



AIRFLOA RAIL TECHNOLOGY LIMITED

(Formerly known as Airflow Equipments India Pvt Ltd)

Date: May 26, 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

Subject: Intimation of Statement of Deviation or variation in utilisation of IPO Funds, if any, under Regulation 32 of SEBI (LODR) Regulation, 2015

Dear Sir/Madam,

Pursuant to the Regulation – 32 of the of SEBI (LODR) Regulation, 2015 read with SEBI Circular No. CIR/ CFD/CMDI/162/2019 dated December 24, 2019, we are herewith submitting the certificate issued by the statutory auditor on utilization of funds raised from Initial public offer (IPO) as on half year and year ended March 31, 2026.

We hereby request you' to take note of the same and update record of the Company accordingly.

Thanking you,

For **Airfloa Rail Technology Limited**

Haraprasad Rout
Company Secretary and Compliance Officer

Membership No. A8192.



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: 31stMarch 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

VARADARAJAN SADAGOPAN
Digitally signed by
VARADARAJAN SADAGOPAN
Date: 2026.05.07 18:33:06
+05'30'

Partner: V. SADAGOPAN
Membership No: 022618
Place: Chennai
Date: 07/05/2026
UDIN: 26022618IAGRFU2955





FRN : 00045155

VARADARAJAN & CO

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





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4) Details of object(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)-

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	114.37	176.71	291.08	1,076.70		
4	General Corporate Funds	990.00	990.00	0.00	990.00	0.00		
	Total	8,884.80*	7,631.39	176.71**	7,808.10	1,076.70		





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* As on 31st March 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 31st March 2026, out of transferred proceeds Rs. 7,808.10 Lakhs is utilised and Rs. 700.00 Lakhs held in fixed deposit receipts and the company has earned Rs. 2.86 Lakhs during the quarter and the balance Rs. 376.97 Lakhs is lying in monitoring agency account, including Rs. 2.86 Lakhs as earned interest.

** During the quarter Rs. 176.71 Lakhs was transferred from monitoring agency to current account of the company.

The transferred amount was fully utilised towards objects of the issue

(iii) Deployment of unutilized IPO proceeds:

Amount in Lakhs

S No	Type of instrument and name of the entity invested in	Amount invested (...)	Maturity date	Earnings as at quarter end (...)	Return on Investment (%)	Market Value as at the end of quarter (...)
1	Monitoring Agency Account maintained with Axis Bank - 925020041866195	374.11 **	NA	NIL	NA	374.11 **
2	Public Issue Account maintained with Axis Bank - 925020039322902	2.59 #	NA	NIL	NA	2.59 #
3	Fixed Deposit held in Axis Bank - 925040105382542	350.00	06/04/2026	5.20	3.00%	355.20
4	Fixed Deposit held in Axis Bank - 925040105413413	350.00	06/04/2026	5.20	3.00%	355.20
	Total	1,076.70				1087.10

** As on 31st March 2026, balance in Monitoring Agency Account is Rs. 376.97 Lakhs, out of which Rs. 374.11 Lakhs towards Issue Proceeds and Rs. 2.86 Lakhs as towards income

As on 31st March 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.





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(iv) Delay in implementation of the objects:

	Completion as per offer document	Actual completion date (in case of continuing object(s), latest/revised estimate of completion date)	Delay (No. of days/months)	Reason for delay	Proposed course of action
Capital Expenditure	Fiscal 2025-26 <input type="checkbox"/> 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. -

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





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AIRFLOA RAIL TECHNOLOGY LIMITED

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Management Undertaking

Date: 06-05-2026

To
Crisil Ratings Limited
Crisil House, Central Avenue,
Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai - 400 072, Maharashtra

Sub: Management undertaking towards utilization of proceeds of the Issue of Airfloa Rail Technology Limited

Dear Sir/Madam,

This is with respect to the public issue by Airfloa Rail Technology Limited (“the Company”) vide its Prospectus dated 16/09/2025 (“the Prospectus”) and utilisation of the Issue Proceeds as per the objects of the Issue given in the said Prospectus.

The Company and Crisil Ratings Limited have entered into a Monitoring Agency Agreement dated 06/08/2025 (“Agreement”) and this undertaking is being provided subject to the terms of the Agreement. All the defined terms under this undertaking shall have the same meaning as under the Agreement.

With respect to the Monitoring Agency (MA) report to be submitted to the Stock Exchanges in terms of Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby undertake and declare as follows:

1. The Company has complied with the applicable requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“LODR Regulations”), the Companies Act, 2013, and other applicable regulations, as amended from time to time, towards utilisation of Issue Proceeds raised by the Company by way of issue of equity shares through its Prospectus.





