NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty-sixth(26th) Annual General Meeting of the members of **M/s. Airfloa Rail Technology Limited ("the Company")** will be held on Monday, 15th September 2025 at 11.00 AM at the Registered Office of the Company situated at 9, Chelliamman Koil Street, Keelkattalai, Chennai – 600 117 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025 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 **Ordinary Resolution:**

   "**RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31st March, 2025 and the reports of the Board of Directors and Auditors thereon laid before this Meeting be and are hereby received, considered and adopted".

2. To receive, consider and adopt the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 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 **Ordinary Resolution:**

   "**RESOLVED THAT** the audited Consolidated financial statement of the Company for the financial year ended 31st March, 2025 and the reports of the Board of Directors and Auditors thereon laid before this Meeting be and are hereby received, considered and adopted".

3. To appoint a Director in place of Mrs. Nanthini Manikandan (DIN:08561378) who retires by rotation and being eligible offers herself for re-appointment as a director and in this regard, to consider and if though fit pass the following resolution as Ordinary Resolution.

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Nanthini Manikandan, (DIN:08561378) who retires by rotation, at this Meeting and being eligible, has offered herself for re-appointment be and is hereby reappointed as Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

4. To ratify the remuneration of the Cost Auditor(s) for the financial years ending 31st March 2025 and in this regard to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the remuneration payable to M/s. Ashok & Associates, Cost Accountants, Madurai, Membership No.11929, (Firm Registration No.:102203), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ended March 31, 2025, at a remuneration amounting to Rs.1,00,000/- (Rupees One lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, as approved by the Board of Directors of the Company, be and is hereby ratified."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

5. To ratify the remuneration of the Cost Auditor(s) for the financial years ending 31st March 2026 and in this regard to pass the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Rules made thereunder [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 the Board of Directors as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ended March 31, 2026, at a remuneration amounting to Rs.1,00,000/- (Rupees One lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, as approved by the Board of Directors of the Company, be and is hereby ratified."

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board
For **AIRFLOA RAIL TECHNOLOGY LIMITED**
Sd/-
D Venkatesan
Managing Director
DIN: 00232210

Place: Chennai
Date: 21/08/2025

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend and Vote Instead of himself/herself and the Proxy need not be a member of the Company.

2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than **FORTY-EIGHT HOURS** before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a letter signed by the competent authority in their organization authorizing their representatives to attend and vote on their behalf at the meeting.

4. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

5. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

6. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

7. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

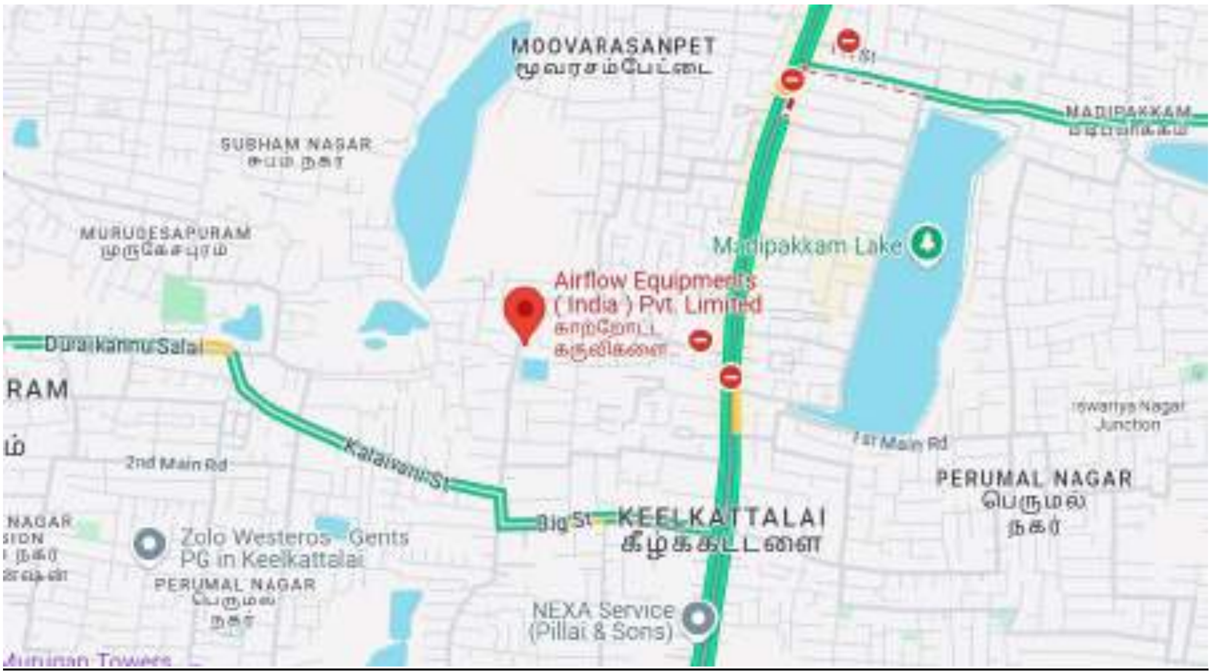
8. Members/Proxies should bring duly-filled Attendance Slips to attend the meeting.

9. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.

10. In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) a route map of the venue of the Annual General Meeting is enclosed.

Route map to the Venue of the AGM

Venue: 9, Chelliamman Koil Street, Keelkattalai, Chennai – 600 117



EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT OF 2013

Item No. 4: Ratification of the remuneration of the Cost Auditor(s) for the financial year ended 31st March, 2025.

The Board of Directors of the company had approved the appointment and remuneration of M/s. Ashok & Associates, Cost Accountants, Madurai, Membership No.11929, (Firm Registration No.:102203), as the Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending 31st March 2025 for a remuneration of Rs.1,00,000/- (Rupees One lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with audit. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

The Board of Directors recommend the ordinary resolution as set out at Item no. 4 of this Notice for approval of members

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No. 5: Ratification of the remuneration of the Cost Auditor(s) for the financial year ended 31st March, 2026.

Based on the recommendation of the Audit Committee, the Board of Directors of the company had approved the appointment and remuneration of M/s. SVM & Associates, Cost Accountants, Chennai (Firm Registration No. 000536), vide it's resolution dated 21st August 2025, as the Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending 31st March 2026 for a remuneration of Rs.1,00,000/- (Rupees One lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with audit. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

The Board of Directors recommend the ordinary resolution as set out at Item no.5 of this Notice for approval of members

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

By Order of the Board
For **Airfloa Rail Technology Limited**

Sd/-
D Venkatesan
Managing Director
DIN: 00232210

Place: Chennai
Date: 21/08/2025

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING:

Details of the Directors retiring by rotation and seeking re-appointment at the Annual General Meeting pursuant to Secretarial Standards on General Meetings ("SS-2" as mentioned in 2.1.5), issued by the Institute of Company Secretaries of India (ICSI) are as under:

Name of Director	Nanthini Manikandan
Directors Identification Number	08561378
Age/DOB	45 years/05/04/1980
Qualifications	B. Tech
Experience (including expertise in specific functionalarea) / Brief Resume:	Since joining Company on July 24, 2024 she has been an indispensable pillar of leadership team. Her profound understanding and strategic foresight have provided invaluable guidance to the Board, critically shaping decisions that drive the efficiency and innovation of our production processes and the comprehensive management of our diamond unit. Furthermore, her exceptional leadership extends to human resource management, where she plays a vital role in identifying, developing, and retaining the exceptional talent that propels our Company's growth and competitive edge.
Remuneration (including sitting fees, if any) last drawn	Ni.
Remuneration proposed to be paid	Nil
Date of first appointment on the Board	24.07.2024
Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2025	Nil
Relationship with other Directors / Key ManagerialPersonnel	1. Spouse of Manikandan Dakshna Moorthy 2. Sister-in-law of Venkatesan Dakshinamoorthy 3. Aunt of Sathishkumar Venkatesan
Number of meetings of the Board attended during the Financial year 2024-2025	15
Directorships of other Boards as on March 31, 2025(Indian Companies)	1. Ultima Environmental Solutions Private Limited 2. Bharani Engineering Industries Private Limited
Membership / Chairmanship of Committees of otherBoards as on March 31, 2025	Nil
Listed entities from which the Director has resigned in the past three years	Nil

Form No.MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	U30204TN1998PLC041571
Name of the Company	**:**	AIRFLOA RAIL TECHNOLOGY LIMITED
Registered Office Address	:	No.9, Chelliamman Koil Street, Keelkttalai, Chennai-600117, Tamil Nadu, India.

Name of the Member(s)	
Registered Address	
E-mail Id	Folio No/Client ID:
DP ID:	

I/We, being the member(s) of___________ shares of the above named company. hereby appoint

Name:	E-mail Id:
Address:	
Signature, or failing him	
Name:	E-mail Id:
Address:	
Signature:	

As my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Monday, 15th September, 2025 at 11.00 A.M. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	**Resolution(s)**
1	To receive, consider and adopt the Financial Statements of the Company comprising of Balance Sheet of the Company made as of 31st March, 2025
2.	To appoint a Director in place of Smt. Nanthini Manikandan who retires by rotation and being eligible offers herself for re-appointment as a director
3.	To ratify the remuneration of the Cost Auditor(s) for the financial year ended 31st March, 2026.

Signed this ____day of ____________2025

Signature of the shareholder Across Revenue Stamp

Affix Revenue Stamp

Signature of Proxy holder

Note: *This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. The proxy need not be a member of the company.*

<u>**ATTENDANCE SLIP**</u>

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP ID		**Client ID**	
Reg. Folio No.		**No. of Shares held**	

Name:
Address:

I certify that I am a member / proxy / authorized representative for the member of the Company.
I/We hereby record my/our presence at the 26th Annual General Meeting of the Company being held on Monday, the 15th day of September, 2025 at 11 A.M. at the Registered Office of the Company situated at 9, Chelliamman Koil Street, Keelkattalai, Chennai – 600 117.

Please tick in the box

MEMBER ☐ **PROXY** ☐

____________________ ________________________

Name of Member / Proxy Signature of Member / Proxy

AIRFLOA RAIL TECHNOLOGY LIMITED
(Formerly known as Airflow Equipments (India) Private Limited)
No. 9, Chelliamman Koil Street, Keelkattalai, Chennai – 600 117, Tamilnadu, India
CIN: U30204TN1998PLC041571
Tel: +91 9384870774, Website: http://airflow.co.in, Email: airflow1998@hotmail.com

BOARD'S REPORT

To,
The Members of
M/s. Airfloa Rail Technology Limited

The Board of Directors have the pleasure in presenting the 26th Board's Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2025.

