Date: May 30, 2026

To,

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

Ref: Company Code No. 544516

ISIN: INE0XBS01012

Dear Sir / Madam,

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

Pursuant to Regulation 32 of the SEBI Listing Regulations and SEBI Circular No. CIR /CFD/ CMD1/ 162/ 2019 dated December 24, 2019 and SEBI Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, please note that there are no deviation(s) or variation(s) in respect of the utilization of the proceeds of the Initial Public Offer ("IPO") of the Company during the quarter ended 30th June 2026. A statement in this regard is enclosed as **Annexure - 2.**

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

Kindly acknowledge and take the same on records.

Thanking you,

For **Airfloa Rail Technology Limited.**

HARAPRASAD ROUT
Digitally signed by HARAPRASAD ROUT
Date: 2026.08.07 13:11:55 +05'30'

Haraprasad Rout
Company Secretary and Compliance Officer

Annexure – 2

Statement of Deviation from Managing Director

Detailed Statement:

1) **Issuer Details:**
Name of the issuer: Airfloa Rail Technology Limited
Names of the promoters: Mr. Dakshinamoorthy Venkatesan,
Mr. Dakshna Moorthy Manikandan,
Mr. Sathishkumar Venkatesan
Mrs. Nandhini Manikandan
Industry/Sector to which it belongs: Manufacturing of railway products

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

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

Particulars	**Reply (Yes/No /NA)**	**Comments of the Auditor**
Whether all utilization is as per the disclosures in the Offer Document?	Yes	All utilization is as per the disclosures in the Offer Document.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	NA	Not Applicable
Whether the means of finance for the disclosed objects of the issue has changed?	NA	Not Applicable
Is there any major deviation observedover the earlier monitoring agency reports?	NA	Not Applicable
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA	Not Applicable
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA	Not Applicable
Are there any favorable eventsimproving the viability of these object(s)?	NA	Not Applicable
Are there any unfavorable events affecting the viability of the object(s)?	NA	Not Applicable
Is there any other relevant information that may materially affect the decisionmaking of the investors?	No	There is no other relevant information that may materially affect the decision making of the investors

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

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

Sr. No.	Item Head	Original-cost as per offer document	Revised Cost	Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1	Repayment of loan	600.00	NIL	NA	--	--
2	Working Capital	5,927.02	NIL	NA	--	--
3	Capex	1,367.78	NIL	NA	--	--
4	General Corporate Funds	990.00	NIL	NA	--	--

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

(ii) Progress in the object(s) –

Sr. No.	Item Head#	Amount as proposed in the Offer Document (Rs in lakh)	Amount utilized (Rs in lakh)			Total unutilized amount (Rs in lakh)	Reasons for idle funds	Proposed course of action
			As at beginning of the quarter	During the quarter	At the end of the quarter			
1	Capital expenditure towards purchase of machinery and equipment	1,367.78	291.08	0	291.08	1,076.70	Remaining amount is payable on Delivery of Equipments/ Placing of new orders.	
2	Repayment of a portion of certain outstanding borrowing availed by our company	600.00	600.00	0.00	600.00	0.00	------ N.A.------	

3	Funding working capital requirements	5,927.02	5,927.02	0.00	5,927.02	0.00	------ N.A.------	
4	General Corporate Purposes	990.00	990.00	0.00	990.00	0.00	------ N.A.------	
	Total	**8,884.80**	**7808.10**	**0.00**	**7,808.10**	**1,076.70**	**-**	**-**

Note 1: *As on 30th June 2026, out of net proceeds Rs. 8,884.80 Lakhs, Rs. 8,882.21 Lakhs was transferred from Public Issue Account to Monitoring Agency Account, and the remaining Rs. 2.59 Lakhs (net proceeds)is held in Public Issue Account. As on 30th June 2026, out of transferred proceeds Rs. 7,808.10 Lakhs is utilised and Rs. 90.00 Lakhsheld in fixed deposit receipts and the company has earned Rs. 2.86 Lakhs during the quarter and the balance Rs. 986.97 Lakhs is lying in monitoring agency account, including Rs. 2.86 Lakhs as earned interest.*

(iii) Deployment of unutilized IPO proceeds:

