in Schedule II of the Companies Act 2013. Depreciation on new assets acquired during the year is provided from the date of acquisition to the end of the financial year. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal. Residual values of assets are measured at not more than 5% of their original cost. Individual low-cost assets (acquired for less than 5000) are depreciated within a year of acquisition.

(b) Title deeds of all the immovable properties (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company

(c) Depreciation on PPE provided as per the Useful Lives prescribed under Companies Act, 2013, using WDV Method. In respect of PPE items added during the year if any, Depreciation is charged based on the number of days that PPE Item is in use. No Depreciation is charged on PPE Items not installed till the end of the financial year.

9. AS 11 -ACCOUNTING FOR EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES:

(a) The Company has been complying with the accounting treatment in respect of its foreign currency transactions as specified under Accounting Standard 11, the Effect of Changes in Foreign Exchange Rates.

(b) Gain arising if any, on Forex transaction has been credited in the Profit & Loss Account.

10. AS 12- ACCOUNTING FOR GOVERNMENT GRANTS:

The Company has not received any Government Grants during the Current Financial Year or during Previous Financial Year.

11. AS 13- ACCOUNTING FOR INVESTMENTS:

Long Term Investments, if any, are stated at cost. No provision is made for temporary decline in the value of Long–Term Investments. Income from Investments, wherever applicable, is credited to P&L Account.

12. AS 14- ACCOUNTING FOR AMALGAMATION:

This standard is not applicable to the company for the year under review and also for the previous year.

13. AS 15- EMPLOYEE BENEFITS:

(a) Short Term Employee Benefits: Short-term Employee Benefits, including accumulated compensated absences, if any, at the Balance Sheet date, are recognized as an expense, on an undiscounted basis.

(Amounts in ₹ Lakhs)

Particulars	31.03.2026	31.03.2025
A. To KMP (Directors Remuneration) – See AS - 18 below.	227.10	148.60
B. To Employees (Wages, Bonus & Contribution for ESI & EPF)	1,533.82	1,103.59
C. Sub–Total	**1,760.92**	**1,252.19**

(b) Defined Contribution Plan:

The Company is covered by the Employees' Provident Fund & Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. The details of Employers' Contribution are as under:

(Amounts in ₹ Lakhs)

Particulars	31.03.2026	31.03.2025
ESI Contribution	8.75	5.04
EPF Contribution	52.99	31.61

The above contributions are recognized as an expense in the Profit and Loss Account.

(c) **Defined Benefit Plans:** Gratuity liability in respect of each Financial Year is determined by Kapadia Global Actuaries and provisions for such amount is provisioned in the books of accounts of the company. Actuarial Valuation report has been obtained & details of valuation are as below:

Details of Change in defined Benefit Obligation

(₹ In Lacs)

Particulars	31-Mar-2026	31-Mar-2025
Present value of unfunded obligations	197.96	188.04
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	**197.96**	**188.04**

Expense Recognition in the Statement of Profit & Loss

Particulars	31-Mar-2026	31-Mar-2025
Current service cost	8.21	16.18
Interest on obligation	8.30	9.38
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(6.59)	(18.64)
Recognised Past Service Cost-Vested	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	**9.92**	**6.93**
Short Provision	-	-
Net included in 'Employee Benefit Expense'	**9.92**	**6.93**

14. AS 16-BORROWING COSTS:

Borrowing Costs are capitalized as part of the cost of Qualifying Asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other Borrowing Costs are recognized as an Expense in the period in which they are incurred. No Borrowing Cost has been capitalized in the current year or in the previous financial year.

15. AS 17-SEGMENT REPORTING:

AS – 17 is not applicable for the Company, since the Company does not have more than one segment.

16. AS 18-RELATED PARTY DISCLOSURES:

(a) List of Related Parties and the nature of relationship with Related Parties (where such control exists) is –

Name of Related Party	Nature of Relationship
D Venkatesan	Chairman and Managing Director of the company
D Manikandan	Joint Managing Director of the company
Nanthini Manikandan	Director of Company of the company
Venkatesan Sathishkumar	Director of Company of the company
Sree Dakssnaa Aerospace and Defence India Private Limited	Subsidiary Company of the company
Apura Energy Private Limited	Concern Controlled by Director of Company
Airflow Energy Solutions Private Limited	Concern Controlled by Director of Company
Airflow Dafeng Rail Equipments Private Limited	Concern Controlled by Director of Company
Nautone Private Limited	Concern Controlled by Director of Company
Apex Material Sciences	Concern Controlled by Director of Company
Bharani Engineering Industries Private Limited	Concern Controlled by Director of Company
Airtrec Equipments (Prop: Revathi Venkatesan)	Relative of Director of Company

Name of Related Party	Nature of Relationship
Raghavendra Industries	Concern Controlled by relative of Director of Company
Starkeon Engineering Private Limited	Concern Controlled by relative of Director of Company
Papa Sanjeevi Karunakaran	Chief Finance Officer
CS Sivakumar Thygarajan	Company Secretary w.e.f 12/12/2024 and resigned on 13/11/2025
CS Haraprasad Rout	Company Secretary w.e.f 14/11/2025

(b) Transactions with related parties (Previous year figures are in brackets) *(Amounts in ₹ Lakhs)*

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2026	Amount outstanding as on March 31, 2026 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable
Dakshinamoorthy Venkatesan	Promotor / Managing director	Rent	15.60	-	11.40	-
		Remuneration	75.00	-	66.30	-
		Advance repaid	-	-	456.90	-
		Advance given	-		264.22	
		Loan Received	47.00	36.32	456.90	-
		Loan Repaid	8.09		264.22	
		Reimbursement of Expenses	5.28		12.57	
Dakshinamoorthy Manikandan	Promotor / Joint Managing director	Rent	11.40	-	11.40	-
		Remuneration	75.00	-	66.30	-
		Advance repaid	-	-	664.41	
		Advance given	-		596.96	
		Loan Received	62.20	3.62	-	-
		Loan Repaid	60.43		-	
		Reimbursement of Expenses	6.92		7.28	
V Revathi	Relative of director	Rent	8.40	0.63	8.40	-
		Loan taken	-	-	-	-
		Loan Repaid	-		28.15	
Airtrec Equipments	Controlled by Relative of Director	Advance repaid	-	-	43.28	-
		Advance given	-		12.20	
Venkatesan Sathishkumar	Relative of director & Whole-time director w.e.f 24/7/2024	Remuneration	24.00	-	16.00	-
Manikandan Nanthini	Relative of director & Non executive Director w.e.f 24/7/2024	Rent	8.40	0.76	8.40	-
		Sitting Fees	8.55	0.05		-
		Loan taken	-	-	24.12	-
		Loan repaid	-			
Airflow Energy Solutions Private Limited	Controlled by Director of Company	Advance repaid	-	5.74	20.00	5.74
		Advance given	-		-	
Apex Material Sciences	Controlled by Relative of Director of Company	Advance repaid	-	121.45	0.02	121.45
		Advance given	-		-	

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2026	Amount outstanding as on March 31, 2026 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable
Nautone Private Limited	Controlled by Relative of Director of Company	Advance repaid	-	38.00	-	38.00
		Advance given	-		-	
Bharani Engineering Industries Private Limited	Controlled by Relative of Director of Company	Advance given	55.00	(141.75)	-	(17,231)
		Advance Repaid	85.56		-	
		Sales of goods	-		-	
		Purchase of goods	-		-	
Papa Sanjeevi Karunakaran	CFO w.e.f 01/07/2024	Salary expense	7.44	(0.62)	7.44	(0.62)
CS Haraprasad Rout	Company Secretary and Compliance Officer w.e.f 14/11/2025	Salary expense	4.58	(0.92)	-	-
CS Sivakumar Thygarajan	Company Secretary and Compliance Officer w.e.f 12/12/2024	Salary Expenses	5.58	-	1.95	(0.75)
Sree Dakssnaa Aerospace and Defence India Private Limited	Subsidiary company w.e.f 11/06/2024	Customer Advance Received	35.11	(145.47)	182.66	(180.58)
		Customer Advance repaid	-		2.08	
Raghavendra Industries	Controlled by Relative of Director of Company	Sales of goods	10.42	400.00	201.01	746.35
		Purchase of goods	77.40		67.73	
		Advance repaid	302.50		-	
		Advance given	23.13		-	
Starkeon Engineering Private Limited	Controlled by Relative of Director of Company	Advance Given	29.66	29.69	-	-
		Capital Advance Given	11.68		7,253	198.35
		Purchase of Capital Assets	210.00		-	

17. AS 19- LEASES:

The Company has entered into lease agreements for its **office premises and manufacturing facilities**. The lease rentals are recognized as an expense in the Statement of Profit and Loss over the lease period in accordance with the applicable provisions of **AS 19 – Leases**.

18. AS 20-EARNINGS PER SHARE:

EPS is calculated by considering the Net Profit after Tax, divided by the number of Equity Shares outstanding as at the Balance Sheet date. The Basic and Diluted EPS for the year is disclosed on the face of the Profit or Loss Account.

Calculation of Earnings Per Share (EPS)

Period	2025-26	2024-25
Basic EPS		
Net Profit (in Lacs)	3,915.22	2,578.27
Weighted Average number of equity shares	2,09,74,951	1,63,41,402
Basic EPS	**18.67**	**15.78**
Diluted EPS		
Net Profit (in Lacs)	3,915.22	2,578.27
Diluted Weighted Average number of equity shares	2,09,74,951	1,63,41,402
Diluted EPS	**18.67**	**15.78**

19. AS 21- CONSOLIDATED FINANCIAL STATEMENTS:

During the financial year the Company has the subsidiary, Sree Dakssanna Aerospace & Defence Private Limited, which is engaged in manufacturing and supply of components for aerospace and defence applications. Accordingly, the Consolidated Financial Statements of the Company have been prepared in accordance with the applicable Accounting Standard on Consolidated Financial Statements (AS-21). The consolidated results present the financial position and performance of the Company along with its subsidiary as a single economic entity.

The Parent holds **79.20% equity shares** in the Subsidiary and exercises control over its Board and operations. The financial statements of the Parent and the Subsidiary have been combined on a **line-by-line basis**, and inter-company balances and transactions have been fully eliminated on consolidation.

Investment in Subsidiary

The Company holds **79.20% equity shares** in **Sree Dakssnaa Aerospace & Defence Private Limited**, making it a subsidiary within the meaning of Section 2(87) of the Companies Act, 2013. The details of investment are as under:

Particulars	FY 2025-26	FY 2024-25
Number of Shares Held	9,900	9,900
% of Holding	79.20%	79.20%
Amount of Investment (at Cost)	99,000	99,000
Nature of Relationship	Subsidiary (Company exercises control over the Board and operations)	Subsidiary (Company exercises control over the Board and operations)

Additional Disclosures:

- The financial results of the subsidiary have been consolidated in accordance with **AS-21** in the Consolidated Financial Statements.
- No impairment loss has been recognized on the investment in subsidiary as at March 31, 2026.

20. AS 22- ACCOUNTING FOR TAXES ON INCOME:

The Company adopts AS – 22 in Accounting for Taxes on Income. The material items of Deferred Tax (Assets or Liabilities) have been recognized as at the end of the year under Report. Current Tax Expense for the year includes Tax, Cess and Interest thereon. The details of Current and Deferred Tax are as under –

Particulars (Amount in Lakhs.)	Current Year	Previous Year
1. Current Tax	1295.99	953.17
2. Deferred Tax Items –		
(a) On Account of Depreciation	83.95	(15.10)
(b) On Account of Gratuity	(49.82)	-
(c) On Account of Income tax disallowance	-	-
3. Short/Excess provision for tax for previous period	22.35	(17.13)

21. AS 23- ACCOUNTING FOR INVESTMENTS IN ASSOCIATES IN CONSOLIDATED FINANCIAL STATEMENTS:

This Standard is not applicable to the Company for the year under review.