FINANCIAL RESULTS

Your Company's Standalone and Consolidated Financial Performance during the Financial Year 2024-25 as compared to that of the previous Financial Year 2023-24 is summarized below:

(Amount in Thousands)

	Standalone		**Consolidated**
Particulars	**FY 2024-25**	**FY 2023-24**	**FY 2024-25**
Revenue from operations	19,23,870	11,93,036	19,23,870
Other Income	2,756	37,751	2,756
Total Income	**19,26,626**	**12,30,787**	**19,26,626**
Total Expenses	**15,76,858**	**10,19,769**	**15,76,857**
Profit Before extraordinary items and tax	3,49,769	2,11,018	3,49,636
Less: Prior period items	(153)	7,159	(153)
Profit Before Taxation (PBT)	**3,49,921**	**2,03,860**	**3,49,789**
Less: Current Income Tax	95,317	62,390	95,317
Less: Deferred Tax	(1,510)	6,354	(1,510)
Less: MAT Credit	(1,713)	-	(1,713)
Less: Tax relating to earlier years	-	-	-
Profit After Taxation (PAT)	**2,57,827**	**1,35,115**	**2,57,695**
Earnings per share (Basic & Diluted) (in Rs.)	**15.78 & 15.78**	**27.05 & 9.02**	**15.77 & 15.77**

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

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

During the year under review, the Company recorded revenue of Rs.192.39 crores from its operation as against Rs.119.30 crores in the previous financial year 2023-24. Other Income during the current financial year 2024-25 was Rs. 0.28 crore as against Rs.0.38 crore in the previous financial year 2023-24. The Profit before Tax for the financial year 2024-25 is Rs. 34.99 crores as against Rs. 20.39 crores in the previous financial year 2023-24. The net profit for the financial year 2024-25 stood at Rs. 25.78 crores as against Rs. 13.51 crores in the previous financial year. The subsidiary company has not generated any revenue during the financial year 2024-25, accordingly the standalone and consolidated financial performance remains the same.

BUSINESS OUTLOOK

The Company is engaged in the manufacturing of components which are used in the rolling stock for the Indian Railways through railway production units like Integral Coach Factory (**"ICF"**), Modern Coach Factory (**"MCF"**) and Rail Coach Factory (**"RCF"**). In addition to manufacturing the rolling stock components, we carry out turnkey interior furnishing projects for Indian Railways. In the aerospace and defence sectors, we manufacture intricate, highly engineered, and vital components. Along with Indian Railways through ICF, MCF, and RCF, we also serve Titagarh Rail Systems Limted and global rolling stock OEMs such as Alstom and SIEMENS.

The Company have manufactured rolling stock components and implemented turnkey interior furnishing projects for Sri Lankan DEMU and Mainline Export Coaches, Agra-Kanpur Metro Coach, RRTS Coach, Vistadome Coach and Train-18 Vande Bharat Express. Our Company's aerospace and defence products include AMCA ground simulators, precision machining tools, body manufacturing for artillery tanks, body armors and various critical components for missiles.

The Company has been in operation for over 20 years, and have extensive expertise as a reliable supplier of high-precision forged and machined components for the rolling stock, aerospace, and defence industries, as well as undertaking turnkey interior furnishing projects in railways. Considering the increased expenditure in infrastructure development and overall growth in the economy, the company expects substantial increase in its order book which will reflect in both revenue and profits going forward.

DIVIDEND:

Considering the capital requirement for expansion and growth of business operations and to augment working capital requirements, the Board of Directors do not recommend any dividend on the Equity shares for the financial year 2024-25.

TRANSFER TO RESERVES

During the year, the company had not transferred any amount to the General Reserves. No amount is proposed to be transferred to reserves during the year under review.

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.

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. The following are the significant events that took place during the financial year and post closure of financial year:

FILING OF DRAFT RED HERRING PROSPECTUS (DRHP) WITH SEBI AND STOCK EXCHANGES

As part of the ongoing Initial Public Offer (IPO) process of the Company, the company has filed Draft Red Herring Prospectus dated 30.06.2025 with SEBI on 30.06.2025 for a 100% Book Built Issue. The IPO envisages fresh issue of upto 65,07,000 Equity Shares of face value of ₹ 10 each ("Equity Shares") at a price to be determined through book building. The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE ("BSE SME"). The Company has received an 'In principle' approval letter dated 13.08.2025 from BSE SME for using its name in this offer document for listing company shares on the SME Platform of BSE.

The Company proposes to utilize the Net Proceeds towards funding the following objects:

Sr.No.	Particulars
1	Capital expenditure towards purchase of machinery and equipment
2	Repayment of a portion of certain outstanding borrowing availed by the company
3	Funding working capital requirements
4	General corporate purposes

ALTERATION OF MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

During the year under review, the Company carried out the following alterations to its Memorandum of Association ("MoA") and Articles of Association ("AoA"):

a. Change in Name of the Company

The name of the Company was changed from M/s. Air Flow Equipments India Private Limited to Airfloa Rail Technology Private Limited, pursuant to the approval of the Members at an Extraordinary General Meeting ("EGM") held on July 18, 2024. Consequent to the said approval, a fresh Certificate of Incorporation reflecting the change of name was issued by the Registrar of Companies on August 27, 2024.

b. Alteration of Object Clause of the Memorandum of Association

The Company amended the object clauses of its Memorandum of Association to align with its revised business strategy and future growth plans. The said alterations were approved by the Members at the Extraordinary General Meetings held on July 18, 2024 and November 21, 2024. The Company has received the necessary approval and certification from the Registrar of Companies, Chennai, confirming the alteration of the object clauses of the MoA.

c. Increase in Authorised Share Capital

The Authorised Share Capital of the Company was increased from ₹5,00,00,000/- (Rupees Five Crore only) to ₹25,00,00,000/- (Rupees Twenty-Five Crore only), pursuant to the approval of the Members at the Extraordinary General Meeting held on June 24, 2024.

d. Alteration of Articles of Association

The Articles of Association of the Company were altered and substituted with a new set of Articles consequent to the conversion of the Company from a Private Limited Company to a Public Limited Company. The Members approved the said substitution at the Extraordinary General Meeting held on September 12, 2024.Further, prior to the above substitution, certain alterations to the Articles of Association were also approved by the Members at the Extraordinary General Meeting held on June 24, 2024.

CHANGE IN STATUS OF THE COMPANY

During the financial year, the Company underwent a significant transformation in its nature by converting from a Private Limited Company to a Public Limited Company. This conversion was approved by the shareholders at an Extraordinary General Meeting held on September 12, 2024. Subsequently, the company has filed the necessary application with the Registrar of Companies, Chennai, and obtained the Fresh Certificate of Incorporation dated 15th November 2024 to formalize this change. Prior to this the name of the Company was changed from Airflow Equipments India Private Limited to Airfloa Rail Technology Limited vide the Extra Ordinary General Meeting resolution dated July 18, 2024.

CHANGE IN THE NATURE BUSINESS

During the year under review, there was no change in the nature of the Company's business except the amendment to the object clause of the company to make it future ready.

SHARE CAPITAL

During the financial year under review, the share capital of the Company underwent the following changes:

The Authorised Share Capital of the Company was increased from Rs 5,00,00,000 (Rupees Five Crore) divided into 50,00,000 (Fifty Lakh) equity shares of Rs.10 each to Rs.25,00,00,000 (Rupees Twenty-Five Crore) divided into 2,50,00,000 (Two Crore Fifty Lakh) equity shares of Rs.10 each, pursuant to the approval of the shareholders at the General Meeting held on 24 June 2024.

During the year, the Company made allotments of equity shares by way of private placement as under:
(i) 4,99,318 equity shares of Rs.10 each on 1 August 2024;
(ii) 44,000 equity shares of Rs10 each on 9 August 2024; and
(iii) 8,48,000 equity shares of Rs.10 each on 4 December 2024.

Further, the Company issued and allotted 1,10,76,636 fully paid-up bonus equity shares of Rs.10 each in the ratio of 2:1 to the equity shareholders whose names appeared in the Register of Members as on 31 August 2024, being the record date fixed for the said bonus issue.

Consequent to the above allotments, the issued, subscribed and paid-up share capital of the Company increased to Rs.17,46,29,540 (Rupees Seventeen Crore Forty-Six Lakh Twenty-Nine Thousand Five Hundred Forty only) comprising 1,74,62,954 equity shares of Rs.10 each.

As at 31 March 2025, the Authorised Share Capital of the Company stood at Rs.25,00,00,000 divided into 2,50,00,000 equity shares of Rs.10 each and the issued, subscribed and paid-up share capital stood at Rs17,46,29,540 divided into 1,74,62,954 equity shares of Rs.10 each.

Apart from the above-mentioned changes, there were no changes in the Authorized, issued, subscribed, and paid-up share capital of the Company during the year. Further it is hereby confirmed that, 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) failed to implement any corporate action

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.

The company has not accepted loans from directors/ relatives of directors during the financial year.

REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

During the year under review, neither the financial statements nor the Board's Report were revised under Section 131 of the Companies Act, 2013. Accordingly, there has been no instance of any voluntary or regulatory revision of the said documents.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards i.e. SS-1 and SS-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 for the Financial Year ended 2024-25.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) 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 March 31, 2025, 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 March 31, 2025 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 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

Pursuant to the resolution passed by the Board of Directors at its meeting held on March 07, 2024, the Company incorporated a subsidiary under the name and style Sree Dakssnaa Aerospace and Defence India Private Limited on June 11, 2024. The subsidiary is engaged in the business of Aerospace and Defence and has its registered office at No.127, Mettupalayam Road, Opp. to Samsung, Panruti, Kanchipuram, Sriperumbudur, Tamil Nadu – 631604, India. Post incorporation, the said entity continues to be a subsidiary of the Company, with the Company holding 79.20% of its equity share capital as on the date of this Report. The requisite disclosures in this regard have been made in the Notes to the Financial Statements under the Annexure/Schedule XV. During the year under review, the Company has not provided any loans or given any guarantees attracting the provisions of Section 186 of the Companies Act, 2013.

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. 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.

You may also refer to Related Party transactions in Note 16 of Notes to Accounts of the Financial Statements for more details.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134(3) 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 as on 31st March, 2025 is available on the Company's website and can be accessed at https://www.airflow.co.in/

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. COMPOSITION OF THE BOARD OF DIRECTORS:

As of 31st March 2025, the Board of Directors of the Company consists of total six directors, including a Chairman and Managing Director, Joint Managing Director, Whole-Time Director, 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, Managing Director
- Mr. Dakshna Moorthy Manikandan, Managing Director
- Mr. Venkatesan Sathishkumar, Whole-time Director
- Ms. Manikandan Nanthini, Director
- Mr. Sudhanshu Mani, Independent Director
- Mr. Tilak Raj Seth, Independent Director

The focus on independent oversight ensures balanced decision-making for the company's long-term success. The composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013.

B. KEY MANAGERIAL PERSONNEL:

The Key Managerial Personnel (KMP) of the Company, as per Sections 2(51) and 203 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, comprise Mr. Dakshinamoorthy Venkatesan, Chairman & Managing Director; Mr. Dakshna Moorthy Manikandan, Managing Director; Mr. Venkatesan Sathishkumar, Whole-time Director; Mr. P S Karunakaran, Chief Financial Officer; and Mr. Thyagarajan Sivakumar, Company Secretary and Compliance Officer.

C. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Sudhanshu Mani (DIN: 10124439), was co-opted as an Additional Independent Director and Ms. Manikandan Nanthini (DIN: 08561378) and Mr. Venkatesan Sathish Kumar (DIN: 08561438) were co-opted as Additional Directors of the Company with effect from July 24, 2024, pursuant to the provisions of section 161 of the Companies Act, 2013. The said appointments were regularised at the Extra-Ordinary General meeting held on July 26, 2024.

Further, Mr. Tilak Raj Seth (DIN: 07027068) was co-opted as an Additional Independent Director of the Company with effect from August 28, 2024, pursuant to the provisions of section 161 of the Companies Act, 2013. The said appointment was regularised at the Extra-Ordinary General meeting held on August 30, 2024.

The Board further approved the change in designation of Mr. D Venkatesan as Managing Director, Mr. D Manikandan as Joint Managing Director and Mr. Venkatesan Sathishkumar as Whole Time Director at their meeting held on August 28, 2024 and the said changes in designation were approved by the members at the Extra-Ordinary General meeting held on August 30, 2024.

Ms. Malti Jaiswal (Membership Number: ACS 53918) was appointed as the Company Secretary and Compliance Officer and Mr. P. S. Karunakaran was appointed as the Chief Financial Officer of the Company, with effect from July 1, 2024.

Further, Ms. Malti Jaiswal (Membership Number: ACS 53918) resigned as the Company Secretary and Compliance officer of the Company w.e.f. 01/12/2024 and Mr. Thygarajan Sivakumar (Membership Number: A8192) was appointed as the Company Secretary and Compliance officer of the Company w.e.f. 12/12/2024.

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, Ms. Nanthini Manikandan (DIN - 08561378), 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 her 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 to 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.

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 Rs.50,000/- per meeting to its Non-Executive Directors for attending the meetings of Board and Committees.

F. NUMBER OF BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

During the Financial Year 2024-2025, 21 (Twenty One) 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	03-05-2024	2	2	100%
2	20-06-2024	2	2	100%
3	24-06-2024	2	2	100%
4	01-07-2024	2	2	100%
5	20-07-2024	2	2	100%
6	24-07-2024	2	2	100%
7	01-08-2024	5	5	100%
8	09-08-2024	5	5	100%
9	19-08-2024	5	5	100%
10	28-08-2024	5	5	100%
11	31-08-2024	6	6	100%

12	02-09-2024	6	6	100%
13	21-09-2024	6	6	100%
14	30-09-2024	6	6	100%
15	19-11-2024	6	6	100%
16	28-11-2024	6	6	100%
17	04-12-2024	6	6	100%
18	12-12-2024	6	6	100%
19	22-01-2025	6	6	100%
20	12-02-2025	6	6	100%
21	31.03.2025	6	6	100%

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.

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.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Company is in the process of arranging for familiarization program for the Independent Directors.

BOARD EVALUATION:

The Board of Directors have evaluated the performance of all Independent Directors, Non-Independent Directors and its Committees. The Board deliberated on various evaluation attributes for all directors and after due deliberations made an objective assessment and evaluated that all the directors in the Board have adequate expertise drawn from diverse industries and business and bring specific competencies relevant to the Company's business and operations. The Board found that the performance of all the Directors was quite satisfactory.

The Board also noted that the term of reference and composition of the Committees was clearly defined. The Committee performed their duties diligently and contributed effectively to the decisions of the Board.

The functioning of the Board and its committees were quite effective. The Board evaluated its performance as a whole and was satisfied with its performance and composition of Independent and Non-Independent Directors.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

Your Company has in place policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 which provides for a whole gamut of compensation philosophy for rewarding and retaining talent.

During the year under review, the Board approved the revised remuneration policy, as recommended by the Nomination and Remuneration Committee incorporating changes relating to commission of non-executive directors. The revised policy is available on the Company's website at https://www.airflow.co.in/investor-relations/policies

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; and
c) Nomination and Remuneration Committee
d) Risk Management 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 2024-25, the Company held One (01) Audit Committee meeting on January 22, 2025

The composition of the Committee as on March 31, 2025 and the details of meetings attended by its members during the financial year 2024-25 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	Manikandan Dakshnamoorthy	Member	1	1

All recommendations of Audit Committee during the year under review were accepted by the Board of Directors. 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 177 of the Companies Act, 2013 is available on the website of the Company at https://www.airflow.co.in/

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 2024-25, the Company held One (1) Stakeholder's Relationship Committee meeting on January 22, 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	1	1
2	Venkatesan Dakshnamoorthy	Member	1	1
3	Manikandan Dakshnamoorthy	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 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 2024-25, the Company held one (01) Nomination and Remuneration Committee meeting on January 22, 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	1	1
2	Tilak Raj Seth	Member	1	1
3	Nandhini 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/

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 2024-25, the Company held One (1) Nomination and Remuneration Committee meeting on January 22, 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	1	1
2	Tilak Raj Seth	Member	1	1
3	Manikandan Dakshna moorthy	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/

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Independent Directors of the Company met separately on January 22, 2025 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.

VIGIL MECHANISM

In terms of section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules 2014, the Company has established a Vigil Mechanism for its directors and employees to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Mr. D Manikandan (DIN: 00232275), Joint Managing Director, have been nominated by the Board of Directors of the Company to play the role of Vigilance Officer to whom other Directors and employees may report their concerns. The Whistle Blower Policy requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the policy. A mechanism is in place whereby any employee of the Company has access to the Vigilance officer to report any concern.

The said policy has been disseminated within the organisation and has also been posted on the Company's website at https://www.airflow.co.in/

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. Varadharajan & Co, (Firm Registration No: 004515S) Chartered Accountants, having office at Srivatsa Basement, Door No.49, Kamaraj Avenue, 1st Street Adyar, Chennai, Tamil

Nadu-600020, 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. Varadharajan & Co, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the FY 2024-25, which forms part of the Annual Report 2024-25. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in the Audit Reports issued by them which call for any explanation/comment from the Board of Directors.

B. COST RECORDS AND COST AUDIT / COMPLIANCE:

The provisions in respect of cost audit pursuant to Sec. 148 of Companies Act 2013 read with the Companies (Cost records and audit) Rules, 2014 has been applicable to the company from the financial year 2018-19. Even though it is belated, the company has complied with the requirement of appointment of cost auditor for the financial year 2018-19 and subsequent years upto financial year 2022-23. The company has sought compounding of the delay in complying with the provisions related to appointment of cost auditor for the financial year 2018-19 to 2022-23 by filing a sou-moto compounding application under section 441 of the Companies Act, 2013 which is yet to be disposed of by the adjudicating authority. The company has duly complied with the provisions in respect of appointment of cost auditor for the financial year 2023-24. 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 2018-19 to 2023-24 at the Annual General Meeting of the Company held on September 30, 2024.

The Board of Directors has appointed CMA I Ashok, M/s Ashok & Associates, Cost Accountants, Madurai, Membership No 11929, as the Cost Auditors of the Company for the financial year 2024-25 and also fixed up the remuneration payable to the cost auditors. The remuneration payable to cost auditors for the financial year ended March 31, 2025, is recommended to members for ratification pursuant to the provisions of Section 148 of the Act at the ensuing AGM.

Pursuant to the recommendation of the Audit Committee, the Board of Directors, at its meeting held on 21 August 2025, approved the 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 2025–26, 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.

C. SECRETARIAL AUDIT REPORT

In terms of the provision of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 the Company is not required to annex Secretarial Audit Report to the Board Report.

D. **INTERNAL AUDITOR:**

The provisions related to appointment of Internal Auditors pursuant to section 138 of the companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, is not applicable to the Company.

DETAILS REGARDING FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE ACT

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, the 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 extensive 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.

PARTICULARS OF EMPLOYEES:

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 281 employees (including the employees on contract basis).

The statement giving details of names of the top ten employees in terms of remuneration drawn and the name of every employee who was in receipt of remuneration exceeding the limits specified under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

COMPLIANCE TO 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. All employees (permanent, contractual, temporary, trainees) are covered.

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. During the year under review, Company has not received any complaints on sexual harassment and hence there are no complaints pending as on the end of the Financial Year 2024-25 on sexual harassment.

The following is a summary of sexual harassment complaints received and disposed of during the Financial Year 2024-25:

(a)	Number of complaints of sexual harassment pending in the beginning of the financial year;	Nil
(b)	Number of complaints of sexual harassment received during the financial year;	Nil
(c)	Number of complaints disposed off during the financial year;	Nil
(d)	Number of cases pending for more than ninety days	Nil

A STATEMENT BY THE COMPANY WITH RESPECT TO THE COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961.

Pursuant to Rule 8(5)(xiii) of the Companies (Accounts) Rules, 2014, as amended vide the Companies (Accounts) Second Amendment Rules, 2025, the Board confirms that the Company has complied with the applicable provisions of the Maternity Benefit Act, 1961. The Company provides all eligible women employees with maternity leave, nursing breaks, and such other benefits as mandated under the Act.

DOWNSTREAM INVESTMENT

The Company does not have Foreign Direct Investment (FDI) and it has not invested in any other Company in India.

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

The Company has not received 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions in respect of corporate social responsibility (CSR) pursuant to Section 135 of the Companies Act, 2013 have been applicable to the company for the financial year 2019-20 to 2022-23. As the company could not spent the required amount towards CSR activities during the aforesaid financial years, it has transferred the unspent CSR amount to Prime Ministers National Relief Fund specified in Schedule VII of the Act. Since there was a delay in transferring the unspent amount, the company has filed a suo-moto adjudication application before the Registrar of Companies under Section 454 of the Companies Act, 2013 which is yet to be disposed of by the adjudicating authority. The company did not fulfil any of the conditions prescribed for mandatory CSR spending during the financial year 2023-24, accordingly there was no obligation to spend any amount towards CSR during financial year 2023-24. The Company has duly discharged its CSR obligation during the financial year 2024-25 and a report on the CSR activities undertaken during the financial year ended 31st March 2025, in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure- II**.

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. The Committee has taken note of and oversees the implementation of the Company's Corporate Social Responsibility (CSR) Policy, formulated in compliance with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and is responsible for monitoring and guiding the Company's CSR initiatives and activities.

RISK MANAGEMENT

Pursuant to provisions of Section 134(3)(n) of the Companies Act, 2013 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.

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 III** to this Report.

BORROWINGS

As on March 31, 2025, an amount of Rs.5,99,770 Lakhs was outstanding towards borrowings, which comprises of both secured and unsecured loans.

PARTICULARS OF HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE

As on 31st March 2025, the company did not have any holding, joint venture or associate company.

The Board of Directors at their meeting held on March 07, 2024 approved formation of a subsidiary under the name and style **SREE DAKSSNAA AEROSPACE AND DEFENCE INDIA PRIVATE LIMITED** to be engaged in the business of "Aerospace and Defense" and having its registered office at No.127, Mettupalayam Road, Opp. to Samsung, Panruti, Kanchipuram, Sriperumbudur, Tamil Nadu, India, 631604, which got incorporated on June 11, 2024. Your company is holding 79.20 % of the Paid-up Equity Share Capital as on date of signing this report.