S. No.	Type of instrument where amount is invested	Amount invested (in Rs lakh)	Maturity date	Earnings as on June 30, 2026 (in Rs lakh) *Refer foot notes*	Return on Investment (%)	Market value as at the end of quarter (in Rs lakh)
1	Fixed Deposit - Axis Bank - 925040105382542	50.00	06/07/2026	6.31	3.00	56.31
2	Fixed Deposit held in Axis Bank - 925040105413413	40.00	06/07/2026	6.07	3.00	46.07
3	Balance in Monitoring Account – Axis Bank 925020041866195	984.11**	NA	NA	NA	984.11
4	Balance in Public Issue Account - Axis Bank 925020039322902 *(Refer note 3)*	2.59^	NA	NA	NA	2.59
	Total	**1,076.70**		-		**1,089.08**

***As on 30th June 2026, balance in Monitoring Agency Account is Rs. 986.97 Lakhs, out of which Rs. 984.11 Lakhs towards Issue Proceeds and Rs. 2.86 Lakhs as towards income.*

^As on 30 June 2026, balance in Public Issue Account is Rs. 20.51 Lakhs, out of which Rs. 17.92 Lakhs towards issue expenses and Rs. 2.59 Lakhs towards net proceeds.

(iv) Delay in implementation of the objects:

Object(s)	Estimate of Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual Completion date (In case of Continuing objects, latest / revised estimate of Completion date.		Reason of delay	Proposed course of action
Capital expenditure towards purchase of machinery and equipment	Fiscal 2025-26 1076.70 lakhs	Refer note 1	Refer note 1	Refer note 1	Refer note 1

Note 1-

The company has placed orders for machinery during FY 2025-26; Remaining machinery is expected to be ordered and installed during FY 2026-27;The prospectus specifies that if the Net Proceeds are not completely utilised for the Objects in the stated period, such amounts will be utilised (in part or full) in Financial Year 2027-28, in accordance with applicable law. The delay in completion of certain capital expenditure items was primarily due to recent policy changes made by the Chinese Government, coupled with prevailing market conditions affecting supplier capacity and lead times. Hence the management has decided to defer the orders of new machinery. The company is expecting to complete the purchase by end of Fiscal 2027.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document-Not Applicable.

DAKSHINAMOORTHY VENKATESAN

Digitally signed by DAKSHINAMOORTHY VENKATESAN
Date: 2026.08.07 13:11:13 +05'30'

DAKSHINAMOORTHY VENKATESAN
Chairman-Cum- Managing Director
DIN: 00232210

INDIA
FRN : 0004515S

VARADARAJAN & CO

CHARTERED ACCOUNTANTS

Ph: 044 - 24453533
044 - 49539520

BRANCH OFFICE

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

Annexure - 2

Nameoftheissuer: M/s. Airfloa Rail Technology Limited

Forquarterended: 30th June 2026

(a) Deviation from the objects:

(b) Range of Deviation:

Declaration:

We declare that this report is based on the format prescribed by the SEBI (ICDR) Regulations, 2018, We further declare that this report provides a true and fair view of the utilization of the issue proceeds.

We declare that we do not have any direct/indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship/interest while reporting the utilization of the issue proceeds by the issuer.

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

Partner: V. SADAGOPAN
Membership No: 022618
Place: Chennai
Date: 06-08-2026
UDIN:26022618DUEFOY7358

VARADARAJAN & CO. ★ CHENNAI-20 ★ CHARTERED ACCOUNTANTS

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Email : varadarajan.coadyar@gmail.com

1) **IssuerDetails:**
Name of the issuer: Airfloa Rail Technology Limited
Names of the promoter: Mr. Dakshinamoorthy Venkatesan, Mr. Dakshna Moorthy Manikandan, Mr. Sathishkumar Venkatesan, Mrs. Nandhini Manikandan
Industry/Sector to which it belongs: Manufacturing of railway products

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

3) **Detailsofthearrangementmadetoensurethemonitoringofissueproceeds:**

Particulars	Reply (Yes/No/NA)	Comments of the Auditor
Whetherallutilizationisasperthe disclosuresintheOfferDocument?	Yes	All utilization is as per the disclosures in the Offer Document
Whether shareholder approval has beenobtained in case of material deviations#fromexpendituresdisclosedintheOffer Document?	NA	Not Applicable
Whether themeansoffinance forthe disclosedobjectsoftheissuehaschanged?	NA	Not Applicable
Isthereanymajordeviationobservedovertheearliermonitoringagency reports?	No	No Comments
Whether all Government/statutoryapprovalsrelatedtotheobject(s)have beenobtained?	NA	Not Applicable
Whether all arrangementspertainingtotechnicalassistance/collaborationarein operation?	NA	Not Applicable
Are there any favorable eventsimprovingtheviability ofthese object(s)?	No	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	No	No Comments