22. AS 24- DISCONTINUING OPERATIONS:

This Standard is not applicable to the Company for the year under review.

23. AS 25- INTERIM FINANCIAL REPORTING:

The Company has prepared an interim financial report for the period ended September 2025 during the year under review. Accordingly, the provisions of AS 25 – Interim Financial Reporting are applicable to the Company in respect of such interim financial reporting.

24. AS 26- INTANGIBLE ASSETS:

(a) All Intangible items of Property Plant and Equipment (PPE) are stated in the Balance Sheet at Historical Cost less accumulated depreciation thereof. Historical Cost of PPE includes acquisition and construction cost, and payments made to Asset Vendor, and directly attributable cost of bringing the asset to its working condition for its intended use.

(b) Depreciation on PPE provided as per the Useful Lives prescribed under Companies Act, 2013, using WDV Method. In respect of PPE items added during the year if any, Depreciation is charged based on the number of days that PPE Item is in use. No Depreciation is charged on PPE Items not installed till the end of the financial year.

25. AS 27- FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES:

This Accounting Standard is not applicable to the company as the Company has not entered into any Joint Venture.

26. AS 28- IMPAIRMENT OF ASSETS:

As on the Balance Sheet date, the Carrying Amount of the Assets, net of Accumulated Depreciation, is not less than the Recoverable Amount of such assets. Hence there is no Impairment Loss on the Assets of the Company.

27. AS 29-PROVISIONS AND CONTINGENT LIABILITIES:

Provisions have been made in the books of accounts wherever applicable, where the outflow of economic resources from the Company is probable and quantifiable.

Claims against the company not acknowledged as debt.

Show-cause notices issued by various Government Authorities are generally not considered as obligations. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as contingent liabilities.

(i) The GST Department has raised demand of ₹20,01,526/- vide Order No. 527/2024 - SUPDT dated. August 20, 2024 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed an appeal to the appellate authority dated November 26, 2024.

(ii) The GST Department has raised demand of ₹19,87,584/- vide Order No. 17/2024 - SUPD dated. February 27, 2024 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed an appeal to the appellate authority dated June 21, 2024

(iii) The GST Department has raised demand of ₹38,38,488/- vide Order No. 30/2025- SUPD dated. March 24, 2025 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed a reply on 18/04/2025 and is awaiting personal hearing for the same.

(iv) RoC Chennai vide Adjudication Order dated 20/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹17,27,343/- on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2019-20. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562921 dated March 6, 2026.

(v) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹25,99,631/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2020-21. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562861 dated March 6, 2026.

(vi) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹ 27,12,722/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2021-22. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562670 dated March 6, 2026.

(vii) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹ 19,64,272/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2022-23. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN - AC2562117 dated March 6, 2026.

28. PREVIOUS YEARS' FIGURES have been re–grouped and re–aligned wherever appropriate, to facilitate better comparison. Consequent to Schedule III mandatory requirement, figures have been rounded off in ₹ thousands and the summations / differences are to be construed accordingly.

29. AS 30, 31 & 32- FINANCIAL INSTRUMENTS- RECOGNITION AND MEASUREMENT, PRESENTATION AND DISCLOSURE:

These Standards are not applicable to the Company for the year under review.

30. OTHER INFORMATION:

A. Details of Shareholders:

Note: This is also the Shareholding of Promoters & Directors.

No.	Name	Folio No.	No. of Shares held	% Shares	Class of Shares	On 31/03/2026
1.	D Venkatesan	1	64,95,996	27.10%	Equity Share	Managing Director
2.	D Manikandan	3	64,95,999	27.10%	Equity Share	Joint Managing Director
	Total		**1,29,91,995**	**54.20%**		

Note: This is also the Shareholding of Promoters & Directors

B. Disclosure under Micro, Medium and Small Enterprises Development Act, 2006 (MSMED Act)

Financial Year ending on (₹ In Lakhs)	31.03.2026	31.03.2025
1. Principal Amount and Interest due thereon (to be shown separately) remaining unpaid to any Supplier as at the end of the accounting year		
Principal Amount due to Creditors being Micro and Small Enterprises	2.64	35.07
Principal Amount due to Creditors other than Micro and Small Enterprises	6,088.88	6,357.63
Interest due thereon	NIL	NIL
2. Interest paid by the Company in terms of Section 16 under MSMED Act, along with the amounts of the payment made to the Supplier beyond the appointed day during each accounting year.	NIL	NIL
3. Amount of Interest Due and Payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	3.00	38.59
4. Amount of Interest Accrued and remaining unpaid at the end of each accounting year	3.00	38.59
5. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	NIL	NIL

C. Borrowings Usage for Specified Purpose: The Company has got long–term / short–term Borrowings from Banks and Financial Institutions as on the Balance Sheet date. These amounts of Borrowings from Banks and Financial Institutions have been used for the specific purpose for which it was taken.

31. ADDITIONAL REGULATORY INFORMATION relating to Balance Sheet Items:

A. Title Deeds of Immovable Property: The Company has Immovable Property as on the Balance Sheet date.

B. Revaluation of PPE: The Company has not revalued its Property, Plant and Equipment during the current financial year ending on 31st March. Hence, the reporting relating to whether the revaluation is based on the valuation by a Registered Valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation Rules 2017, does not arise for this Company.

C. Advances given to Promoters, etc.: There are no Loans and Advances in the nature of Loans are granted to Promoters, Directors, KMPs and the Related Parties (as defined under Companies Act, 2013.) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment, during the current financial year or during the previous financial year. Balances with related party is disclosed in Notes to Financial Statements.

D. Capital WIP: The Company has Capital Work-in-Progress amounting to ₹180.50 Lakhs as at the reporting date. The aging is as follows:

Capital WIP	Amount (₹ in lakhs)
Less than 1 year	180.50
1-2 years	-
2-3 years	-
More than 3 years	-
Total	**180.50**

The Company has purchased a "COSMOS Maximus CNC Double Column Machining Center" to enhance operational efficiency and strengthen its manufacturing capabilities. As at the Balance Sheet date, the machinery had been delivered to the Company's manufacturing facility and was under installation and commissioning. Accordingly, the same was classified as Capital Work-in-Progress (CWIP) as at the reporting date.

E. Intangibles under Development: There are **no** items of Intangible Assets under development. Hence, the details pertaining to Ageing Schedule of Intangible Assets under development does not arise for this Company.

F. No Benami Property: The Company does **not** have any item in respect of Benami Property held. There are **no** proceedings initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder.

G. Quarterly Statement of Current Assets: The Company has Bank Working Capital Facilities from Banks or Financial Institutions on the basis of security of Current Assets, and also secured by its Movable and Immovable Properties. The Quarterly Returns or Statements of Current Assets are in agreement with the Books of Accounts of the Company.

H. Not Wilful Defaulter: The Company has **NOT** been declared as a Wilful Defaulter by any Bank of Financial Institutions or Other Lender during the current financial year or during the previous financial year. Hence, the reporting relating to Wilful Defaulter does not arise for this Company.

I. Relationship with Struck Off Companies: The Company does not have any transaction or other relationship with struck–off Companies, to the extent of the knowledge of the Board.

J. Charges / Satisfaction: In respect of Loans closed, the Company has obtained No Due Certificates from Lenders and filed the satisfaction of charges with the Registrar of Companies as on date of this report.

K. Layers of Companies: The Company does not have any related layer of Companies. Hence, the reporting as to compliance with Number of Layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction of number of Layers) Rules, 2017, does not apply to this Company.

L. Approved Scheme(s) or Arrangement(s): The Company has no scheme(s) of arrangements as approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013, that requires reporting and disclosure.

M. Usage of Borrowed Funds and Share Premium:

(a) The Company has not advanced or loaned or invested funds (either Borrowed Funds or Share Premium or any other sources or kind of funds) to any other Person (s) or Entity (ies), including Foreign Entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary will : (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or behalf of the Ultimate Beneficiaries.

(b) The Company has not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

32. ADDITIONAL INFORMATION relating to Statement of Profit & Loss Items:

A. Reserves for Specific Liability, etc.: (a) There are no material amounts set aside or proposed to be set aside, to Reserve, but not including Provisions made to meet any Specific Liability, Contingency or Commitment known to exist at the date as to which the Balance Sheet is made up. (b) Also, no material amounts have been withdrawn from any such Reserves.

B. Provisions for Specific Liability, etc.: (a) There are no material amounts set aside to Provisions made for meeting Specific Liabilities, Contingencies or Commitments. (b) Also, no material amounts have been withdrawn from such Provisions, as no longer required.

C. Foreign Currency Payments / Imports / Dividends, etc:

(₹ In Lacs)

Particulars	Current Year	Last Year
Value of Imports calculated on C.I.F basis by the Company during the financial year in respect of –		
I. Raw Materials	243.62	735.81
II. Components and Spare Parts		
III. Capital Goods		
Expenditure in Foreign Currency during the financial year on account of Royalty, Know–How, Professional and Consultation Fees, Interest, and other matters	NIL	NIL
Total Value of all imported Raw Materials, Spare Parts and Components consumed during the financial year and the Total Value of all indigenous Raw Materials, Spare Parts and Components similarly consumed and the % of each to the Total Consumption		
Imported Raw Materials	1.20%	5.51%
Indigenous Raw Materials	98.80%	94.49%
Amount remitted during the year in Foreign Currencies on account of Dividends with a specific mention of the Total Number of Non–Resident Shareholders, the Total Number of Shares held by them on which the Dividends were due and the year to which the Dividends related	NIL	NIL

D. Foreign Currency Earnings:

Earnings in Foreign Exchange classified under the following heads –	Current Year 2026	Last Year
I. Export of Goods calculated on F.O.B. basis	-	-
II. Royalty, Know–How, Professional and Consultation Fees	-	-
III. Interest and Dividend	-	-
IV. Other Income, indicating the nature thereof.	-	-

E. Undisclosed Income: There is no transaction not recorded in the books of accounts that has been surrendered or disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).There is no material item of previously unrecorded income and related assets that have been properly recorded in the books of account during the year.