The highlights of the subsidiaries' performance and their contribution to the Company's overall performance are detailed within this Board's Report. Furthermore, in compliance with Section 129 (3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement outlining the salient features of the financial statements of Subsidiaries in Form No. AOC-1 is attached as **Annexure – IV** to this report. 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/

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 commission has been received by the Managing Director or the Whole-Time Director of the Company from its subsidiary company as prescribed under Section 197(14) of the Companies Act, 2013.

DEMATERIALISATION OF SHARES

During the year under review, the Company has entered into tripartite agreements for dematerialization of equity shares with Kfintech Technologies Limited, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2025, the shares of the Company held in demat form represents 100% of the total issued and paid-up capital of the Company. The Company ISIN No. is INE0XBS01012.

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 and hence not being commented upon

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:

During the year under review and till date of this Report, the Company has neither made any application against anyone nor were any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

BUSINESS LOCATIONS

As on March 31, 2025, the company has its place of business in the following location;

Registered Office	9, Chelliamman Koil Street, Keelkattalai, Chennai – 600117
Manufacturing Facility	4D, Boopathy Nagar Industrial Area, Chennai,Kancheepuram, Tamil Nadu, 600117
Manufacturing Facility	No.127, Road, Panrutti Village, SriperumbudurTaluk, Kancheepuram-631604, Chennai, Tamilnadu

DESIGNATED PERSON

Mr. Thygarajan Sivakumar (Membership Number: A8192), Company Secretary and Compliance officer of the Company is the Designated person of the company.

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

Dakshinamoorthy Venkatesan	**Dakshna Moorthy Manikandan**
Managing Director	**Joint Managing Director**
DIN: 00232210	**DIN: 00232275**

Place : Chennai
Date: 21/08/2025

ANNEXURE – I TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

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 arm's 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:

(Rs.Thousands)

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:
Raghavendra Industries (Controlled by Relative of Director)	Purchase of Goods	2024-25	On arm's length basis	6,773/-	03-05-2024	Nil
	Sale of Goods	2024-25		20,101/-	03-05-2024	
Starkeon Engineering Private Limited (Controlled by Relative of Director)	Purchase of Goods	2024-25	On arm's length basis	--	03-05-2024	7,253/-
	Sale of Goods	2024-25		--	03-05-2024	

Manikandan Nanthini (Relative of director & Non executive Director w.e.f 24/7/2024)	Rent	2024-25	On arm's length basis	840/-	03-05-2024	
Airtrec Equipments Controlled by Relative of Director)	Sale & Purchase	2024-25	On arm's length basis	–	03-05-2024	1,220/-

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

Dakshinamoorthy Venkatesan
Managing Director
DIN: 00232210

Dakshna Moorthy Manikandan
Joint Managing Director
DIN: 00232275

Place : Chennai
Date: 21/08/2025

AIRFLOA RAIL TECHNOLOGY LIMITED
(Formerly known as Airflow Equipments (India) Private Limited)
No. 9, Chelliamman Koil Street, Keelkattalai, Chennai – 600 117, Tamilnadu, India
CIN: U30204TN1998PLC041571
Tel: +91 9384870774, Website: http://airflow.co.in, Email: airflow1998@hotmail.com

ANNEXURE – II OF THE BOARDS' REPORT

CSR ACTIVITIES FOR THE FY 2024-25

1. **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.

2. Composition of CSR Committee:

   Not applicable as the Company's CSR liability has not crossed Rs.50 Lacs in any year as specified under sub-section (9) of section 135 of the Companies Act, 2013. 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. The Committee has taken note of and oversees the implementation of the Company's Corporate Social Responsibility (CSR) Policy, formulated in compliance with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and is responsible for monitoring and guiding the Company's CSR initiatives and activities.

3\. Provide the Web link of the 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/

4\. Provide an executive summary along with the web-link(s) of the Impact Assessment of CSR Projects undertaken pursuant to sub-rule (3) of rule 8, if applicable. **Not Applicable.**

5. A) Average net profit of the company as per sub-section (5) of section 135: **Rs. 8,90,67,518/-**
   B) Two percent of the average net profit of the company as per sub-section (5) of section 135: **Rs. 17,81,350/-**
   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: **NIL**
   E) Total CSR obligation for the financial year = (b) + (c) - (d): **Rs. 17,81,350/-**

6\. (A) Amount spent on CSR Projects (including both Ongoing Projects and other Projects): **Rs. 17,85,000/-**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Reg Number
1.	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	iii.	No	Delhi	East Delhi	17,85,000/-	No	Akashiganga Foundation, East Delhi, Delhi -110 092	CSR00011882
2.									
				TOTAL					

(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): **Rs. 17,85,000/-**
(E) CSR amount spent or Unspent for the Financial Year:

Total Amount Spent for the Financial Year (In Rs)	Amount Unspent (In Rs)				
	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
17,85,000	-	-	-	-	-
			-	-	-
			-	-	-
			-	-	-

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

S. No	Particular	Amount (In Rs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	17,81,350
(ii)	Total amount spent for the Financial Year	17,85,000

(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3,850
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	3,850

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 Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	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 Rs.)	Deficiency, If any
					Amount (in Rs.)	Date of Transfer		
1	2023-24	-	-	-	-	-	-	-
2	2022-23	19,64,272	-	-	19,64,272	24-12-2024	-	-
3	2021-22	27,12,722	-	-	27,12,722	23-12-2024	-	-

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]	Pincode 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

Dakshinamoorthy Venkatesan
Managing Director
DIN: 00232210

Dakshna Moorthy Manikandan
Joint Managing Director
DIN: 00232275

Place: Chennai
Date: 21/08/2025

ANNEXURE III TO THE BOARDS' REPORT

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR 2024-25

A. CONSERVATION OF ENERGY

I. ENERGY CONSERVATION MEASURES TAKEN

The company is using latest technologies and installing energy efficient solutions wherever available. The company is continuously in the monitoring energy usage to conserve energy.

II. THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY

The company is using latest technologies and installing energy efficient solutions wherever available.

III. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT'S: Not Applicable

B. TECHNOLOGY ABSORPTION AND INNOVATION

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.

II. THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT - DEVELOPMENT OR IMPORT SUBSTITUTION

The Company uses latest technologies wherever possible. The company understands its strength lies in adaptation of new technologies and keen on implementation.

III. In Case Of Imported Technology (Imported During The Last Three Years Reckoned From The Beginning Of The Financial Year)

a. the details of technology imported; - **None**
b. the year of import; -**Not Applicable**
c. whether the technology been fully absorbed- **Not Applicable**
d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – **Not Applicable**

IV. THE EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT: None

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.

PARTICULARS	**2024-25 (Rs in thousands)**	**2023-24 (Rs in thousands)**
Foreign Exchange earnings	0	0
Foreign Exchange outgo: Value of imports on CIF Basis	73,581	9,369

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

Dakshinamoorthy Venkatesan
Managing Director
DIN: 00232210

Dakshna Moorthy Manikandan
Joint Managing Director
DIN: 00232275

Place : Chennai
Date: 21/08/2025

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 No. Amount of Investment in Associates/Joint Venture Extend of Holding %	 NA NA 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 ii. Not Considered in Consolidation	NIL

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

Dakshinamoorthy Venkatesan
Managing Director
DIN: 00232210

Dakshna Moorthy Manikandan
Joint Managing Director
DIN: 00232275

Papa Sanjeevi Karunakaran
(CFO)
PAN-AZWPK0854H

Thygarajan Sivakumar
(Company Secretary)
ACS 8192

Place : Chennai
Date: 21/08/2025

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, 2025** 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, 2025** 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.

<u>Report on Other Legal and Regulatory Requirements</u>.

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, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 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**
Place: Chennai **Date: 21/08/2025**	**CA V.Sadagopan, FCA** **Partner,** **Membership No. 022618** **UDIN: 25022618BMIQAU1174**

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 2025)

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, except the following:

Description of Property	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Free hold Land	872.97	Mr. Venkatesan & Mr. Manikandan	Director	3 years	Sale Agreement entered between the company and parties during FY 2021-22, the same has been registered in the name of the company on 12/06/2025.

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 Rs. 34,28,175 are in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable and out of which the company has deposited Rs. 11,64,832 after the end of the financial year.

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

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) The Company has not raised any moneys by way of Initial Public Offer or further Public Offer (including Debt Instruments) during the year.

(b) According to the information and explanations given to us and based on our examination of the Company's records, the Company has made Private Placement of Shares as disclosed in Annexure – V of the Audited consolidated Financial Statements and the same is in accordance with the section 42 and section 62 of the Companies Act, 2013 and have been utilized for the purposes they were raised.

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 consolidated Financial Statements as required by the applicable Accounting Standards.

14) **Internal Audit:** Based on our examination of the Company's systems, the Company does not have an Internal Audit System. Also, the Company is not mandated to have an Internal Audit System as per Sec.138 of the Companies Act.

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**
	CA V.Sadagopan, FCA
Place: Chennai	**Partner,**
Date: 21/08/2025	**Membership No. 022618**
	UDIN:25022618BMIQAU1174

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, 2025 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 2025, 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**
Place: Chennai **Date: 21/08/2025**	**CA V.Sadagopan, FCA** **Partner,** **Membership No. 022618** **UDIN:25022618BMIQAU1174**

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(₹ In 000's)

Sr. No.	Particulars	Annexure No.	As at March 31, 2025	As at March 31, 2024
	EQUITY AND LIABILITIES			
1)	Shareholders Funds			
	a. Share Capital	V	1,74,630	49,950
	b. Reserves & Surplus	VI	9,36,543	5,10,765
2)	Minority interest		6,234	-
3)	Non - Current Liabilities			
	a. Long-term Borrowings	VII	11,992	1,20,287
	b. Long-term Provisions	VIII	6,541	7,537
	c. Deferred Tax Liabilities (net)	IX	9,478	10,989
4)	Current Liabilities			
	a. Short Term Borrowings	X	5,87,778	5,35,198
	b. Trade Payables	XI		
	- Payable to Micro and Small Enterprises		3,507	3,242
	- Payable to other than Micro and Small Enterprises		6,35,763	4,96,294
	c. Other Current liabilities	XII	79,031	1,12,440
	d. Short Term Provisions	XIII	1,17,907	61,936
	TOTAL		25,69,404	19,08,638
	ASSETS			
1)	Non Current Assets			
	a. Property, Plant & Equipment and Intangible Assets			
	- Property, Plant & Equipment	XIV	3,67,610	3,36,481
	- Intangible Assets		-	-
	- Capital Work-in-Progress		-	-
	b. Non-Current Investments	XV	-	-
	c. Deferred Tax Assets (Net)	IX	-	-
	d. Long-term Loans & Advances	XVI	19,838	17,972
	e. Other Non-current assets	XVII	72,984	31,315
2)	Current Assets			
	a. Inventories	XVIII	6,24,389	4,58,029
	b. Trade Receivables	XIX	12,76,005	10,31,472
	c. Cash and Bank Balance	XX	39,221	20,958
	d. Short term loan and advances	XXI	1,69,357	12,411
	e. Other current assets			
	TOTAL		25,69,404	19,08,638