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- The total amount collected/raised through the Issue and received by the Company (net of offer for sale by existing shareholders) is Rs. 9,109.80 lakhs (gross proceeds) and amount available for utilisation towards objects of the Issue (net of offer expenses of Rs. 225.00 Lakhs) is Rs 8,884.80 Lakhs (net proceeds)
- The Company has during the quarter ended March, 2026 utilised Rs. 176.71 Lakhs in line with the objects detailed in the Prospectus dated 16/09/2025 filed with Registrar of Companies, Chennai and Securities and Exchange Board of India ("SEBI"). The remaining amount Rs. 1076.70 Lakhs is maintained in Public Issue Account (net proceeds) and Monitoring Agency Account and details of instrument where it is invested is further detailed in Annexure A attached hereto and shall be subsequently utilised in accordance with the objects mentioned in the Prospectus. The complete details of the end use of the amount along with the bank account statement (including Monitoring Agency bank account statement) supporting such utilisation is attached to this declaration as 'Annexure A'.
- We confirm that with respect to the utilisation of Issue Proceeds, there has been no deviation from the objects stated in the Prospectus of the Company and that the utilisation is in compliance with the Prospectus and applicable laws.

Or

There has been following deviations in the utilisation of Issue Proceeds objects:

S. No.	Details of Utilisation	Amount of funds utilised towards objects	Range of deviation	Compliance status

<indicating category wise (viz capital expenditure, sales and marketing, working capital etc.) variation between projected utilisation of funds made by the company in its prospectus and the actual utilisation of funds>

- We confirm following arrangements:

Particulars	Reply (Yes/ No/NA)	Comments of the Issuer
Whether all utilization is as per the disclosures in the Offer Document?	Yes	All utilization is as per the disclosures in the Offer Document





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Particulars	Reply (Yes/ No/NA)	Comments of the Issuer
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?	No	No Comments
Is there any major deviation [#] observed over the earlier monitoring agency reports?	No	No Comments
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 events improving the viability of these object(s)?	No	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	No	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	No Comments

[#]Where material deviation may be defined to mean:

(a) Deviation in the objects or purposes for which the funds have been raised

(b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

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

Ø:

~~Revision in the cost of the objects during the reported quarter:~~





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Object(s)	Original cost	Revised cost	Reason of cost-revision	Proposed financing option	Particulars of firm arrangements made, if any

7. Progress in the objects during the reported quarter is as follows:

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	114.37	176.71	291.08	1,076.70		
4	General Corporate Funds	990.00	990.00	0.00	990.00	0.00		
	Total	8,884.80	7,631.39	176.71 *	7,808.10	1,076.70		

* During the quarter Rs. 176.71 Lakhs was transferred from monitoring agency to current account of the company. The transferred amount was fully utilised towards objects of the issue.

8. There has been no delay in the implementation of the object(s) during the reported quarter.

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





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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.

9. Details of utilization of Issue Proceeds stated as per general corporate purpose (GCP) amount in the offer document – Not Applicable
10. The amount utilized towards GCP is as per the disclosure provided in the offer document of the Company – Not Applicable
11. During the reported quarter, unutilised Issue Proceeds were deployed as follows:

Amount in Lakhs

S No	Type of instrument and name of the entity invested in	Amount invested (...)	Maturity date	Earning as at quarter end (...)	Return on Investment (%)	Market Value as at the end of quarter (...)
1	Monitoring Agency Account maintained with Axis Bank – 925020041866195	374.11 **	NA	NIL	NA	374.11**
2	Public Issue Account maintained with Axis Bank – 925020039322902	2.59^	NA	NIL	NA	2.59^
3	Fixed Deposit held in Axis Bank - 925040105382542	350.00	06/04/2026	5.20	3.00%	355.20
4	Fixed Deposit held in Axis Bank - 925040105413413	350.00	06/04/2026	5.20	3.00%	355.20
	Total	1,076.70				1087.10

**As on 31st March 2026, balance in Monitoring Agency Account is Rs. 376.97 Lakhs, out of which Rs.374.11 Lakhs towards Issue Proceeds and Rs. 2.86 Lakhs as towards income

^ As on 31st March 2026, balance in Public Issue Account is Rs. 20.51 Lakhs, out of which Rs. 17.92 Lakhs





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towards issue expenses and Rs. 2.59 Lakhs towards net proceeds.

12. No part of the Issue Proceeds is paid by our Company as consideration to the Promoters, members of the Promoter Group, the Directors, the Key Managerial Personnel or the Group Companies during the reported quarter. Further, there was no transactions in relation to utilization of Issue Proceeds by our Company with the Promoters, members of the Promoter Group, the Directors, the Key Managerial Personnel or the Group Companies during the reported quarter.
13. We have performed necessary check/audits to ensure the accuracy of the figures/details mentioned in the undertaking and confirms the same to be true and correct in all respects.
14. The Company has obtained certificate of utilisation of Issue Proceeds for the reported quarter from M/s. Varadarajan and Co, Chartered Accountants, FRN-022618, Statutory Auditors of the Company. The same is attached to this undertaking as '*Annexure B*'.

The undersigned affirms that the data, facts and statements made above and in the attached annexure are true, accurate and complete. The undersigned is affirming the genuineness of the facts and compliance with utilization of Issue Proceeds and is fully cognizant of the liabilities that would arise pursuant to relevant provisions of the Companies Act, 2013 and other applicable laws in the event of any such data, fact or statement being found to be false or misleading in any manner.

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



Dakshna Moorthy Manikandan
Joint Managing Director
DIN - 00232275