F. Corporate Social Responsibility (CSR): In accordance with the provisions of Section 135 of the Companies Act, 2013, (Act) the Company is required to undertake Corporate Social Responsibility (CSR) activities, and incur CSR Expenditure as per the provisions of the Act, provided the Company meets the specified criteria / thresholds with respect to the profits or turnover or net worth in the immediately preceding financial year.

a	amount required to be spent by the company during the year	37,74,273
b	amount of expenditure incurred	38,00,000
c	shortfall at the end of the year	NIL
d	total of previous years shortfall	NIL
E	reason for shortfall,	NA
F	nature of CSR activities	The company has spent during the year: 1. ₹9,00,000 to Vidhya Sagar Trust towards promoting education and livelihood of orphan children. 2. ₹10,00,000 to Paradise Home towards promotion of improvement of livelihood of elderly. 3. ₹19,00.000 to Satyam Sri Trust towards Empowering Women and Youth, Serving Rural and Remote Communities, Fostering Child Welfare, Enhancing Community Health.
g	details of related party transactions, i.e., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL
h	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA

G. Key Performance Indicators (₹ in Lakhs except per share data and ratios)

Key Performance Indicator	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from Operations (1)	31,959.76	19,238.70
Growth in revenue from operations (%)	66.12%	61.26%
Total Income (2)	32,007.20	19,266.26
EBITDA (3)	6,472.57	4,859.51
EBITDA Margin (%) (4)	20.22%	25.22%
profit for the year (5)	3,915.22	2,578.27
profit for the period/year Margin/ PAT Margin (%) (6)	12.23%	13.38%
Networth (7)	23,677.80	10,875.38
Return on Net Worth (%) (8)	16.54%	23.71%
Return on Average Equity ("RoAE") (%) (9)	22.66%	31.28%
Return on Capital Employed ("RoCE") (%) (10)	19.99%	27.15%
Net Asset Value Per Share (₹) (Post - Bonus) (11)	112.89	62.28
Debt- Equity Ratio (12)	0.29	0.55

(₹ In Lakhs, except per share data and ratios)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after Tax as per Profit & Loss Statement (A)	3,915.22	2,578.27
Tax Expense (B)	1,352.47	920.94
Depreciation and amortization expense (C)	346.94	253.27
Interest Cost (D)	857.95	1,107.03
Weighted Average Number of Equity Shares at the end of the Year (Pre Bonus) (E-1)	2,09,75,951	1,63,41,402
Weighted Average Number of Equity Shares at the end of the Year (Post Bonus) (E-2)	2,09,75,951	1,63,41,402
Number of Equity Shares outstanding at the end of the Year (Pre-Bonus) (F-1)	2,39,69,954	1,74,62,954
Number of Equity Shares outstanding at the end of the Year (Post-Bonus) (F-2)	2,39,69,954	1,74,62,954
Nominal Value per Equity share (₹) (G)	10	10
Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	23,677.80	10,875.38
Net-Assets as per Statement of Assets and Liabilities (I)	23,677.80	10,875.38
Current Assets (J)	33,442.90	20,970.53
Current Liabilities (K)	15,806.27	14,42,035
Earnings Per Share - Basic & Diluted1 & 4 (₹) (Pre-Bonus)	**18.67**	**15.78**
Earnings Per Share - Basic & Diluted1 & 4 (₹) (Post-Bonus)	**18.67**	**15.78**
Return on Net Worth1 (%)	**16.54%**	**23.71%**
Net Asset Value Per Share1 & 4 (₹) (Pre - Bonus)	**112.89**	**62.28**
Net Asset Value Per Share1 & 4 (₹) (Post - Bonus)	**112.89**	**62.28**
Current Ratio1	**2.12**	**1.45**
Earning before Interest, Tax and Depreciation and Amortization1 (EBITDA)	**6,472.57**	**4,859.51**

H. Crypto / Virtual Currency: The Company has not traded or invested in Crypto Currency or Virtual Currency during the current financial year or preceding financial year. For **M/S. Varadarajan & Co**

For **M/S. Varadarajan & Co**
Chartered Accountants
FRN - 004515S

Sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 26022618PPAYSV7607

Place : Chennai
Date : 30/05/2026

For and on behalf of the Board of Directors of
Airfloa Rail Technology Limited

Sd/-
Dakshinamoorthy Venkatesan
(Chairman and Managing Director)
DIN - 00232210

Sd/-
Dakshna Moorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Sd/-
Papa Sanjeevi Karunakaran
(Chief Finance Officer)
PAN - AZWPK0854H
Place : Chennai
Date : 30/05/2026

Sd/-
CS Haraprasad Rout
(Company Secretary)
M.No - ACS18749

INDEPENDENT AUDITOR'S REPORT

ON CONSOLIDATED FINANCIAL STATEMENT

To the Members of Airfloa Rail Technology Limited (Formerly known as Airfloa Rail Technology Private Limited (or) Airflow Equipments (India) Private Limited)

Report on the audit of Financial Statements

Opinion

We have audited the consolidated financial statements of **Airfloa Rail Technology Limited (Formerly known as Airfloa Rail Technology Private Limited or Airflow Equipments (India) Private Limited)** ("the Company") which comprise the Balance Sheet as at **March 31, 2026** and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the statement of affairs of the Company as at **March 31, 2026** its Profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether the other information is materially in consistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of such other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, and financial performance, and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to Going Concern and using the Going Concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable Assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of the audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a Going Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a Going Concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditors' Report) Order, 2020, issued by the Central Government in terms of Section 143(11) of the Act, we give in the **Annexure A**, a Statement on the matters specified in the Order.

   As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement, dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of these financial statements;

   (d) In our opinion, the financial statements comply with the Accounting Standards specified under section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to adequacy of Internal Financial Controls with reference to Financial statements and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements;

(g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, as amended, in our opinion and to the best of our information and the explanations given to us;

- The Company has disclosed the impact of pending litigations on its financial statements.
- The Company has not entered into long term contracts including derivative contracts.
- There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the company.

(i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Notes to the Accounts, no funds have been advanced or loaned or invested (either from Borrowed Funds or Share Premium or any other sources or kind of funds) by the Company to or in any other persons or Entities, including Foreign Entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Notes to the Accounts, no funds have been received by the Company from any persons or entities, including Foreign Entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other Persons or Entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under above sub–clause (i) and (ii) contain any material mis–statement.

- No Dividends have been declared or paid during the year by the Company. So, the issue of reporting compliance with Sec. 123 of the Companies Act, 2013 does not arise.
- Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.

For **Varadarajan & Co**
Chartered Accountants
Firm Regn.No. 004515S

Sd/-
CA V.Sadagopan, FCA
Partner,
Membership No. 022618
UDIN: 26022618YMJPCZ2105

Place: Chennai
Date: 30/05/2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Refer para 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Financial Statements of the Company for the year ended 31 March 2026)

1) **Property, Plant and Equipment:**

a) The Company has maintained proper records to show the full particulars including quantitative details and situation of Property, Plant and Equipment.

b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with the phased programme of verification which, in our opinion is reasonable having regard to the size of the Company. According to the information and explanations given to us, no material discrepancies were noticed during such verification.

c) According to information given to us and on the basis of our examination of records of the Company, the title deeds of all the immovable properties (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

d) The Company has not revalued its PPE (including Right of Use Assets) or Intangible Assets or both during the year. Hence, the reporting as to whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if change is 10% or more in the aggregate of the Net Carrying Value of each class of PPE or Intangible Assets, is not applicable to the Company.

e) According to information and explanations given to us and on the basis of our examination of the records of the Company produced before us, no proceedings have been initiated or are pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder. The question of whether the Company has appropriately disclosed the details in its Financial Statements, is not applicable to the Company.

2) **Inventories:**

(a) According to information and explanations given to us, the Management of the Company has conducted the physical verification of inventory at reasonable intervals.

(b) In our opinion, the coverage and procedure of such verification by the Management is appropriate during such verification, discrepancies of 10% or more in the aggregate for each class of inventory have not been noticed. The discrepancies noted were not material and have been suitably dealt with in Books of Account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned Working Capital Limits in excess of ₹5 Crores, from Banks or Financial Institutions on the basis of security of Current Assets. As per the information provided to us, the quarterly returns / statements filed by the company with such banks or financial institutions are in agreement with the books of accounts of the company.

3) **Loans to Directors and Interested Parties:** During the year, the Company has not provided any Guarantee or Security or granted any Loans or Advances in the nature of Loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. So, reporting under Para 3(iii) of the Order is not applicable to the Company.

4) **Compliance of Sec. 185 & 186:** The Company has not granted any Loans, made Investments or provided Guarantees or Security to the Parties covered under Section 185 or covered by Section 186 of the Act. Accordingly, reporting under Para 3(iv) of the Order is not applicable to the Company.

5) **Deposits from Public:** The Company has not accepted any Deposits from the Public. So, reporting under Para 3(v) of the Order is not applicable to the Company.

6) **Cost Accounting Records:** The requirement for maintenance of Cost Records pursuant to Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government under Section 148(1) of the Act is applicable to the Company for the year under audit and according to information and explanations given to us the company has complied with the same.

7) **Statutory Dues:**

a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of Income Tax, though there has been delay in payments for few cases and is regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, and other material statutory dues, as applicable with the appropriate authorities. According to information and explanations given to us, undisputed Income

Tax dues of ₹34,28,175 are in arrears as at 31st March, 2025 has been paid in full on date of this report.

b) Details of Statutory dues which have not been deposited as on 31st March, 2025 on account of disputes are given below:

(i) The GST Department has raised demand of ₹20,01,526/- vide Order No. 527/2024 - SUPDT dated. August 20, 2024 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed an appeal to the appellate authority dated November 26, 2024.

(ii) The GST Department has raised demand of ₹19,87,584/- vide Order No. 17/2024 - SUPD dated. February 27, 2024 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed an appeal to the appellate authority dated June 21, 2024.

(iii) The GST Department has raised demand of ₹38,38,488/- vide Order No. 30/2025- SUPD dated. March 24, 2025 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed a reply on 18/04/2025 and is awaiting personal hearing for the same.

(iv) RoC Chennai vide Adjudication Order dated 20/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹17,27,343/- on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2019-20. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562921 dated March 6, 2026.

(v) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹25,99,631/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2020-21. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562861 dated March 6, 2026.

(vi) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹27,12,722/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2021-22. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562670 dated March 6, 2026.

(vii) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹19,64,272/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2022-23. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN - AC2562117 dated March 6, 2026.

1) **Undisclosed Income:** On the basis of the examination of the records produced before us, there is no item of any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961., There is no material item of previously unrecorded income that has been properly recorded in the books of account during the year.

2) **Repayment of Dues:**

a) The Company has regularly paid the Principal and Interest dues to Banks / Financial Institutions / Government / Other Lenders, and there are no defaults in this regard.

b) The Company has not been declared as a Wilful Defaulter by any Bank or Financial Institution or Other Lender.

c) On the basis of the examination of records produced before us, Term Loans were applied for the purpose for which the loans were obtained.

d) On the basis of the examination of records produced before us and the overall position of the Financial Statements, funds raised on short–term basis have not been utilised for long term purposes.

e) The Company has not taken any funds from any Entity or person on account of or to meet the obligations of its Subsidiaries, Associates or Joint Ventures.

f) The Company has not raised any Loans during the year on the pledge of securities held in its Subsidiaries, Joint Ventures or Associate Companies.

3) **Moneys raised through IPO, etc.:**

a) In our opinion and according to the explanation given to us, during the year Company has raised funds by way of initial public offer of 65,07,000 number of shares aggregating to Rs91.80 crore. Basis of information and documents provided, the utilisation to the extent done by the company, is in accordance with the objects of the issue.

b) During the period, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) under section 42 and section 62 of the Companies Act Accordingly, reporting of the purpose for which amount raised under clause 3 (x)(b) of the Order is not applicable.

4) Fraud:

(a) Based upon the audit procedures performed and the information and explanations given by the Management, we report that no frauds by or on the Company has been noticed or reported during the year.

(b) No report has been filed by the Auditors with the Central Government in Form ADT–4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, u/s 143(12) of the Companies Act.

(c) No Whistle–Blower Complaints have been received during the year by the Company.

5) Nidhi Company: The Company is not a Nidhi Company and accordingly reporting under Para 3(xii) of the Order is not applicable to the Company.

6) Related Party Transactions: In our opinion, all transactions with the related Parties are in compliance with Sec.177 and 188 of Companies Act, 2013 and the details of such transaction have been disclosed in the consolidated Financial Statements as required by the applicable Accounting Standards.

7) Internal Audit:

a) The company have an internal audit system to commensurate with its size and business activities.

b) The internal audit reports of the company issued till date of audit report, for the period under audit have been considered by us.

8) Non-Cash transactions with specified persons: According to the information and explanations given to us and based on our examination of the Company's records, the Company has not entered into any non–cash transactions with Directors or persons connected with them. Accordingly, Para 3(xv) of the Order is not applicable to the Company.