See accompanying annexures forming part of the financial statements (Refer Annexure No. IV to XXX)

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

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIQAU1174
Place : Chennai
Date : 21/08/2025

VARADARAJAN & CO. CHENNAI-20 CHARTERED ACCOUNTANTS

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

Dakshinamoorthy Venkatesan	Dakshinamoorthy Manikandan
(Managing Director)	(Joint Managing Director)
DIN - 00232210	DIN - 00232275
Papa Sanjeevi Karunakar	Thyagarajan Sivakumar
(CFO)	(Company Secretary)
PAN - AZWPK0854H	M.No - A8192

Place : Chennai
Date : 21/08/2025

Airfloa Rail Technology Limited

(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")

CIN: U30204TN1998PLC041571

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

(₹ in 000's)

Sr. No.	Particulars	Annexure No.	As at March 31, 2025	As at March 31, 2024
A	**INCOME**			
	Revenue from Operations	XXII	19,23,870	11,93,036
	Other Income	XXIII	2,756	37,751
	Total Income (A)		19,26,626	12,30,787
B	**EXPENDITURE**			
	Cost of Material Consumed	XXIV	13,34,347	5,82,409
	Purchases of goods	XXV	-	-
	Direct Expenses	XXV	1,17,267	62,889
	Changes In Inventories Of Work- In- Progress & Finished Goods	XXVI	-2,04,825	28,813
	Employee benefits expense	XXVII	1,25,219	1,29,070
	Finance costs	XXVIII	1,10,703	1,10,511
	Depreciation and amortization expense	XXIX	25,327	29,284
	Other expenses	XXX	68,952	76,793
	Total Expenses (B)		15,76,990	10,19,769
C	**Profit before extraordinary items and tax(A-B)**		3,49,636	2,11,018
	Prior period items (Net) (provision for Gratuity)		-153	7,159
	Profit before exceptional, extraordinary items and tax		3,49,789	2,03,859
	Exceptional items		-	-
	Profit before extraordinary items and tax		3,49,789	2,03,859
	Extraordinary items		-	-
C	**Profit before tax**		3,49,789	2,03,859
D	**Tax Expense:**			
	(i) Current tax		95,317	62,390
	(ii) Deferred tax expenses/(credit)		-1,510	6,354
	(iii) Short /excess provision for tax		-1,713	-
	(iii) MAT Credit Entitlement		-	-
	Total Expenses (D)		92,094	68,744
E	**Profit for the year before minority interest (C-D)**		2,57,695	1,35,115
G	**Minority Interest**	XXXI	27	-
F	**PROFIT / (LOSS) FOR THE PERIOD (E- F)**		2,57,722	1,35,115
H	**Earnings per share (Face value of ₹ 10/- each):**			
	i. Basic		15.77	27.05
	ii. Diluted		15.77	9.02

See accompanying annexures forming part of the financial statements (Refer Annexure No. IV to XXX)

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

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIQAU1174
Place : Chennai
Date : 21/08/2025

VARADARAJAN & CO. CHENNAI-20 CHARTERED ACCOUNTANTS

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

Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

Dakshinamoorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Papa Sanjeevi Karunakaran
(CFO)
PAN - AZWPK0854H

Thygarajan Sivakumar
(Company Secretary)
M.No - A8192

Place : Chennai
Date : 21/08/2025

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT

(₹ in 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash Flow From Operating Activities:		
Net Profit before tax as per Profit And Loss A/c	3,49,789	2,03,859
Adjustments for:		
Interest Cost	1,10,704	1,10,511
Gratuity Provision	693	-
Interest Income	-	(3,487)
Profit on sale of fixed asset	(874)	-
Unrealised Realised Forex Exchange Gain/(Loss)	-	-
Sundry balance written off	-	-
Sundry Creditors Written Back	-	-
Depreciation and Amortisation Expense	25,327	29,284
Operating Profit Before Working Capital Changes	**4,85,639**	**3,40,167**
Adjusted for (Increase)/Decrease in operating assets		
Inventories	(1,66,560)	45,209
Trade Receivables	(2,44,533)	(5,17,972)
Loans and Advances	(1,58,812)	-
Other Non Current Assets	(41,669)	-
Other Current Assets (including Other Bank balances)	-	23,777
Adjusted for Increase/(Decrease) in operating liabilities	-	-
Trade Payables	1,39,734	88,397
Other Current Liabilities & Provisions	(26,011)	1,28,632
Cash Generated From Operations Before Extra-Ordinary Items	**(12,012)**	**1,08,210**
Net Income Tax paid/ refunded	(46,720)	(62,390)
Net Cash Flow from/(used in) Operating Activities: (A)	**(58,732)**	**45,820**
Purchase of property, plant & equipment and intangible assets	(56,732)	(8,988)
Sales of property, plant & equipment and intangible assets	1,150	-
Capital advances	-	-
Interest Income Received	-	3,487
Investment in Subsidiary company	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	**(55,582)**	**(5,501)**
Cash Flow from Financing Activities:		
Proceeds / (repayment) from Borrowings (Net)	(55,715)	56,698
Fresh shares issued during the year	2,98,996	-
Interest Cost	(1,10,704)	(1,10,511)
Net Cash Flow from/(used in) Financing Activities (C)	**1,32,577**	**(53,813)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	18,263	(13,494)
Cash & Cash Equivalents As At Beginning of the Year	20,958	34,452
Cash & Cash Equivalents As At End of the Year	**39,221**	**20,958**

See accompanying annexures forming part of the financial statements (Refer Annexure No. IV to XXX)

Component of cash and cash equivalent consist of :

Cash-in-Hand	54	97
Bank Balance	23,426	2,285
Fixed Deposits (having original maturity of less than 3 months)	15,741	18,576
Total	**39,221**	**20,958**

Note: The Cash Flow Statements has been prepared under Indirect Method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under section 133 of the Companies Act, 2013.

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

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIQAU1154
Place : Chennai
Date : 21/08/2025

VARADARAJAN & CO. CHENNAI - 20 CHARTERED ACCOUNTANTS

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

Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

Dakshinamoorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Papa Sanjeevi Karunakaran
(CFO)
PAN - AZWPK0854H

Thygarajan Sivakumar
(Company Secretary)
M.No - A8192

Place : Chennai
Date : 21/08/2025

consolidated

COMPANY PROFILE

Airflow Equipments India Private limited was incorporated under Companies Act, 1956 with CIN - U29309TN1998PTC041571 on 14th December 1998. 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. The company is engaged in manufacturing and supply of parts for railways and rail equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES UNDER ACCOUNTING STANDARDS

1. **AS 1 - DISCLOSURE OF ACCOUNTING POLICIES:**
   (a) The Company generally follows mercantile system of accounting and recognizes significant items of Income & Expenditure on accrual basis.
   (b) The Financial Statements are prepared on historical cost convention and the accounts are prepared as per generally accepted accounting principles, mandatory Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013.

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 31.03.2025 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 and events after the Balance Sheet date that affects the financial position of the Company.

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. During the year the Company has proposed to file Draft Red Herring Prospectus on the BSE SME platform of the Bombay Stock Exchange of India Limited and there was restatement of the financial statements for three previous years and due to which there is an excess income shown under prior period Item of Rs. 1.53 Lakhs. The company's procedures and management's assessment undertaken are considered adequate. 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) All Tangible and 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) 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, except the following:

(₹ In '000s)

Description of Property	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Free hold Land	872.97	Mr. Venkatesan & Mr. Manikandan	Director	3 years	Sale Agreement entered between the company and parties during FY 2021-22, the same has been registered in the name of the company on 12/06/2025.

Note: The Company holds complete possession and control over the above property and also given the same as security in relation to loan from Union Bank of India.

(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.

Particulars (Amounts in Rs. 000s)	**31.03.2025**	**31.03.2024**
A. To KMP (Directors Remuneration) – See AS - 18 below.	14,860	9,600
B. To Employees (Wages, Bonus & Contribution for ESI & EPF)	1,10,359	1,19,470
C. Sub–Total	**1,25,219**	**1,29,070**

(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:

Particulars (Amounts in Rs. 000s)	**31.03.2025**	**31.03.2024**
ESI Contribution	504	507
EPF Contribution	3,161	3,272

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 '000s)

Particulars	31-Mar-2025	31-Mar-2024
Present value of unfunded obligations	1,88,04,053	1,81,10,619
Present value of funded obligations	-	1,81,10,619
Fair value of plan assets	-	-
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	**1,88,04,053**	**1,81,10,619**

Expense Recognition in the Statement of Profit & Loss

(₹ In '000s)

Particulars	31-Mar-2025	31-Mar-2024
Current service cost	16,18,124	13,37,849
Interest on obligation	9,38,887	7,82,046
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(18,63,577)	10,26,247
Recognised Past Service Cost-Vested	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	**6,93,434**	**31,46,142**
Short Provision	-	6,99,281
Net included in 'Employee Benefit Expense'	**6,93,434**	**24,46,861**

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
D Manikandan	Joint Managing Director
Nanthini Manikandan	Director of Company
Venkatesan Sathishkumar	Director of 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
Airflow Aerospace and Defense India 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
Papa Sanjeevi Karunakaran	Chief Finance Officer
Malti Jaiswal	Company Secretary w.e.f 01/07/2024
Sivakumar Thygarajan	Company Secretary w.e.f 12/12/2024

(b) Transactions with related parties (Previous year figures are in brackets) (Amounts in Rs. '000s)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2024	Amount outstanding as on March 31, 2024 (Payable)/ Receivable
Dakshinamoorthy Venkatesan	Promoter / Managing director	Rent	1,140	-	-	-
		Remuneration	6,630	-	4,800	-
		Capital Advance Given	-	-	-	-
		Capital Advance Repaid	-		52,000	
		Advance repaid	45,690	-	64,696	20,525
		Advance given	26,422		89,300	
		Reimbursement of Expenses	1,257		5,065	
Dakshinamoorthy Manikandan	Promoter / Managing director	Rent	1,140	-	-	-
		Remuneration	6,630	-	4,800	-
		Capital Advance Given	-	-	-	-
		Capital Advance Repaid	-		-	
		Advance repaid	66,441	-	37,780	7,473
		Advance given	59,696		22,299	
		Reimbursement of Expenses	728		453	
V Revathi	Relative of director	Rent	840	-	-	25
		Loan taken	-	-	-	(2,815)
		Loan Repaid	2,815		25	
Airtrec Equipments	Controlled by Relative of Director	Advance repaid	4,328	-	-	3,108
		Advance given	1,220		1,032	
Venkatesan Sathishkumar	Relative of director &	Rent	-	-	-	-
		Remuneration	1,600	-	-	-