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Is there any other relevant informationthatmaymaterially affectthedecisionmakingofthe investors?	No	There is no other relevant information that may materially affect the decision making of the investors

4) **Detailsofobject(s)tobemonitored:**

(i) **Costofobject(s)-**

Amount in Lakhs

Sr. No.	Item Head	Original- cost as per offer document (...)	Revised Cost (...)	Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1	Repayment of loan	600.00	NIL	NA		
2	Working Capital	5,927.02	NIL	NA		
3	Capex	1,367.78	NIL	NA		
4	General Corporate Funds	990.00	NIL	NA		

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

(ii) **Progressintheobject(s)–**

Amount in Lakhs

Sr. No.	Item Head	Amount as Proposed in the offer Document (...)	As at beginning of the Quarter	During the Quarter (...)	At the end of the Quarter (...)	Total unutilized amount (...)	Reasons for idle funds	Proposed course of action
1	Repayment of loan	600.00	600.00	0.00	600.00	0.00		
2	Working Capital	5,927.02	5,927.02	0.00	5,927.02	0.00		
3	Capex	1367.78	291.08	0.00	291.08	1,076.70		
4	General Corporate Funds	990.00	990.00	0.00	990.00	0.00		
	Total	**8,884.80**	**7,808.10**	**0.00**	**7,808.10**	**1,076.70**		

* As on 30th June 2026, out of net proceeds Rs. 8,884.80 Lakhs, Rs. 8,882.21 Lakhs was transferred from Public Issue Account to Monitoring Agency Account, and the remaining Rs. 2.59 Lakhs (net proceeds)is held in Public

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Issue Account. As on 30th June 2026, out of transferred proceeds Rs. 7,808.10 Lakhs is utilised and Rs. 90.00 Lakhsheld in fixed deposit receipts and the company has earned Rs. 2.86 Lakhs during the quarter and the balance Rs. 986.97 Lakhs is lying in monitoring agency account, including Rs. 2.86 Lakhs as earned interest.

(iii) DeploymentofunutilizedIPOproceeds:

Amount in Lakhs

S No	Type ofinstrumentandnameoftheentity investedin	Amountinvested (...)	Maturitydate	Earning as at quarter end (...)	ReturnonInvestment(%)	MarketValueas at the end ofquarter (...)
1	Monitoring Agency Account maintained with Axis Bank – 925020041866195	984.11**	NA	NIL	NA	984.11**
2	Public Issue Account maintained with Axis Bank – 925020039322902	2.59^	NA	NIL	NA	2.59^
3	Fixed Deposit held in Axis Bank - 925040105382542	50.00	06/07/2026	6.31	3.00%	56.31
4	Fixed Deposit held in Axis Bank - 925040105413413	40.00	06/07/2026	6.07	3.00%	46.07
	Total	**1,076.70**				**1089.08**

**As on 30th June 2026, balance in Monitoring Agency Account is Rs. 986.97 Lakhs, out of which Rs. 984.11 Lakhs towards Issue Proceeds and Rs. 2.86 Lakhs as towards income

^ As on 30th June 2026, balance in Public Issue Account is Rs. 20.51 Lakhs, out of which Rs. 17.92 Lakhs towards issue expenses and Rs. 2.59 Lakhs towards net proceeds.

(iv) Delay in implementation of the objects:

Object(s)	Completion as per offer document	Actual completion date (in case of continuing object(s), latest/revised	Delay (No. of days/months)	Reason for delay	Proposed course of action

CA INDIA

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		estimate of completion date)			
Capital Expenditure	Fiscal 2025–26 □1,076.70 Lakhs	Refer – Note 1	Refer – Note 1		

Note 1 –

The company has placed orders for machinery during FY 2025–26; Remaining machinery is expected to be ordered and installed during FY 2026–27;The prospectus specifies that " if the Net Proceeds are not completely utilised for the Objects in the stated period, such amounts will be utilised (in part or full) in Financial Year 2027-28, in accordance with applicable law.The delay in completion of certain capital expenditure items was primarily due to recent policy changes made by the Chinese Government, coupled with prevailing market conditions affecting supplier capacity and lead times. Hence the management has decided to defer the orders of new machinery.The company is expecting to complete the purchase by end of Fiscal 2027.

5) **Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document – Not Applicable**

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