9) NBFC Companies:

a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause 3(xvi)(a) of the Order is not applicable.

b) The Company has not conducted any non-banking financial or housing finance activities during the year under report.

c) The Company is not a Core Investment Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under Clause 3(xvi)(c) of the Order is not applicable.

d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3(xvi)(d) of the Order is not applicable.

10) Cash Losses: The Company has not incurred Cash Losses in the financial year and in the immediately preceding financial year.

11) Resignation of Auditors: There has been no resignation of the Statutory Auditors during the year, and hence reporting under Para 3(xviii) of the Order is not applicable to the Company.

12) Financial Ability and Material Uncertainty: On the basis of the Financial Ratios, Ageing and expected dates of realisation of Financial Assets and payment of Financial Liabilities, Other Information accompanying the Financial Statements, and our knowledge of the Board of Directors and Management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

13) CSR: The company during the year complied with the Provisions of Sec.135 of the Act and has spent the amount due for corporate social responsibility. Accordingly the provisions regarding the unspent CSR does not apply to the Company.

14) Consolidated Financial Statements: Clause 3(xxi), is applicable of the company, for preparation of consolidated financial statements and the required reporting has been disclosed.

For **Varadarajan & Co**
Chartered Accountants
Firm Regn.No. 004515S

Sd/-
CA V.Sadagopan, FCA
Partner,
Membership No. 022618
UDIN:26022618YMJPCZ2105

Place: Chennai
Date: 30/05/2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act ")

We have audited the internal financial controls over financial reporting of **Airfloa Rail Technology Limited (Formerly known as Airfloa Rail Technology Private Limited or Airflow Equipments (India) Private Limited)** ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management`s Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's Internal Financial Control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Control with reference to financial statements includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of the Internal Financial Controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system with reference to financial statements and such Internal Financial Controls with reference to financial statements were operating effectively as at 31st March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Varadarajan & Co**
Chartered Accountants
Firm Regn.No. 004515S

Sd/-
CA V.Sadagopan, FCA
Partner,
Membership No. 022618
UDIN:26022618YMJPCZ2105

Place: Chennai
Date: 30/05/2026

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

AS ON 31st MARCH 2026

(₹ In Lacs)

Sr. No.	Particulars	Schedule No	As at March 31, 2026	As at March 31, 2025
	EQUITY AND LIABILITIES			
1)	**Shareholders Funds**			
	a. Share Capital	I	2,397.00	1,746.30
	b. Reserves & Surplus	II	21,516.75	9,365.43
2)	**Minority interest**	III	62.23	62.34
3)	**Non - Current Liabilities**			
	a. Long-term Borrowings	IV	411.85	119.92
	b. Long-term Provisions	V	75.42	65.41
	c. Deferred Tax Liabilities (net)	VI	128.91	94.78
4)	**Current Liabilities**			
	a. Short Term Borrowings	VII	6,419.13	5,877.78
	b. Trade Payables	VIII		
	- Payable to Micro and Small Enterprises		2.65	35.07
	- Payable to other than Micro and Small Enterprises		6,088.88	6,357.63
	c. Other Current liabilities	IX	1,725.46	790.31
	d. Short Term Provisions	X	1,440.19	1,179.07
	TOTAL		**40,268.47**	**25,694.04**
	ASSETS			
1)	**Non Current Assets**			
	a. Property, Plant & Equipment and Intangible Assets			
	- Property, Plant & Equipment	XI	4,021.14	3,676.10
	- Intangible Assets		839.40	-
	- Capital Work-in-Progress		180.50	-
	b. Non-Current Investments	XII	500.00	-
	c. Deferred Tax Assets (Net)	VI	-	-
	d. Long-term Loans & Advances	XIII	328.09	198.38
	e. Other Non-current assets	XIV	787.23	729.84
2)	**Current Assets**			
	a. Inventories	XV	7,240.00	6,243.89
	b. Trade Receivables	XVI	21,401.59	12,760.05
	c. Cash and Bank Balance	XVII	1,308.22	392.21
	d. Other current assets	XVIII	3,662.30	1,693.57
	TOTAL		**40,268.47**	**25,694.04**

For **M/S. Varadarajan & Co**
Chartered Accountants
FRN - 004515S

Sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 26022618YMJPCZ2105

Place : Chennai
Date : 30/05/2026

For and on behalf of the Board of Directors of
Airfloa Rail Technology Limited

Sd/-
Dakshinamoorthy Venkatesan
(Chairman and Managing Director)
DIN - 00232210

Sd/-
Dakshna Moorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Sd/-
Papa Sanjeevi Karunakaran
(Chief Finance Officer)
PAN - AZWPK0854H
Place : Chennai
Date : 30/05/2026

Sd/-
CS Haraprasad Rout
(Company Secretary)
M.No - ACS18749

STATEMENT OF CONSOLDATED PROFIT AND LOSS

FOR THE PERIOD ENDED ON 31st MARCH 2026

(₹ In Lacs)

Sr. No.	Particulars	Schedule No	Year Ended As at March 31, 2026	Year Ended As at March 31, 2025
A	**INCOME**			
	Revenue from Operations	XIX	31,959.76	19,238.70
	Other Income	XX	47.44	27.56
	Total Income (A)		**32,007.20**	**19,266.26**
B	**EXPENDITURE**			
	Cost of Material Consumed	XXI	20,362.20	13,343.47
	Direct Expenses	XXII	1,305.69	1,172.67
	Changes In Inventories Of Work- In- Progress & Finished Goods	XXIII	748.33	-2,048.25
	Employee benefits expense	XXIV	1,760.93	1,252.19
	Finance costs	XXV	857.94	1,107.03
	Depreciation and amortization expense	XXVI	346.94	253.27
	Other expenses	XXVII	1,358.00	689.52
	Total Expenses (B)		**26,740.03**	**15,769.90**
C	**Profit before extraordinary items and tax(A-B)**		**5,267.17**	**3,496.36**
	Prior period items (Net) (provision for Gratuity)		-	-1.53
	Profit before exceptional, extraordinary items and tax		5,267.17	3,497.89
	Exceptional items		-	-
	Profit before extraordinary items and tax		5,267.17	3,497.89
	Extraordinary items		-	-
C	**Profit before tax**		**5,267.17**	**3,497.89**
D	**Tax Expense:**			
	(i) Current tax		1,295.99	953.17
	(ii) Deferred tax expenses/(credit)		34.13	-15.10
	(iii) Short /excess provision for tax		22.35	-17.13
	(iii) MAT Credit Entitlement		-	-
	Total Expenses (D)		**1,352.47**	**920.94**
E	**Profit for the year before minority interest (C-D)**		**3,914.70**	**2,576.95**
G	**Minority Interest**	III	0.11	0.27
F	**PROFIT / (LOSS) FOR THE PERIOD (E- F)**		**3,914.81**	**2,577.22**
H	**Earnings per share (Face value of ₹10/- each):**			
	i. Basic		**18.66**	**15.77**
	ii. Diluted		**18.66**	**15.77**

For **M/S. Varadarajan & Co**
Chartered Accountants
FRN - 004515S

Sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 26022618YMJPCZ2105

Place : Chennai
Date : 30/05/2026

For and on behalf of the Board of Directors of
Airfloa Rail Technology Limited

Sd/-
Dakshinamoorthy Venkatesan
(Chairman and Managing Director)
DIN - 00232210

Sd/-
Dakshna Moorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Sd/-
Papa Sanjeevi Karunakaran
(Chief Finance Officer)
PAN - AZWPK0854H
Place : Chennai
Date : 30/05/2026

Sd/-
CS Haraprasad Rout
(Company Secretary)
M.No - ACS18749

STATEMENT OF CONSOLIDATED CASH FLOW

FOR THE PERIOD ENDED ON 31st MARCH 2026

(₹ In Lacs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash Flow From Operating Activities:		
Net Profit before tax as per Profit And Loss A/c	**5,267.17**	**3,497.87**
Adjustments for:		
Interest Cost	874.56	-
Gratuity Provision	9.92	6.93
Interest Income	(26.53)	-
Profit on sale of fixed asset	(0.64)	(8.74)
Depreciation and Amortisation Expense	346.94	253.26
Operating Profit Before Working Capital Changes	**6,471.42**	**3,749.32**
Adjusted for (Increase)/Decrease in operating assets		
Inventories	(996.12)	(1,663.60)
Trade Receivables	(8,641.54)	(2,445.33)
Loans and Advances	(2,098.43)	(1,588.13)
Other Current Assets (Including Other Bank balances)	(57.42)	(416.66)
Adjusted for Increase/(Decrease) in operating liabilities:	-	-
Trade Payables	(301.16)	1,397.34
Other Current Liabilities & Provisions	935.16	(260.11)
Cash Generated From Operations Before Extra-Ordinary Items	**(4,688.09)**	**(1,227.17)**
Net Income Tax paid/ refunded	(1,057.15)	(467.19)
Net Cash Flow from/(used in) Operating Activities: (A)	**(5,745.24)**	**(1,694.36)**
Purchase of property, plant & equipment and intangible assets	(1,715.42)	(567.31)
Sales of property, plant & equipment and intangible assets	4.20	11.50
Capital advances	-	-
Interest Income Received	26.53	-
Investment in other Body Corporate	(500.00)	-
Net Cash Flow from/(used in) Investing Activities: (B)	**(2,184.69)**	**(555.81)**

STATEMENT OF CONSOLIDATED CASH FLOW (Contd.)

(₹ In Lacs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash Flow from Financing Activities:		
Proceeds / (repayment) from Borrowings (Net)	833.27	(557.14)
Fresh shares issued during the year	8,887.23	2,989.96
Interest Cost	(874.56)	-
Net Cash Flow from/(used in) Financing Activities (C)	**8,845.94**	**2,432.82**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	916.01	182.65
Cash & Cash Equivalents As At Beginning of the Year	392.21	209.56
Cash & Cash Equivalents As At End of the Year	**1,308.22**	**392.21**
Component of cash and cash equivalent consist of :		
Cash-in-Hand	-	0.54
Bank Balance	401.94	234.26
Fixed Deposits (having original maturity of less than 3 months)	906.28	157.41
Total	**1,308.22**	**392.21**

For **M/S. Varadarajan & Co**
Chartered Accountants
FRN - 004515S

Sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 26022618YMJPCZ2105

Place : Chennai
Date : 30/05/2026

For and on behalf of the Board of Directors of
Airfloa Rail Technology Limited

Sd/-
Dakshinamoorthy Venkatesan
(Chairman and Managing Director)
DIN - 00232210

Sd/-
Dakshna Moorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Sd/-
Papa Sanjeevi Karunakaran
(Chief Finance Officer)
PAN - AZWPK0854H
Place : Chennai
Date : 30/05/2026

Sd/-
CS Haraprasad Rout
(Company Secretary)
M.No - ACS18749

AIRFLOA RAIL TECHNOLOGY LIMITED

(Formerly known as Airflow Equipments (India) Private Limited)
No. 9, Chelliamman Koil Street, Keelkattalai, Chennai – 600 117
CIN: L30204TN1998PLC041571
Website: http://airflow.co.in/
Email: airflow1998@hotmail.com
Mob: +91 9384870774

COMPANY PROFILE

Airfloa Rail Technology Limited ("The Company") was incorporated under Companies Act, 1956 with CIN - U29309TN1998PTC041571 on 14th December 1998 as "Airflow Equipments India Private Limited". The name of the company was changed to Airfloa Rail Technology Private Limited on 27th August 2024 as to align towards the business of the company. The company further converted into a Public Limited (CIN: U30204TN1998PLC041571) on 15th November 2024.