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2024	Amount outstanding as on March 31, 2024 (Payable)/ Receivable
	Whole-time director w.e.f 24/7/2024					
Manikandan Nanthini	Relative of director & Non executive Director w.e.f 24/7/2024	Rent	840	-	-	-
		Loan taken	-	-	1,500	(2,412)
		Loan repaid	2,412		1,208	
Airflow Energy Solutions Private Limited	Controlled by Director of Company	Advance repaid	2,000	574	-	2,574
		Advance given	-		-	
Apex Material Sciences	Controlled by Relative of Director of Company	Advance repaid	2	12,145	-	12,142
		Advance given	-		-	
Nautone Private Limited	Controlled by Relative of Director of Company	Advance repaid	-	3,800	-	3,800
		Advance given	-		-	
Bharani Engineering Industries Private Limited	Controlled by Relative of Director of Company	Advance given	-	-	-	-
		Advance Repaid	-		-	
		Sales of goods	-	(17,231)	10,545	(30,847)
		Purchase of goods	-		15,079	
Papa Sanjeevi Karunakaran	CFO w.e.f 01/07/2024	Salary expense	744	(62)	-	-
Malti Jaiswal	Company Secretary and Compliance Officer w.e.f 01/07/2024	Salary expense	250	-	-	-

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2024	Amount outstanding as on March 31, 2024 (Payable)/ Receivable
Sivakumar Thygarajan	Company Secretary and Compliance Officer	Salary Expenses			-	-
Raghavendra Industries	Controlled by Relative of Director of Company	Sales of goods	20,101	74,635	2,272	48,279
		Purchase of goods	6,773		40,854	
Starkeon Engineering Private Limited	Controlled by Relative of Director of Company	Research and development expense	-	-	-	-
		Sales of goods	-		-	
		Purchase of goods	-		-	
		Capital Advance Given	7,253	19,835	12,581	12,581
		Capital Advance Repaid	-		-	

17. **AS 19- LEASES:**

This Standard is not applicable as the Company does not have any material lease agreement in force.

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	2024-25	2023-24
Basic EPS (In Rs.)		
Net Profit (in '000s)	2,57,827	1,35,115
Weighted Average number of equity shares	1,63,41,402	49,95,000
Basic EPS (In Rs.)	**15.78**	**27.05**
Diluted EPS (In Rs.)		
Net Profit (in '000s)	2,57,827	1,35,115
Diluted Weighted Average number of equity shares	1,63,41,402.25	1,49,85,000
Basic EPS (in Rs.)	**15.78**	**9.02**

19. **AS 21- CONSOLIDATED FINANCIAL STATEMENTS:**

During the financial year the Company has incorporate 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 2024-25	FY 2023-24
Number of Shares Held	9,900	–
% of Holding	79.20%	–
Amount of Investment (at Cost) (Amount in Rs.)	99,000	–
Nature of Relationship	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, 2025.

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 –

(₹ In '000s)

Particulars (Amount in '000s.)	Current Year	Previous Year
1. Current Tax 2. Deferred Tax Items –	(95,317)	(62,390)
(a) Deferred Tax Liability (DTL):		
• (Creation): Depreciation Difference	-	(6,354)
• Reversal: Depreciation Difference	1,510	-
(b) Deferred Tax Assets (DTA)		
• Creation: Audit Fees Originating Timing Difference	-	-
• (Reversal): Audit Fees Reversing Timing Difference	-	-
3. Short/Excess provision for tax for previous period	1,713	-

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:**

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

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:**
There are no Contingent Liabilities for the year. Provisions have been made in the books of accounts wherever applicable, where the outflow of economic resources from the Company is probable and quantifiable.

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 Rs. 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 holding more than 5% of share capital:

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

No.	Name	Folio No.	No. of Shares held	% Shares	Class of Shares	On 31/03/2025
1.	D Venkatesan	1	64,95,996	37.20%	Equity Share	Managing Director
2.	D Manikandan	3	64,95,999	37.20%	Equity Share	Joint Managing Director
	Total		**1,29,91,995**	**74.40%**		

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 (Rs. In '000s)	31.03.2025	31.03.2024
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	3,507	3,242
Principal Amount due to Creditors other than Micro and Small Enterprises	6,35,763	4,96,294
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.	3,859	NIL
4. Amount of Interest Accrued and remaining unpaid at the end of each accounting year	3,859	NIL
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. The Title Deeds of such Immovable Property are held in the name of the Company except the following:

Description of Property	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Free hold Land (₹ In '000s)	872.97	Mr. Venkatesan & Mr. Manikandan	Director	3 years	Sale Agreement entered between the company and parties during FY 2021-22, the same has been registered in the name of the company on 12/06/2025.

A. **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.

B. **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.

C. **Capital WIP:** There are no items of Capital–Work–in–Progress (CWIP). Hence, the details pertaining to Ageing Schedule of CWIP does not arise for this Company.

D. **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.

E. **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.

F. **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.

G. **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.

H. **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.

I. **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.

J. **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.

K. **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.

L. **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:** **(Rs. In '000s)**

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 II. Components and Spare Parts III. Capital Goods	73,581	9,369
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	5.51%	1.61%
Indigenous Raw Materials	94.49%	98.39%
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.

(₹ In '000s)

a	amount required to be spent by the company during the year	1,781
b	amount of expenditure incurred	10,789
c	shortfall at the end of the year	NIL
d	total of previous years shortfall	9,004
E	reason for shortfall,	NA
F	nature of CSR activities	As the company is yet to undertake CSR activities by its own, it has decided to contribute the amount due for the current year amounting to Rs. 17,85,000 to Akashiganga Foundation for 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. The company also contributed previous years' shortfall of Rs. 90,03,968 towards Prime Minister's National Relief Scheme.
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 '000s)

Key Performance Indicator	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations [1]	19,23,870	11,93,036
Growth in revenue from operations (%)	61.26%	25.35%
Total Income [2]	19,26,626	12,30,787
EBITDA[3]	4,85,951	3,43,654
EBITDA Margin (%) [4]	25.22%	27.92%
profit for the year [5]	2,57,827	1,35,115
profit for the period/year Margin/ PAT Margin (%) [6]	13.38%	10.98%
Networth[7]	10,87,538	5,60,715
Return on Net Worth (%) [8]	23.71%	24.10%
Return on Average Equity ("RoAE") (%) [9]	31.28%	27.40%
Return on Capital Employed("RoCE")(%) [10]	27.15%	25.62%
Net Asset Value Per Share (₹) (Post - Bonus)[11]	62.28	37.42
Debt- Equity Ratio[12]	0.55	1.17

(₹ In '000s, except per share data and ratios)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after Tax as per Profit & Loss Statement (A)	2,57,827	1,35,115
Tax Expense (B)	92,094	68,744
Depreciation and amortization expense (C)	25,327	29,284
Interest Cost (D)	1,10,703	1,10,511
Weighted Average Number of Equity Shares at the end of the Year (Pre Bonus) (E-1)	1,63,41,402	49,95,000
Weighted Average Number of Equity Shares at the end of the Year (Post Bonus) (E-2)	1,63,41,402	1,49,85,000
Number of Equity Shares outstanding at the end of the Year (Pre-Bonus) (F-1)	1,74,62,954	49,95,000
Number of Equity Shares outstanding at the end of the Year (Post-Bonus) (F-2)	1,74,62,954	1,49,85,000
Nominal Value per Equity share (₹) (G)	10	10
Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	10,87,538	5,60,715
Net-Assets as per Statement of Assets and Liabilities (I)	10,87,538	5,60,715
Current Assets (J)	20,97,053	15,22,870
Current Liabilities (K)	14,42,035	12,09,110

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Earnings Per Share - Basic & Diluted[1 & 4] (₹) (Pre-Bonus)	15.78	27.05
Earnings Per Share - Basic & Diluted[1 & 4] (₹) (Post-Bonus)	15.78	9.02
Return on Net Worth[1] (%)	23.71%	24.10%
Net Asset Value Per Share[1 & 4] (₹) (Pre - Bonus)	62.28	112.26
Net Asset Value Per Share[1 & 4] (₹) (Post - Bonus)	62.28	37.42
Current Ratio[1]	1.45	1.26
Earning before Interest, Tax and Depreciation and Amortization[1] (EBITDA)	4,85,951	3,43,654

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

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIQAU1174
Place : Chennai
Date : 21/08/2025

VARADARAJAN & CO. CHENNAI-20 CHARTERED ACCOUNTANTS

By Order of the Board

D Venkatesan
Managing Director
DIN: 00232210

D Manikandan
Joint Managing Director
DIN: 00232275

Papa Sanjeevi Karunkaran
CFO

Sivakumar Thyagarajan
Company Secretary

Place : Chennai
Date : 21/08/2025

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

DETAILS OF SHARE CAPITAL **ANNEXURE - V**

Particulars	As at March 31, 2025	As at March 31, 2024
AUTHORISED:		
Equity Shares of ₹ 10 each	2,50,000	50,000
(As at December 31,2024 2,50,00,000 shares, As at March 31, 2024 50,00,000 shares, As at March 31, 2023 50,00,000 shares and As at March 31,2022 50,00,000 shares)	2,50,000	50,000
ISSUED, SUBSCRIBED AND PAID UP		
Equity Shares of ₹ 10 each fully paid up	1,74,630	49,950
(As at December 31, 2024 1,74,62,954 shares, As at March 31,2024 49,95,000 shares, As at March 31, 2023 49,95,000 shares and As at March 31,2022 49,95,000 shares)		
TOTAL	**1,74,630**	**49,950**

Particulars	As at March 31, 2025	As at March 31, 2024
Equity Shares at the beginning of the year	49,95,000	49,95,000
Add: Shares issued during the year	13,91,318	-
Add: Bonus Shares issued during the year	1,10,76,636	-
Equity Shares at the end of the year	**1,74,62,954**	**49,95,000**

Aggregated no. of shares issued for consideration other than cash during the last 5 years:

Particulars	As at March 31, 2025	As at March 31, 2024
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	-	-
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	1,10,76,636	-
Aggregate number and class of shares bought back	-	-

Note:

1) Terms/Rights attached to Equity Shares: The company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining Assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Share holders.

2) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013

3) Every member of the company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

4) Company has issued 4,993,18 fresh equity shares via private placement at Face value of Rs.10 each at premium of Rs. 290 per share on 01st August, 2024

5) Company has made 44,000 fresh issue of equity shares via private placement at Face value of Rs. 10 each at premium of Rs. 290 per share on 09th August

6) Company has made 11,076,636 Bonus issue of shares at the ratio of 2 shares for every 1 share held on 31st August, 2024

7) Company has issued 8,48,000 fresh equity shares via private placement at a Face Value of 10 each at premium of Rs. 115 per share on 4th D

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Name of Shareholders	As at March 31,2025

Equity Share Holders	64,95,996	37.20%
Dakshinamoorthy Venkatesan	64,95,999	37.20%
Dakshna Moorthy Manikandan	19,93,005	11.41%
Aparna Samir Thakker		

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Name of Shareholders	As at March 31,2024	
Equity Share Holders		
Dakshinamoorthy Venkatesan	21,65,332	43.35%
Dakshna Moorthy Manikandan	21,65,333	43.35%
Aparna Samir Thakker	6,64,335	13.30%

Details of equity shares held by promoters:

Name of Promoter	As at March 31,2025	
	No. of Shares Held	% of Holding
Dakshinamoorthy Venkatesan	64,95,996	37.20%
Dakshinamoorthy Manikandan	64,95,999	37.20%

Details of equity shares held by promoters:

Name of Promoter	As at March 31,2024	
	No. of Shares Held	% of Holding
Dakshinamoorthy Venkatesan	21,65,332	43.35%
Dakshinamoorthy Manikandan	21,65,333	43.35%

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

DETAILS OF RESERVE & SURPLUS **ANNEXURE -** VI

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium		
Opening Balance	-	-
Add: Received during the year	2,85,057	-
Less: Utilized for bonus shares issued during the year	-1,10,766	-
Less: Minority Interest	-6,235	
Closing Balance (a)	**1,68,056**	**-**
Balance in profit & Loss A/c		
Opening Balance	**5,10,765**	**3,75,650**
Add : Net profit / (Loss) after Tax for the year	**2,57,722**	**1,35,115**
Closing Balance (b)	**7,68,487**	**5,10,765**
TOTAL (a + b)	**9,36,543**	**5,10,765**

DETAILS OF MINORITY INTEREST AS RESTATED **ANNEXURE -**

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance		
Add : Share capital	**26**	
Add : Minority Share of Securities premium	**6,235**	
Add : Minority Share of Profit / (Loss) during the period	**-27**	
TOTAL	**6,234**	

DETAILS OF LONG TERM BORROWINGS **ANNEXURE -** VII

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term Loan		
- Banks		
1. Axis Bank Term Loan 2	-	1,201
2. Axis Bank WC Term Loan	-	7,088
3. Axis Bank WC Term Loan-354021	-	735
4. Yes bank Loan	-	91
- Others	-	-
Vehicle Loan	-	-

Vehicle Loan from Bank	-	849
Vehicle Loan from Others	11,992	-
Unsecured		
Term Loan	-	-
- Banks	-	-
- Others	-	87,635
Loan from Related parties		
- Directors	-	22,688
Current maturities of long-term debt		
TOTAL	**11,992**	**1,20,287**

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

DETAILS OF LONG TERM PROVISIONS **ANNEXURE - VIII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Long term Provision for Gratuity	6,541	7,537
TOTAL	**6,541**	**7,537**

DETAILS OF DEFERRED TAX LIABILITIES (NET) **ANNEXURE - IX**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Liabilities arising on account of:		
-Difference of WDV as per Companies Act, 2013 and Income Tax Act, 1961	9,478	10,989
-Expenses disallowed under Income Tax Act, 1961		
TOTAL	**9,478**	**10,989**

DETAILS OF SHORT TERM BORROWINGS **ANNEXURE - X**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Working capital loan facility / Cash Credit facility		
Working capital facility from Axis Bank	3,19,798	3,53,417
Working capital facility from Union Bank of India	1,79,666	1,81,781
Working capital facility from Others	60,000	-
Current Maturities of Long Term Debt	2,414	
Cash Credit		
Loan from Directors*		
Loan from Relatives of Directors		
Unsecured		
Intercorporate Loan	25,900	-
Secured		
Loan from Others**		
Loan from Related parties*		

Current maturities of long-term debt		
TOTAL	**5,87,778**	**5,35,198**
(Refer Annexure for terms of security, repayment and other relevant details)		
****Loan from Directors are interest-free.***		

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
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DETAILS OF TRADE PAYABLES **ANNEXURE - XI**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Payable to Micro and Small Enterprises	3,507	3,242
Payable to other than Micro and Small Enterprises	6,35,763	4,96,294
TOTAL	**6,39,270**	**4,99,536**

(Refer Annexure - XXXIII for ageing)

DETAILS OF OTHER CURRENT LIAIBILITES **ANNEXURE - XII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Audit Fees Payable	1,982	8,325
EPF Payable	2,252	3,967
ESI Payable	126	318
Wages & Salaries Payable	5,177	11,988
Unpaid Salary	-	-
TDS Payable	7,513	9,390
Rent & other expense payable	4,051	5,093
Customs Duty Payable	819	17,735
GST Payable	41,161	54,891
Customer Advances	12,043	-
CSR expense payable	-	-
Interest Payable	-	733
Interest payable on MSME Creditors	3,859	-
Interest payable on Statutory dues	-	-
Statutory Dues Payable (EPF, ESIC, TDS, Custom duty and GST)	48	-
Advance from Customers	-	-
Liabilities for Expenses		
TOTAL	**79,031**	**1,12,440**

DETAILS OF SHORT TERM PROVISIONS **ANNEXURE - XIII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Taxation (Net of Advance Tax, TDS and TCS)	1,05,644	58,761
Short Term Provision for Gratuity	12,263	2,069
Provision for Interest on TDS	-	1,106
Provision for Taxation - PY		-
	1,17,907	**61,936**

DETAILS OF NON - CURRENT INVESTMENTS **ANNEXURE - XV**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Unquoted, Non-Trade (At Cost)		
A. Investment in Equity Instruments of Subsidiaries	-	-
Investment in Sree Dakssnaa Aerospace and Defence India Private Limited December 31, 2024 - 9999 Equity Shares of ₹ 10 each (FY 2023-24 - NIL Shares, FY - 2022-23 - NIL shares and FY 2021-22 - NIL Shares)		
TOTAL	**-**	**-**
Aggregate value of quoted investments	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**
Aggregate carrying value of unquoted investments	**-**	**-**
Aggregate provision for diminution in value of investments	**-**	**-**

DETAILS OF LONG-TERM LOANS & ADVANCES **ANNEXURE - XVI**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Security Deposits	-	17,858
Southern Railway FD	-	111
Sales Tax Deposit	3	3
Capital advance against property	19,835	-
TOTAL	**19,838**	**17,972**

DETAILS OF OTHER NON CURRENT ASSETS **ANNEXURE - XVII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Electricity Deposit	736	735
Earnest Money Deposit	34,898	30,580
Security Deposit	35,138	-
Fixed Deposit (having original maturity of more than 3 months and remaining maturity of more than 12 months)*	2,212	-
TOTAL	**72,984**	**31,315**

DETAILS OF INVENTORIES **ANNEXURE - XVIII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials	73,539	4,58,029
Work In Progress	3,88,713	-
Finished goods	1,62,137	-

TOTAL	**6,24,389**	**4,58,029**

Airfloa Rail Technology Limited
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DETAILS OF TRADE RECEIVABLES **ANNEXURE - XIX**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, Considered Good		
Trade Receivable More than Six Months	2,98,306	-
Trade Receivable Less than Six Months	9,77,699	10,31,472
	-	-
Unsecured, Considered Doubtful	-	-
Trade Receivable More than Six Months	-	-
Less: Provision for Bad & Doubtful Debts	-	-
Trade Receivable Less than Six Months	-	-
Less: Provision for Bad & Doubtful Debts	-	-
TOTAL	**12,76,005**	**10,31,472**

DETAILS OF CASH AND BANK BALANCE **ANNEXURE - XX**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
a. Cash and Cash Equivalents		
Cash-in-Hand	54	97
Bank Balance	23,426	2,285
Fixed Deposits (having original maturity of less than 3 months)	15,741	18,576
b. Other Bank Balances with Scheduled Bank		
Balance with Banks in Fixed Deposits*	-	-
(having original maturity of more than 3 months and remaining maturity of less than 12 months including given as collateral or margin money)	-	
TOTAL	**39,221**	**20,958**

DETAILS OF SHORT TERM LOAN AND ADVANCES **ANNEXURE - XXI**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Salary & Other Advances	5,095	5,996
Balance with Government Authorities	329	3,202
TDS Receivable	-	-
Refund of TDS from NBFC's	502	-
GST Receivable	2,667	-
GST Paid on Advance Receipt	-	-
VAT Deposit	-	-
Staff Advances	-	-
Rent Deposit	1,826	3,213

Prepaid expenses (Including IPO expense)	4,500	-
Advances to related parties (Refer Annexure - XLIV)	-	-
Vendor advances	1,54,438	-
TOTAL	**1,69,357**	**12,411**

Airfloa Rail Technology Limited

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PROPERTY,PLANT AND EQUIPMENT & DEPRECIATION FOR THE YEAR ENDING 31.03.2025

ANNEXURE - XIV

Particulars	Rate	Original Cost				Accumulated Depreciation				Net Block	
		As on 01.04.2024	Additions	Deletions	As on 31.03.2025	As on 01.04.2024	Additions	Deletions	As on 31.03.2025	As on 31.03.2025	As on 31.03.2024
Land & Buildings											
Land	0.00%	2,985	-	-	2,985	-	-	-	-	2,985	2,985
Land- Madurai	0.00%	42,191	4,413	-	46,604	-	-	-	-	46,604	42,191
Land- Nehru Nagar	0.00%	87,297	-	-	87,297	-	-	-	-	87,297	87,297
Building - Block 1 (Unit 5)	4.87%	1,57,803	-	-	1,57,803	58,165	4,852	-	63,017	94,786	99,638
Building	9.50%	25,617	36,020	-	61,637	13,144	1,476	-	14,620	47,017	12,473
Plant & Machinery											
Plant & Machinery	18.10%	1,24,388	-	-	1,24,388	72,145	9,456	-	81,601	42,787	52,243
Plant & Machinery (Moulds)	31.23%	6,886	-	-	6,886	835	1,890	-	2,725	4,161	6,051
Machinery (Unit 5)	18.10%	93,969	-	-	93,969	75,104	3,415	-	78,519	15,450	18,865
Car	31.23%	15,551	15,983	(5,516)	26,018	14,135	630	(5,240)	9,525	16,493	1,416
Vehicle	31.23%	5,547	-	-	5,547	5,198	72	-	5,270	277	349
Computers & Software											
Computer & Softwares	63.16%	10,274	316	-	10,590	9,364	449	-	9,813	777	910
Planning Software	63.16%	1,088	-	-	1,088	1,033	-	-	1,033	55	55
CREO Elements	63.16%	515	-	-	515	484	-	-	484	31	31
Fixtures											
Airconditioner	18.10%	270	-	-	270	201	12	-	213	57	69
Electrical Equipments	25.89%	5,139	-	-	5,139	4,077	275	-	4,352	787	1,062
UPS	0.00%	307	-	-	307	307	-	-	307	-	-
Furniture & Fittings	25.89%	18,615	-	-	18,615	7,822	2,794	-	10,616	7,999	10,793
Office Equipments	45.07%	1,160	-	-	1,160	1,107	6	-	1,113	47	53
Total		**5,99,602**	**56,732**	**(5,516)**	**6,50,818**	**2,63,121**	**25,327**	**(5,240)**	**2,83,208**	**3,67,610**	**3,36,481**