During the year, Company has been listed on SME platform of Bombay Stock Exchange (BSE) on 18th September, 2025 by way of Initial Public Offer ("IPO") of 65,07,000 fully-paid-up equity shares of face value ₹10 each at a premium of ₹130 each and Corporate Identification Number of the Company is L30204TN1998PLC041571.

The Company is engaged in the business of manufacturing, supplying and installation of railway and railway rolling stock components, including engineering, design, fabrication, assembly and execution of turnkey projects. The Company undertakes development, manufacture and supply of a wide range of railway components and assemblies, including structural components, interior and exterior components, doors, windows, seats, luggage racks, partitions, FRP components, train set components and other customized engineering products. The Company also undertakes engineering, design, development and execution of turnkey projects relating to railway rolling stock and allied infrastructure.

The Consolidated Financial Statements are approved for issue by the Company's Board of Directors on May 30, 2026.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2026

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES UNDER ACCOUNTING STANDARDS

1. AS 1 - DISCLOSURE OF ACCOUNTING POLICIES:

The Statement of Assets and Liabilities of the Company as on March 31, 2026, and the Statement of Profit and Loss and Statement of Cash Flows for the financial year ended on March 31, 2026 and the annexure thereto (collectively, the "Financial Statements") have been compiled by the management from the Financial Statements of the Company for the financial year ended on March 31, 2026.The Financial Statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2021.

2. AS 2 – ACCOUNTING FOR INVENTORIES:

(a) The Company's Closing Stock of Raw Materials is valued at Cost.

(b) Closing Stock of Finished Goods is valued at Cost or Net Realizable Value whichever is lower.

(c) Cost includes Cost of Conversion and Other Costs incurred in bringing the inventories to their present location and condition. Cost is ascertained on FIFO Method.

3. AS 3 - CASH FLOW STATEMENT:

The Cash Flow Statement for the year ended 31.03.2026 has been prepared in accordance with the applicable Accounting Standards.

4. AS 4- CONTINGENCIES & EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

There are no material contingencies or events occurring after the Balance Sheet date that would have a material impact on the financial position of the Company. Details of contingent liabilities, as applicable, are disclosed in the Notes to the Financial Statements.

5. AS 5- NET PROFIT OR LOSS FOR THE YEAR, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES:

During the year under review there was no extraordinary items. Significant Accounting policies applied are consistent with those applied in the previous year.

6. AS 7- CONSTRUCTION CONTRACTS:

The Company is not engaged in any construction business covered by this Standard.

7. AS 9- REVENUE RECOGNITION:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and can be reliably measured.

(a) Sales of goods

Revenue from sale of goods is recognized on dispatch of materials & on raising of Invoice on the customers where in all significant risks and rewards of ownership is transferred to the buyer. Sales are stated net of trade discount and duties.

(b) Service Income

Service income is recognized as per the terms of the contract when the related services are rendered.

(c) Interest income

Interest income is recognized on time proportion basis.

(d) Other Income

Other income, if any, recognized based on certainty of receipts and on accrual basis.

8. AS 10 – PROPERTY PLANT AND EQUIPMENT:

(a) The Company has provided depreciation under the 'written down' method as per the estimated useful lives as specified in Schedule II of the Companies Act 2013. Depreciation on new assets acquired during the year is provided from the date of acquisition to the end of the financial year. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal. Residual values of assets are measured at not more than 5% of their original cost. Individual low-cost assets (acquired for less than 5000) are depreciated within a year of acquisition.

(b) Title deeds of all the immovable properties (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company

(c) Depreciation on PPE provided as per the Useful Lives prescribed under Companies Act, 2013, using WDV Method. In respect of PPE items added during the year if any, Depreciation is charged based on the number of days that PPE Item is in use. No Depreciation is charged on PPE Items not installed till the end of the financial year.

9. AS 11 -ACCOUNTING FOR EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES:

(a) The Company has been complying with the accounting treatment in respect of its foreign currency transactions as specified under Accounting Standard 11, the Effect of Changes in Foreign Exchange Rates.

(b) Gain arising if any, on Forex transaction has been credited in the Profit & Loss Account.

10. AS 12- ACCOUNTING FOR GOVERNMENT GRANTS:

The Company has not received any Government Grants during the Current Financial Year or during Previous Financial Year.

11. AS 13- ACCOUNTING FOR INVESTMENTS:

Long Term Investments, if any, are stated at cost. No provision is made for temporary decline in the value of Long–Term Investments. Income from Investments, wherever applicable, is credited to P&L Account.

12. AS 14- ACCOUNTING FOR AMALGAMATION:

This standard is not applicable to the company for the year under review and also for the previous year.

13. AS 15- EMPLOYEE BENEFITS:

(a) Short Term Employee Benefits: Short-term Employee Benefits, including accumulated compensated absences, if any, at the Balance Sheet date, are recognized as an expense, on an undiscounted basis.

(Amounts in ₹ Lakhs)

Particulars	31.03.2026	31.03.2025
A. To KMP (Directors Remuneration) – See AS - 18 below.	227.10	148.60
B. To Employees (Wages, Bonus & Contribution for ESI & EPF)	1,533.82	1,103.59
C. Sub–Total	**1,760.92**	**1,252.19**

(b) Defined Contribution Plan:

The Company is covered by the Employees' Provident Fund & Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. The details of Employers' Contribution are as under:

(Amounts in ₹ Lakhs)

Particulars	31.03.2026	31.03.2025
ESI Contribution	8.75	5.04
EPF Contribution	52.99	31.61

The above contributions are recognized as an expense in the Profit and Loss Account.

(c) **Defined Benefit Plans:** Gratuity liability in respect of each Financial Year is determined by Kapadia Global Actuaries and provisions for such amount is provisioned in the books of accounts of the company. Actuarial Valuation report has been obtained & details of valuation are as below:

Details of Change in defined Benefit Obligation

(₹ In Lacs)

Particulars	31-Mar-2026	31-Mar-2025
Present value of unfunded obligations	197.96	188.04
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	**197.96**	**188.04**

Expense Recognition in the Statement of Profit & Loss

Particulars	31-Mar-2026	31-Mar-2025
Current service cost	8.21	16.18
Interest on obligation	8.30	9.38
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(6.59)	(18.64)
Recognised Past Service Cost-Vested	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	**9.92**	**6.93**
Short Provision	-	-
Net included in 'Employee Benefit Expense'	**9.92**	**6.93**

14. AS 16-BORROWING COSTS:

Borrowing Costs are capitalized as part of the cost of Qualifying Asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other Borrowing Costs are recognized as an Expense in the period in which they are incurred. No Borrowing Cost has been capitalized in the current year or in the previous financial year.

15. AS 17-SEGMENT REPORTING:

AS – 17 is not applicable for the Company, since the Company does not have more than one segment.

16. AS 18-RELATED PARTY DISCLOSURES:

(a) List of Related Parties and the nature of relationship with Related Parties (where such control exists) is –

Name of Related Party	Nature of Relationship
D Venkatesan	Chairman and Managing Director of the company
D Manikandan	Joint Managing Director of the company
Nanthini Manikandan	Director of Company of the company
Venkatesan Sathishkumar	Director of Company of the company
Apura Energy Private Limited	Concern Controlled by Director of Company
Airflow Energy Solutions Private Limited	Concern Controlled by Director of Company
Airflow Dafeng Rail Equipments Private Limited	Concern Controlled by Director of Company
Nautone Private Limited	Concern Controlled by Director of Company
Apex Material Sciences	Concern Controlled by Director of Company
Bharani Engineering Industries Private Limited	Concern Controlled by Director of Company
Airtrec Equipments (Prop: Revathi Venkatesan)	Relative of Director of Company
Raghavendra Industries	Concern Controlled by relative of Director of Company
Starkeon Engineering Private Limited	Concern Controlled by relative of Director of Company

Name of Related Party	Nature of Relationship
Papa Sanjeevi Karunakaran	Chief Finance Officer
CS Sivakumar Thygarajan	Company Secretary w.e.f 12/12/2024 and resigned on 13/11/2025
CS Haraprasad Rout	Company Secretary w.e.f 14/11/2025

(b) Transactions with related parties (Previous year figures are in brackets) (Amounts in ₹ Lakhs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2026	Amount outstanding as on March 31, 2026 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable
Dakshinamoorthy Venkatesan	Promotor / Managing director	Rent	15.60	-	11.40	-
		Remuneration	75.00	-	66.30	-
		Advance repaid	-	-	456.90	-
		Advance given	-		264.22	
		Loan Received	47.00		456.90	
		Loan Repaid	8.09	36.32	264.22	-
		Reimbursement of Expenses	5.28		12.57	
Dakshinamoorthy Manikandan	Promotor / Joint Managing director	Rent	11.40	-	11.40	-
		Remuneration	75.00	-	66.30	-
		Advance repaid	-	-	664.41	
		Advance given	-		596.96	
		Loan Received	62.20		-	
		Loan Repaid	60.43	3.62	-	-
		Reimbursement of Expenses	6.92		7.28	
V Revathi	Relative of director	Rent	8.40	0.63	8.40	-
		Loan taken	-	-	-	-
		Loan Repaid	-		28.15	
Airtrec Equipments	Controlled by Relative of Director	Advance repaid	-	-	43.28	-
		Advance given	-		12.20	
Venkatesan Sathishkumar	Relative of director & Whole-time director w.e.f 24/7/2024	Remuneration	24.00	-	16.00	-
Manikandan Nanthini	Relative of director & Non executive Director w.e.f 24/7/2024	Rent	8.40	0.76	8.40	-
		Sitting Fees	8.55	0.5		-
		Loan taken	-	-	24.12	-
		Loan repaid	-			
Airflow Energy Solutions Private Limited	Controlled by Director of Company	Advance repaid	-	5.74	20.00	5.74
		Advance given	-		-	

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2026	Amount outstanding as on March 31, 2026 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable
Apex Material Sciences	Controlled by Relative of Director of Company	Advance repaid	-	121.45	0.02	121.45
		Advance given	-		-	
Nautone Private Limited	Controlled by Relative of Director of Company	Advance repaid	-	38.00	-	38.00
		Advance given	-		-	
Bharani Engineering Industries Private Limited	Controlled by Relative of Director of Company	Advance given	55.00	(141.75)	-	(17,231)
		Advance Repaid	85.56		-	
		Sales of goods	-		-	
		Purchase of goods	-		-	
Papa Sanjeevi Karunakaran	CFO w.e.f 01/07/2024	Salary expense	7.44	(0.62)	7.44	(0.62)
CS Haraprasad Rout	Company Secretary and Compliance Officer w.e.f 14/11/2025	Salary expense	4.58	(0.92)	-	-
CS Sivakumar Thygarajan	Company Secretary and Compliance Officer w.e.f 12/12/2024	Salary Expenses	5.58	-	1.95	(0.75)
Raghavendra Industries	Controlled by Relative of Director of Company	Sales of goods	10.42	400.00	201.01	746.35
		Purchase of goods	77.40		67.73	
		Advance repaid	302.50		-	
		Advance given	23.13		-	
Starkeon Engineering Private Limited	Controlled by Relative of Director of Company	Advance Given	29.66	29.69	-	-
		Capital Advance Given	11.68		7,253	198.35
		Purchase of Capital Assets	210.00		-	

17. AS 19- LEASES:

The Company has entered into lease agreements for its **office premises and manufacturing facilities**. The lease rentals are recognized as an expense in the Statement of Profit and Loss over the lease period in accordance with the applicable provisions of **AS 19 – Leases**.

18. AS 20-EARNINGS PER SHARE:

EPS is calculated by considering the Net Profit after Tax, divided by the number of Equity Shares outstanding as at the Balance Sheet date. The Basic and Diluted EPS for the year is disclosed on the face of the Profit or Loss Account.

Calculation of Earnings Per Share (EPS)

Period	2025-26	2024-25
Basic EPS		
Net Profit (in Lacs)	3,915.22	2,578.27
Weighted Average number of equity shares	2,09,74,951	1,63,41,402
Basic EPS	**18.67**	**15.78**
Diluted EPS		
Net Profit (in Lacs)	3,915.22	2,578.27
Diluted Weighted Average number of equity shares	2,09,74,951	1,63,41,402
Diluted EPS	**18.67**	**15.78**

19. AS 21- CONSOLIDATED FINANCIAL STATEMENTS:

During the financial year the Company has a subsidiary, Sree Dakssanna Aerospace & Defence Private Limited, which is engaged in manufacturing and supply of components for aerospace and defence applications. Accordingly, the Consolidated Financial Statements of the Company have been prepared in accordance with the applicable Accounting Standard on Consolidated Financial Statements (AS-21). The consolidated results present the financial position and performance of the Company along with its subsidiary as a single economic entity.

The Parent holds **79.20% equity shares** in the Subsidiary and exercises control over its Board and operations. The financial statements of the Parent and the Subsidiary have been combined on a **line-by-line basis**, and inter-company balances and transactions have been fully eliminated on consolidation.

Investment in Subsidiary

The Company holds **79.20% equity shares** in **Sree Dakssnaa Aerospace & Defence Private Limited**, making it a subsidiary within the meaning of Section 2(87) of the Companies Act, 2013. The details of investment are as under:

Particulars	FY 2025-26	FY 2024-25
Number of Shares Held	9,900	9,900
% of Holding	79.20%	79.20%
Amount of Investment (at Cost) (₹)	99,000	99,000
Nature of Relationship	Subsidiary (Company exercises control over the Board and operations)	Subsidiary (Company exercises control over the Board and operations)

Additional Disclosures:

- The financial results of the subsidiary have been consolidated in accordance with AS-21 in the Consolidated Financial Statements.
- No impairment loss has been recognized on the investment in subsidiary as at March 31, 2026.

20. AS 22- ACCOUNTING FOR TAXES ON INCOME:

The Company adopts AS – 22 in Accounting for Taxes on Income. The material items of Deferred Tax (Assets or Liabilities) have been recognized as at the end of the year under Report. Current Tax Expense for the year includes Tax, Cess and Interest thereon. The details of Current and Deferred Tax are as under –

Particulars (Amount in Lakhs.)	Current Year	Previous Year
1. Current Tax	1295.99	953.17
2. Deferred Tax Items –		
(a) On Account of Depreciation	83.95	(15.10)
(b) On Account of Gratuity	(49.82)	-
(c) On Account of Income tax disallowance	-	-
3. Short/Excess provision for tax for previous period	22.35	(17.13)

21. AS 23- ACCOUNTING FOR INVESTMENTS IN ASSOCIATES IN CONSOLIDATED FINANCIAL STATEMENTS:

This Standard is not applicable to the Company for the year under review.

22. AS 24- DISCONTINUING OPERATIONS:

This Standard is not applicable to the Company for the year under review.

23. AS 25- INTERIM FINANCIAL REPORTING:

The Company has prepared an interim financial report for the period ended September 2025 during the year under review. Accordingly, the provisions of AS 25 – Interim Financial Reporting are applicable to the Company in respect of such interim financial reporting.

24. AS 26- INTANGIBLE ASSETS:

(a) All Intangible items of Property Plant and Equipment (PPE) are stated in the Balance Sheet at Historical Cost less accumulated depreciation thereof. Historical Cost of PPE includes acquisition and construction cost, and payments made to Asset Vendor, and directly attributable cost of bringing the asset to its working condition for its intended use.

(b) Depreciation on PPE provided as per the Useful Lives prescribed under Companies Act, 2013, using WDV Method. In respect of PPE items added during the year if any, Depreciation is charged based on the number of days that PPE Item is in use. No Depreciation is charged on PPE Items not installed till the end of the financial year.

25. AS 27- FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES:

This Accounting Standard is not applicable to the company as the Company has not entered into any Joint Venture.

26. AS 28- IMPAIRMENT OF ASSETS:

As on the Balance Sheet date, the Carrying Amount of the Assets, net of Accumulated Depreciation, is not less than the Recoverable Amount of such assets. Hence there is no Impairment Loss on the Assets of the Company.

27. AS 29-PROVISIONS AND CONTINGENT LIABILITIES:

Provisions have been made in the books of accounts wherever applicable, where the outflow of economic resources from the Company is probable and quantifiable.

Claims against the company not acknowledged as debt.

Show-cause notices issued by various Government Authorities are generally not considered as obligations. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as contingent liabilities.

(i) The GST Department has raised demand of ₹20,01,526/- vide Order No. 527/2024 - SUPDT dated. August 20, 2024 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed an appeal to the appellate authority dated November 26, 2024.

(ii) The GST Department has raised demand of ₹19,87,584/- vide Order No. 17/2024 - SUPD dated. February 27, 2024 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed an appeal to the appellate authority dated June 21, 2024

(iii) The GST Department has raised demand of ₹38,38,488/- vide Order No. 30/2025- SUPD dated. March 24, 2025 issued u/s 73 (9) of the Central Goods & Service Act, 2017 and Tamil Nadu Goods & Service Act, 2017; against which the company has filed a reply on 18/04/2025 and is awaiting personal hearing for the same.

(iv) RoC Chennai vide Adjudication Order dated 20/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹17,27,343/- on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2019-20. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562921 dated March 6, 2026.

(v) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹25,99,631/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2020-21. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562861 dated March 6, 2026.

(vi) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹27,12,722/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2021-22. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN AC2562670 dated March 6, 2026.

(vii) RoC Chennai vide Adjudication Order dated 07/01/2026 passed under Section 454 of the Companies Act, 2013 ('The Act') imposed a penalty of ₹19,64,272/-on the Company for non-compliance with the provisions of Section 135(5) and Section 135(6) of the Act for the FY-2022-23. The Company has filed an appeal against the adjudication order before the Hon'ble Regional Director, Southern Region, Ministry of Corporate Affairs, vide SRN - AC2562117 dated March 6, 2026.

28. PREVIOUS YEARS' FIGURES have been re–grouped and re–aligned wherever appropriate, to facilitate better comparison. Consequent to Schedule III mandatory requirement, figures have been rounded off in ₹ thousands and the summations / differences are to be construed accordingly.

29. AS 30, 31 & 32- FINANCIAL INSTRUMENTS-RECOGNITION AND MEASUREMENT, PRESENTATION AND DISCLOSURE:

These Standards are not applicable to the Company for the year under review.

30. OTHER INFORMATION:

A. Details of Shareholders:

Note: This is also the Shareholding of Promoters & Directors.

No.	Name	Folio No.	No. of Shares held	% Shares	Class of Shares	On 31/03/2026
1.	D Venkatesan	1	64,95,996	27.10%	Equity Share	Managing Director
2.	D Manikandan	3	64,95,999	27.10%	Equity Share	Joint Managing Director
	Total		**1,29,91,995**	**54.20%**		

Note: This is also the Shareholding of Promoters & Directors

B. Disclosure under Micro, Medium and Small Enterprises Development Act, 2006 (MSMED Act)

Financial Year ending on (₹ In '000s)	31.03.2026	31.03.2025
1. Principal Amount and Interest due thereon (to be shown separately) remaining unpaid to any Supplier as at the end of the accounting year		
Principal Amount due to Creditors being Micro and Small Enterprises	2.64	35.07
Principal Amount due to Creditors other than Micro and Small Enterprises	6,088.88	6,357.63
Interest due thereon	NIL	NIL
2. Interest paid by the Company in terms of Section 16 under MSMED Act, along with the amounts of the payment made to the Supplier beyond the appointed day during each accounting year.	NIL	NIL
3. Amount of Interest Due and Payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	3.00	38.59
4. Amount of Interest Accrued and remaining unpaid at the end of each accounting year	3.00	38.59
5. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	NIL	NIL

C. Borrowings Usage for Specified Purpose: The Company has got long–term / short–term Borrowings from Banks and Financial Institutions as on the Balance Sheet date. These amounts of Borrowings from Banks and Financial Institutions have been used for the specific purpose for which it was taken.

31. ADDITIONAL REGULATORY INFORMATION relating to Balance Sheet Items:

A. Title Deeds of Immovable Property: The Company has Immovable Property as on the Balance Sheet date.

B. Revaluation of PPE: The Company has not revalued its Property, Plant and Equipment during the current financial year ending on 31st March. Hence, the reporting relating to whether the revaluation is based on the valuation by a Registered Valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation Rules 2017, does not arise for this Company.

C. Advances given to Promoters, etc.: There are no Loans and Advances in the nature of Loans are granted to Promoters, Directors, KMPs and the Related Parties (as defined under Companies Act, 2013.) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment, during the current financial year or during the previous financial year. Balances with related party is disclosed in Notes to Financial Statements.

D. Capital WIP: The Company has Capital Work-in-Progress amounting to ₹180.50 Lakhs as at the reporting date. The aging is as follows:

Capital WIP	Amount (₹ in lakhs)
Less than 1 year	180.50
1-2 years	-
2-3 years	-
More than 3 years	-
Total	**180.50**

The Company has purchased a "COSMOS Maximus CNC Double Column Machining Center" to enhance operational efficiency and strengthen its manufacturing capabilities. As at the Balance Sheet date, the machinery had been delivered to the Company's manufacturing facility and was under installation and commissioning. Accordingly, the same was classified as Capital Work-in-Progress (CWIP) as at the reporting date.

E. Intangibles under Development: There are no items of Intangible Assets under development. Hence, the details pertaining to Ageing Schedule of Intangible Assets under development does not arise for this Company.

F. No Benami Property: The Company does **not** have any item in respect of Benami Property held. There are **no** proceedings initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder.

G. Quarterly Statement of Current Assets: The Company has Bank Working Capital Facilities from Banks or Financial Institutions on the basis of security of Current Assets, and also secured by its Movable and Immovable Properties. The Quarterly Returns or Statements of Current Assets are in agreement with the Books of Accounts of the Company.

H. Not Wilful Defaulter: The Company has **NOT** been declared as a Wilful Defaulter by any Bank of Financial Institutions or Other Lender during the current financial year or during the previous financial year. Hence, the reporting relating to Wilful Defaulter does not arise for this Company.

I. Relationship with Struck Off Companies: The Company does not have any transaction or other relationship with struck–off Companies, to the extent of the knowledge of the Board.

J. Charges / Satisfaction: In respect of Loans closed, the Company has obtained No Due Certificates from Lenders and filed the satisfaction of charges with the Registrar of Companies as on date of this report.

K. Layers of Companies: The Company does not have any related layer of Companies. Hence, the reporting as to compliance with Number of Layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction of number of Layers) Rules, 2017, does not apply to this Company.

L. Approved Scheme(s) or Arrangement(s): The Company has no scheme(s) of arrangements as approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013, that requires reporting and disclosure.

M. Usage of Borrowed Funds and Share Premium:

(a) The Company has not advanced or loaned or invested funds (either Borrowed Funds or Share Premium or any other sources or kind of funds) to any other Person (s) or Entity (ies), including Foreign Entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary will : (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or behalf of the Ultimate Beneficiaries.

(b) The Company has not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

32. ADDITIONAL INFORMATION relating to Statement of Profit & Loss Items:

A. Reserves for Specific Liability, etc.: (a) There are no material amounts set aside or proposed to be set aside, to Reserve, but not including Provisions made to meet any Specific Liability, Contingency or Commitment known to exist at the date as to which the Balance Sheet is made up. (b) Also, no material amounts have been withdrawn from any such Reserves.

B. Provisions for Specific Liability, etc.: (a) There are no material amounts set aside to Provisions made for meeting Specific Liabilities, Contingencies or Commitments. (b) Also, no material amounts have been withdrawn from such Provisions, as no longer required.

C. Foreign Currency Payments / Imports / Dividends, etc:

(₹ In Lacs)

Particulars	Current Year2026	Last Year
Value of Imports calculated on C.I.F basis by the Company during the financial year in respect of – I. Raw Materials II. Components and Spare Parts III. Capital Goods	243.62	735.81
Expenditure in Foreign Currency during the financial year on account of Royalty, Know–How, Professional and Consultation Fees, Interest, and other matters	NIL	NIL
Total Value of all imported Raw Materials, Spare Parts and Components consumed during the financial year and the Total Value of all indigenous Raw Materials, Spare Parts and Components similarly consumed and the % of each to the Total Consumption Imported Raw Materials Indigenous Raw Materials	1.20% 98.80%	5.51% 94.49%
Amount remitted during the year in Foreign Currencies on account of Dividends with a specific mention of the Total Number of Non–Resident Shareholders, the Total Number of Shares held by them on which the Dividends were due and the year to which the Dividends related	NIL	NIL

D. Foreign Currency Earnings:

Earnings in Foreign Exchange classified under the following heads –	Current Year	Last Year
I. Export of Goods calculated on F.O.B. basis	-	-
II. Royalty, Know–How, Professional and Consultation Fees	-	-
III. Interest and Dividend	-	-
IV. Other Income, indicating the nature thereof.	-	-

E. Undisclosed Income: There is no transaction not recorded in the books of accounts that has been surrendered or disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).There is no material item of previously unrecorded income and related assets that have been properly recorded in the books of account during the year.

F. Corporate Social Responsibility (CSR): In accordance with the provisions of Section 135 of the Companies Act, 2013, (Act) the Company is required to undertake Corporate Social Responsibility (CSR) activities, and incur CSR Expenditure as per the provisions of the Act, provided the Company meets the specified criteria / thresholds with respect to the profits or turnover or net worth in the immediately preceding financial year.

a	amount required to be spent by the company during the year	37,74,273
b	amount of expenditure incurred	38,00,000
c	shortfall at the end of the year	NIL
d	total of previous years shortfall	NIL
E	reason for shortfall,	NA
F	nature of CSR activities	The company has spent during the year spe 1. ₹9,00,000 to Vidhya Sagar Trust towards promoting education and livelihood of orphan children. 2. ₹10,00,000 to Paradise Home towards promotion of improvement of livelihood of elderly. 3. ₹19,00.000 to Satyam Sri Trust towards Empowering Women and Youth, Serving Rural and Remote Communities, Fostering Child Welfare, Enhancing Community Health.
g	details of related party transactions, i.e., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL
h	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA

G. Key Performance Indicators (₹ in Lakhs except per share data and ratios)

Key Performance Indicator	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from Operations (1)	31,959.76	19,238.70
Growth in revenue from operations (%)	66.12%	61.26%
Total Income (2)	32,007.20	19,266.26
EBITDA (3)	6,472.57	4,859.51
EBITDA Margin (%) (4)	20.22%	25.22%
profit for the year (5)	3,915.22	2,578.27
profit for the period/year Margin/ PAT Margin (%) (6)	12.23%	13.38%
Networth (7)	23,677.80	10,875.38
Return on Net Worth (%) (8)	16.54%	23.71%
Return on Average Equity (“RoAE”) (%) (9)	22.66%	31.28%
Return on Capital Employed (“RoCE”) (%) (10)	19.99%	27.15%
Net Asset Value Per Share (₹) (Post - Bonus) (11)	112.89	62.28
Debt- Equity Ratio (12)	0.29	0.55

(₹ In Lakhs, except per share data and ratios)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after Tax as per Profit & Loss Statement (A)	3,915.22	2,578.27
Tax Expense (B)	1,352.47	920.94
Depreciation and amortization expense (C)	346.94	253.27
Interest Cost (D)	857.95	1,107.03
Weighted Average Number of Equity Shares at the end of the Year (Pre Bonus) (E-1)	2,09,75,951	1,63,41,402
Weighted Average Number of Equity Shares at the end of the Year (Post Bonus) (E-2)	2,09,75,951	1,63,41,402
Number of Equity Shares outstanding at the end of the Year (Pre-Bonus) (F-1)	2,39,69,954	1,74,62,954
Number of Equity Shares outstanding at the end of the Year (Post-Bonus) (F-2)	2,39,69,954	1,74,62,954
Nominal Value per Equity share (₹) (G)	10	10
Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	23,677.80	10,875.38
Net-Assets as per Statement of Assets and Liabilities (I)	23,677.80	10,875.38
Current Assets (J)	33,442.90	20,970.53
Current Liabilities (K)	15,806.27	14,42,035
Earnings Per Share - Basic & Diluted1 & 4 (₹) (Pre-Bonus)	**18.67**	**15.78**
Earnings Per Share - Basic & Diluted1 & 4 (₹) (Post-Bonus)	**18.67**	**15.78**
Return on Net Worth1 (%)	**16.54%**	**23.71%**
Net Asset Value Per Share1 & 4 (₹) (Pre - Bonus)	**112.89**	**62.28**
Net Asset Value Per Share1 & 4 (₹) (Post - Bonus)	**112.89**	**62.28**
Current Ratio1	**2.12**	**1.45**
Earning before Interest, Tax and Depreciation and Amortization1 (EBITDA)	**6,472.57**	**4,859.51**

H. Crypto / Virtual Currency: The Company has not traded or invested in Crypto Currency or Virtual Currency during the current financial year or preceding financial year.

For **M/S. Varadarajan & Co**
Chartered Accountants
FRN - 004515S

Sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 26022618YMJPCZ2105

Place : Chennai
Date : 30/05/2026

For and on behalf of the Board of Directors of
Airfloa Rail Technology Limited

Sd/-
Dakshinamoorthy Venkatesan
(Chairman and Managing Director)
DIN - 00232210

Sd/-
Dakshna Moorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Sd/-
Papa Sanjeevi Karunakaran
(Chief Finance Officer)
PAN - AZWPK0854H
Place : Chennai
Date : 30/05/2026

Sd/-
CS Haraprasad Rout
(Company Secretary)
M.No - ACS18749

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 27th Annual General Meeting of the Members of M/s. AIRFLOA RAIL TECHNOLOGY LIMITED (the Company) will be held on Monday, the 28th September 2026 at 11.30 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") with the deemed venue of the meeting being the Registered Office of the company situated at No. 9, Chelliamman Koil Street Keelkttalai, Chennai-600117, Tamil Nadu, Tamil Nadu, India, to transact the following businesses.

ORDINARY BUSINESS:

Item No.1:

To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31st March, 2026 along with the annexures and schedule and the reports of the Board of Directors and Auditors thereon attached thereto as laid before this Meeting be and are hereby received, considered and adopted".

Item No.2:

To receive, consider and adopt the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026 and the Reports of the Auditors thereon and in this regard, to consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the audited Consolidated financial statement of the Company for the financial year ended 31st March, 2026 along with the annexures and schedule and the reports of the Auditors thereon attached thereto as circulated to members be and are hereby received, considered and adopted".

Item No.3:

To appoint a director in place of Mr. V. Sathishkumar (DIN: 08561438), who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution.**

"**RESOLVED THAT** pursuant to the provisions of Section152 and other applicable provisions of the Companies Act, 2013, Mr. Venkatesh Sathishkumar (DIN: 08561438) who retires by rotation, at this Meeting and being eligible, has offered himself for re-appointment, be and is hereby reappointed as the Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

Item No.4:

To ratify the remuneration of the Cost Auditor(s) for the financial year ending 31st March, 2027 and, in this regard to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section-148 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. SVM & Associates, Cost Accountants, Chennai (Firm Registration No. 000536), appointed by Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2026-27, amounting to ₹1,00,000 (Rupees One lakh) plus applicable taxes and reimbursement of out of-pocket expenses incurred by them in connection with the aforesaid audit as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps and do such acts, deeds and things as may be necessary or desirable to give effects to this Resolution".

Item No.5:

To approve the appointment of M/s. SKD & Associates, Practising Company Secretaries as Secretarial Auditors and fix up their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 204 and other applicable provisions, if any, of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), other applicable laws/ statutory provisions, if any, as amended from time to time, and as recommended by the Audit Committee and approved by the Board, M/s SKD & Associates, Company Secretaries, (Firm Regn. No. S2023TN958600) be and is hereby appointed as the Secretarial Auditor of the Company, for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at such remuneration, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditors."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps and do such acts, deeds and things as may be necessary or desirable to give effects to this Resolution".

By Order of the Board of Directors.
For Airfloa Rail Technology Limited

Sd/-
Haraprasad Rout
Company Secretary & Compliance Officer
ACS-18749

Place: Chennai
Date:27/08/2026

Notes:

1. Pursuant to the General Circular Nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated 5th May, 2020, 10/2022 dated 28th December, 2022 , 09/2023 dated 25th September, 2023 and subsequent circulars issued in this regard, the latest being 03/2025 dated September 22 , 2025 in relation to "Clarification on holding of Annual General Meeting ('AGM') through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") the Company is convening the 27th AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue.

   Further, the Securities and Exchange Board of India ('SEBI'), vide its Circulars dated 12th May, 2020, 15th January, 2021, 13th May, 2022, 5th January, 2023 and 7th October, 2023 and 3rd October, 2024 ('SEBI Circulars') and all other applicable circulars issued in this regard, has provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

   In compliance with the provisions of the Companies Act, 2013 ('the Act'), the Listing Regulations and MCA Circulars, the 27th AGM of the Company is being held through VC/OAVM on Monday, the 28th September 2026 at 11.30 A.M. IST. The deemed venue for the AGM will be the Registered office of the company situated at no. No 9, Chelliamman Koil Street, Keelkttalai, Chennai-600117, Tamil Nadu, India.

2. Pursuant to the provisions of the act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.

3. The Annual Report, Notice of the AGM and other documents sent through e-mail are also available on the Company's website https://www.airflow.co.in/

4. The Company has engaged the services of Kfin Technologies Ltd to provide VC facility and e-voting facility for the AGM.

5. The relevant Explanatory Statement pursuant to Section 102(1) of the Act, setting out the material facts concerning special business(s) as set out above in Item No.4 to 5 is annexed hereto. The relevant details required to be disclosed in respect to Directors seeking appointment/ re-appointment at this AGM pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, "(LODR Regulations or Listing Regulations)" has been provided under respective heading. Secretarial Standards on General Meeting ("SS-2") issued by the Institute of Company Secretaries of India and other applicable provisions of the Act, have been provided in Annexure A to this Notice. Additional information as required under Listing Regulations and Secretarial Standard on General Meeting (SS-2) in respect of the Directors retiring by rotation at this Meeting is annexed hereto.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. Corporate/Institutional Members are entitled to appoint authorized representatives to attend the AGM through VC/ OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board resolution/authorization letter to the Scrutiniser at email ID susant.fcs@gmail.com with a copy marked to **einward.ris@kfintech.com** and to the Company at cs@ airflow.co.in authorizing its representative(s) to attend through VC/OAVM and vote on their behalf at the Meeting, pursuant to section 113 of the Act.

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM is being uploaded on the website of the Company at www.airflow.co.in .The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www. bseindia.com and is also available

on the website of KFIN (agency for providing the Remote e-Voting facility) i.e. https://emeetings.kfintech.com.

9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. 28th September 2026. Members seeking to inspect such documents can send an email to cs@ airflow.co.in.

11. Members seeking any information with regard to the accounts or any matter to be considered at the AGM, are requested to write to the Company on or before Wednesday, 23rd September 2026 to cs@airflow.co.in. The same will be replied by the Company suitably.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

    For shares held in electronic form: to their Depository Participants ("DPs")

13. **NOMINATION:** Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

14. **ELECTRONIC DISPATCH OF NOTICE AND ANNUALREPORT** In accordance with the MCA General Circular Nos. 20/2020 dated 5th May, 2020 and 10/2022 dated 28th December, 2022, 09/2023 dated 25th September, 2023 and being 09/2024 dated 19th September, 2024 and SEBI Circular No. SEBI/HO/ CFD/PoD-2/P/ CIR/2023/4 dated 5th January, 2023, 15th January, 2021, 13th May, 2022, 5th January, 2023 and 7th October, 2023 and 3rd October, 2024 ('SEBI Circulars') and the financial statements (including Board's Report, Auditors' Report or other documents required to be attached therewith) for the Financial Year ended 31st March, 2026 pursuant to section 136 of the Act and Notice calling the AGM pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose email addresses are registered with the Company/ Kfin Technologies Limited or the Depository Participant(s) as at closing business hours on **Friday, the 28th August 2026.** The physical copies of such statements and Notice of AGM will be dispatched only to those shareholders who request for the same. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants.

15. **SCRUTINISER FOR E-VOTING:** Mr. Susanta Kumar Dehury, Practicing Company Secretary (Membership No. FCS- 7408, CP No 27050), proprietor of M/s. SKD & Associates, Practicing Company Secretaries has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.

17. The Scrutinizer after scrutinizing the votes cast at the meeting and through remote e-Voting will not later than two working days from the conclusion of the meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with Scrutinizer's Report shall be placed on the website of the Company. The results shall simultaneously be communicated to stock exchanges where the shares of the Company are listed i.e. BSE Limited, and will be placed on the Company's website https:// www.airflow.co.in .

18. Subject to approval of the requisite number of votes, the Resolutions set out in this Notice for the AGM shall be deemed to be passed on the date of the meeting i.e. Monday, the 28th Day of September 2026.

19. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Kfin Technologies Limited (KFIN) for facilitating

voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by KFIN

20. The Companies (Management and Administration) Rules, 2014 stipulate that the remote electronic voting period shall close at 05:00 P.M (IST) on the date preceding the date of AGM. Accordingly, the remote e-Voting period will commence at **09:00 A.M (IST) on Friday, the 25th September 2026** and will end at **5.00 P.M (IST) on Sunday, the 27th September 2026**. The remote e-Voting will not be allowed beyond the aforesaid period and time, and the remote e-Voting module shall be disabled by KFIN.

21. Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. issue of duplicate securities certificate; claim from an unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 for the above-mentioned requests and surrender their original securities certificate(s)for processing of service requests to the RTA. The RTA shall thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the DP for dematerialising the said securities. Form ISR-4 is available on the website of RTA. It may be noted that any service request can be processed only after the folio is KYC Compliant.

22. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Company's Registrars and Transfer Agents, Kfin Technologies Limited in case the shares are held in physical form.

23. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA of the Company.

24. The cut-off date for the purpose of determining the Members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM is **Monday, the 21st September 2026**. Please note that Members can opt for only one mode of voting i.e., either by voting at the meeting or remote e-voting. If Members opt for remote e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again.

25. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e., Monday, the 21st September 2026, may obtain the User ID and password by sending a request at evoting@kfin.com or cs@airflow.co.in. However, if you are already registered with KFIN for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you may reset your password by using "Forgot User Details/Password" option available on https://evoting.kfintech.com or write a mail to evoting@kfintech.com or call KFin's toll free No.: 1800 309 4001. Only a Member who is entitled to vote shall exercise his/ her/its vote through e-voting and any recipient of this Notice who has no voting rights as on the Cut-off Date should treat the same as intimation only.

26. Shareholders who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number at cs@airflow.co.in. Pre-registration should be done between Wednesday, September 23, 2026 (9:00 a.m. IST) and Friday, September 25, 2026 (5:00 p.m. IST). The same will be replied by the company suitably.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins at **09:00 A.M (IST) on Friday, September 25, 2026,** and will end at **5.00 P.M (IST) on Sunday, September 27, 2026**. The remote e-voting module shall be disabled by KFIN for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) **i.e Monday, the 21st September 2026**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **i.e Monday, the 21st September 2026**.

How do I vote electronically using KFIN e-Voting system?

The way to vote electronically on KFIN e-Voting system consists of "Two Steps" which are mentioned below:

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

I. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users: i. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. ii. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. iii. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv. Click on company name i.e. Airfloa Rail Technology Limited or ESP i.e. KFin. v. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period. 3. Those not registered under IDeAS: i. Visit https://eservices.nsdl.com for registering. ii. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Visit the e-voting website of NSDL https://www.evoting.nsdl.com. iv. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. v. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. vii. Click on company name i.e Airfloa Rail Technology Limited or ESP name i.e KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. viii. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on

App Store   Google Play

<table>
<tr><th>Type of Member</th><th>Login Method</th></tr>
<tr><td>Individual Members holding securities in demat mode with CDSL</td><td>1. Existing user who have opted for Electronic Access To Securities Information ("Easi/ Easiest") facility:
i. Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com.
ii. Click on New System Myeasi.
iii. Login to Myeasi option under quick login.
iv. Login with the registered user ID and password.
v. Members will be able to view the e-voting Menu.
vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication.
2. User not registered for Easi/ Easiest
i. Visit https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration for registering.
ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc.
iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote.
3. Alternatively, by directly accessing the e-voting website of CDSL
i. Visit www.cdslindia.com.
ii. Provide demat account number and PAN.
iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.
iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'AIRFLOA' or select KFin.
v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.</td></tr>
<tr><td>Individual Members login through their demat accounts / website of DPs</td><td>i. Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility.
ii. Once logged-in, Members will be able to view e-voting option.
iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.
iv. Click on options available against 'AIRFLOA' or 'KFin'.
v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.</td></tr>
</table>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 102 0990 and 1800 22 4430
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-62343625, 022-62343626, 022-62343259

II. Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.

Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com.

ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 10188, Unit Code - AFEI followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'AIRFLOA RAIL TECHNOLOGY LIMITED' and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. In case you do not desire to cast your vote, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.

General Guidelines for Members:

1. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signatures of the duly authorised signatory(ies) who are authorised to vote on their behalf. The documents should be emailed to einward.ris@kfintech.com with the subject line "AIRFLOA RAIL TECHNOLOGY LIMITED Postal Ballot 2026

   In case of any query and/ or assistance required, Members may refer to the Help & Frequently Asked Questions ("FAQs") available at the download section of https://evoting.kfintech.com or contact

   KFin at the email ID evoting@kfintech.com or call KFin's toll free No.: 1800 309 4001 for any further clarifications/ technical assistance that may be required.

EXPLANATORY STATEMENT

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE "ACT") AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS")

Item No.04:

The Board of Directors of the Company ("the Board") on the recommendation of Audit Committee, has approved the appointment and remuneration M/s. SVM & Associates, Cost Accountants, Chennai (Firm Registration No. 000536), in it's meeting held on 30th May 2026 to conduct the audit of the cost records of the Company for the Financial Year 2026-27. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rules made thereunder, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, the members of the Company are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2026-27 as set out in the resolution.

Accordingly, the ratification of the members is sought in terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rules made thereunder in respect of the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2026-27 as set out in the resolution.

None of the Promoters, Directors and Key Managerial Personnel of the Company (including their relatives) are in any way, whether financially or otherwise, concerned or interested in the said resolution.

Accordingly, based on the recommendation of the Audit Committee, the Board recommends the resolution as set out in item no. 4 of the Notice for approval by the members as an Ordinary Resolution.

Item No.5:

In terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is obligated to appoint a Secretarial Auditor to conduct the secretarial audit and to annex the report in Form MR-3 with its Board's Report. Further SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended effective from 1st April 2025) under Regulation 24A mandates every listed entity to appoint a peer reviewed Company Secretary or a Firm of Company Secretary(ies) as a Secretarial Auditor on the basis of recommendation of the Board of Directors for fixed term of five consecutive years. SME listed entities are presently exempted from compliance with Regulation 24A, however the Board of the Company has decided to voluntarily comply with the provisions under Regulation 24A related to appointment of secretarial auditors in order to strengthen the Corporate Governance system of the Company.

Accordingly, the Board of Directors on recommendation of the Audit Committee, at their respective meetings held on November 11, 2025 have approved subject to approval of Members, the appointment of M/s SKD & Associates, Peer Reviewed Firm of Company Secretaries in Practice, (Firm Regn. No. S2023TN958600), as Secretarial Auditors for a term of 5(Five) consecutive years from April 1, 2025 till March 31, 2030 wherein a remuneration of ₹1,00,000/- (Rupees One Lakh only) is proposed for Financial Years ended March 31, 2026 plus applicable taxes and other out-of-pocket expenses in connection with the Secretarial audit. Fee for subsequent year(s) will be determined by the Board based on the recommendation of the Audit Committee and in consultation with Secretarial Auditor.

Brief profile of the Secretarial Auditor:

Mr. Susanta Kumar Dehury is the founder of M/s SKD & Associates (Firm Registration Number: S2023TN958600), a Secretarial Audit Firm, based in Chennai. Specialization of the firm includes, but not limited to, Secretarial Audit, Corporate laws, FEMA & Securities law including Corporate Governance & CSR, Capital markets, RBI, etc.

The firm is Peer reviewed and Quality reviewed in terms of the guidelines issued by the ICSI.

M/s SKD & Associates have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified by the Institute of Companies Secretaries of India. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder and the SEBI Listing Regulations read with SEBI Circular dated December 31, 2024.

None of the Directors or Key Managerial Personnel (KMPs) of the Company and/or their relatives, are in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

Annexure-A

Details of Directors seeking re-appointment at the AGM [Pursuant to the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India]

For Item No.03:

Categories	Details
Name of Director	Mr. Venkatesh Sathishkumar
Director Identification Number (DIN)	08561438
Date of Birth/Age:	19.11. 1991
Qualification	B. Tech
Date of first appointment in the Board	24.07.2024
Brief Resume, Experience and Expertise	He has Completed Bachelor of Engineering from Sathyabama University and Master of Science from Coventry University. He is associated with our company from July 24, 2024. He looks after the supply chain & purchase management of the Company.
Terms & Conditions of reappointment	Mr. Venkatesan Sathishkumar was appointed as the Wholetime director of the for a term of Five years w.e.f 28th August 2024 vide the Extra Ordinary General Meeting held on 30th August 2024. However, this re-appointment is in compliance of Section 152 of the Companies Act, 2013. By virtue of this reappointment his continuation of service of Five years will not be affected.
Remuneration last drawn (FY 2025-26)	₹24,00,000/-
Number of Board meeting attended during the year	17 out of 17.
Disclosure of relationship with other directors/ KMP	1. Son of Venkatesan Dakshinamoorthy 2. Nephew of Manikandan Dakshna moorthy 3. Nephew of Nandhini Manikandan
Shareholding of Directors including shareholding as beneficial owner	Nil
List of Directorship in other companies as on 31 March, 2026	Nil
List of Membership/ Chairmanship of Committees of other Companies as on 31 March 2026	Nil
Name of Listed Companies from which the Director has resigned in last three years	Nil

AIRFLOA RAIL TECHNOLOGY LIMITED
9, Chelliamman Koil Street, Keelkattalai,