Airfloa Rail Technology Limited
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DETAILS OF REVENUE FROM OPERATIONS **ANNEXURE -** XXII

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Revenue from Sale of Products	19,23,870	11,93,036
TOTAL	**19,23,870**	**11,93,036**

DETAILS OF OTHER INCOME **ANNEXURE -** XXIII

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest Income	1,259	3,487
Discount Received	623	-
Exchange Rate Gain	-	-
Sale of Scrap	-	-
Profit on sale of Asset	874	-
Reimbursement	-	-
Reversal of gratuity expense	-	-
Sundry Balances Written Back	-	-
Miscellaneous Income	-	-
Sundry Balances Written Back	-	34,264
TOTAL	**2,756**	**37,751**

DETAILS OF COST OF MATERIAL CONSUMED **ANNEXURE -** XXIV

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Stock	1,12,004	1,28,400
Purchases	12,95,882	5,66,013
Less : Closing Stock	-73,539	-1,12,004
TOTAL	**13,34,347**	**5,82,409**

Airfloa Rail Technology Limited
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DETAILS OF DIRECT EXPENSES **ANNEXURE -** XXV

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Freight, Service and Conversion Charges	75,397	19,691
Rent, Electricity & Repairs	22,551	34,127
Testing Charges & Other expenses	3,030	4,205
Factory Maintenance	1,356	2,456
Insurance & License	2,592	2,410
Labour & Service charges	12,341	-
	-	-
TOTAL	**1,17,267**	**62,889**

DETAILS OF CHANGES IN INVENTORIES OF WORK- IN- PROGRESS & FINISHED GOODS **ANNEXURE -** XXVI

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Work in Progress		
Opening Stock	2,93,946	2,72,750
Less : Closing Stock	-3,88,713	-2,93,946
		-
Finished goods		-
Opening Stock	52,079	1,02,089
Less : Closing Stock	-1,62,137	-52,079
	-	-
TOTAL	**-2,04,825**	**28,813**

DETAILS OF EMPLOYEE BENEFIT EXPENSES **ANNEXURE -** XXVII

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Wages, Salaries and Staff Welfare Expenses	1,06,001	83,087
Managerial Remuneration	14,860	9,600
Labour & Service charges	-	30,157
Contribution to Provident Fund	3,161	3,272
Contribution to Employee State Insurance	504	507
Employee Gratuity	693	2,447

TOTAL	**1,25,219**	**1,29,070**

Airfloa Rail Technology Limited
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DETAILS OF FINANCE COST **ANNEXURE -** XXVIII

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest on Borrowings	65,307	67,473
Bank and loan Processing Charges	11,610	27,820
Interest on Supplier Overdue/ Loan from others	14,933	15,218
Interest on late payment of TDS	-	-
Interest on Income Tax	-	-
Interest on late payment of MSME Dues	1,283	-
Interest on late payment of statutory dues	17,570	-
TOTAL	**1,10,703**	**1,10,511**

DETAILS OF DEPRECIATION AND AMORTIZATION EXPENSE **ANNEXURE -** XXIX

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation Expenses	25,327	29,284
Amortization Expenses	-	-
TOTAL	**25,327**	**29,284**

Airfloa Rail Technology Limited
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DETAILS OF OTHER EXPENSES **ANNEXURE -** XXX

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Administrative Expenses		
Advertisement and Business Promotion Expenses	20,671	2,400
Audit Fee	2,400	20
Computer Maintenance	11	783
CSR expenses	1,785	4,466
Donation Expenses	605	-
Income Tax Demand	-	-
Interest under Income Tax, EPF, TDS etc.	-	5,476
Loss on foreign exchange	373	-
Misc. Expenses	517	989
Office maintenance	2,476	3,289
Printing, Postage and Stationery	545	703
Professional and Consultancy Charges	15,854	21,958
Rate Differences and Contract Variations	-	-
Rates & Taxes	8,746	6,240
Reversal of written back liabilities	288	10,721
Sundry balance written off	1,243	18,980
Telephone Charges	658	768
Travelling & Conveyance	11,191	-
Vehicle Maintenance	1,589	-
Total	**68,952**	**76,793**

Prior Period Items: -

Particulars	As at March 31, 2025	As at March 31, 2024
Prior Period Items	-153	7,159
Prior Period Expenses	-	-
Total	**-153**	**7,159**

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, 2025** 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, 2025** 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, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 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**
Place: Chennai **Date: 21/08/2025**	**CA V.Sadagopan, FCA** **Partner,** **Membership No. 022618** **UDIN:25022618BMIQAV3029**

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 2025)

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, except the following:

Description of Property	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Free hold Land	872.97	Mr. Venkatesan & Mr. Manikandan	Director	3 years	Sale Agreement entered between the company and parties during FY 2021-22, the same has been registered in the name of the company on 12/06/2025.

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 Rs. 34,28,175 are in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable and out of which the company has deposited Rs. 11,64,832 after the end of the financial year.

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

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) The Company has not raised any moneys by way of Initial Public Offer or further Public Offer (including Debt Instruments) during the year.
   (b) According to the information and explanations given to us and based on our examination of the Company's records, the Company has made Private Placement of Shares as disclosed in Annexure – V of the Audited Standalone Financial Statements and the same is in accordance with the section 42 and section 62 of the Companies Act, 2013 and have been utilized for the purposes they were raised.

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:** Based on our examination of the Company's systems, the Company does not have an Internal Audit System. Also, the Company is not mandated to have an Internal Audit System as per Sec.138 of the Companies Act.

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**
Place: Chennai **Date: 21/08/2025**	**CA V.Sadagopan, FCA** **Partner,** **Membership No. 022618** **UDIN: 25022618BMIQAV3029**

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, 2025 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 2025, 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**
	CA V.Sadagopan, FCA
Place: Chennai	**Partner,**
Date: 21/08/2025	**Membership No. 022618**
	UDIN:25022618BMIQAV3029

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(₹ In 000's)

Sr. No.	Particulars	Annexure No.	As at March 31, 2025	As at March 31, 2024
	EQUITY AND LIABILITIES			
1)	**Shareholders Funds**			
	a. Share Capital	V	1,74,630	49,950
	b. Reserves & Surplus	VI	9,12,908	5,10,765
2)	**Non - Current Liabilities**			
	a. Long-term Borrowings	VII	11,992	1,20,287
	b. Long-term Provisions	VIII	6,541	7,537
	c. Deferred Tax Liabilities (net)	IX	9,478	10,989
3)	**Current Liabilities**			
	a. Short Term Borrowings	X	5,87,778	5,35,198
	b. Trade Payables	XI		
	- Payable to Micro and Small Enterprises		3,507	3,242
	- Payable to other than Micro and Small Enterprises		6,35,763	4,96,294
	c. Other Current liabilities	XII	97,080	1,12,440
	d. Short Term Provisions	XIII	1,17,907	61,936
	TOTAL		**25,57,584**	**19,08,638**
	ASSETS			
1)	**Non Current Assets**			
	a. Property, Plant & Equipment and Intangible Assets	XIV		
	- Property, Plant & Equipment		3,67,610	3,36,481
	- Intangible Assets		-	-
	- Capital Work-in-Progress		-	-
	b. Non-Current Investments	XV	99	-
	c. Deferred Tax Assets (Net)	IX	-	-
	d. Long-term Loans & Advances	XVI	19,838	17,972
	e. Other Non-current assets	XVII	72,984	31,315
2)	**Current Assets**			
	a. Inventories	XVIII	6,24,389	4,58,029
	b. Trade Receivables	XIX	12,76,005	10,31,472
	c. Cash and Bank Balance	XX	39,154	20,958
	d. Short term loan and advances	XXI	1,57,505	12,411
	e. Other current assets			
	TOTAL		**25,57,584**	**19,08,638**

See accompanying annexures forming part of the financial statements (Refer Annexure No. IV to XXI)

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

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIQAV3029
Place : Chennai
Date : 21/08/2025

VARADARAJAN & CO. CHENNAI-20 CHARTERED ACCOUNTANTS

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

Dakshinamoorthy Venkatesan	**Dakshinamoorthy Manikandan**
(Managing Director)	**(Joint Managing Director)**
DIN - 00232210	**DIN - 00232275**
Papa Sanjeevi Karunakaran	**Thygarajan Sivakumar**
(CFO)	**(Company Secretary)**
PAN - AZWPK0854H	**M.No - A8192**

Place : Chennai
Date : 21/08/2025

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

STATEMENT OF STANDALONE PROFIT AND LOSS ACCOUNT

(₹ In 000's)

Sr. No.	Particulars	Annexure No.	As at March 31, 2025	As at March 31, 2024
A	**INCOME**			
	Revenue from Operations	XXII	19,23,870	11,93,036
	Other Income	XXIII	2,756	37,751
	Total Income (A)		**19,26,626**	**12,30,787**
B	**EXPENDITURE**			
	Cost of Material Consumed	XXIV	13,34,347	5,82,409
	Purchases of goods	XXV	-	-
	Direct Expenses	XXV	1,17,267	62,889
	Changes In Inventories Of Work- In- Progress & Finished Goods	XXVI	-2,04,825	28,813
	Employee benefits expense	XXVII	1,25,219	1,29,070
	Finance costs	XXVIII	1,10,703	1,10,511
	Depreciation and amortization expense	XXIX	25,327	29,284
	Other expenses	XXX	68,820	76,793
	Total Expenses (B)		**15,76,858**	**10,19,769**
C	**Profit before extraordinary items and tax(A-B)**		**3,49,768**	**2,11,018**
	Prior period items (Net) (provision for Gratuity)		-153	7,159
	Profit before exceptional, extraordinary items and tax		3,49,921	2,03,859
	Exceptional items		-	-
	Profit before extraordinary items and tax		3,49,921	2,03,859
	Extraordinary items		-	-
C	**Profit before tax**		**3,49,921**	**2,03,859**
D	**Tax Expense:**			
	(i) Current tax		95,317	62,390
	(ii) Deferred tax expenses/(credit)		-1,510	6,354
	(iii) Short /excess provision for tax		-1,713	-
	(iii) MAT Credit Entitlement		-	-
	Total Expenses (D)		**92,094**	**68,744**
E	**Profit for the year (C-D)**		**2,57,827**	**1,35,115**
F	**Earnings per share (Face value of ₹ 10/- each):**			
	i. Basic		**15.78**	**27.05**
	ii. Diluted		**15.78**	**9.02**

See accompanying annexures forming part of the financial statements (Refer Annexure No. IV to XXI)

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

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIQAV3029
Place : Chennai
Date : 21/08/2025

VARADARAJAN & CO
CHENNAI-20
CHARTERED ACCOUNTANTS

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

Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

Dakshinamoorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Papa Sanjeevi Karunakaran
(CFO)
PAN - AZWPK0854H

Thygarajan Sivakumar
(Company Secretary)
M.No - A8192

Place : Chennai
Date : 21/08/2025

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

STATEMENT OF STANDALONE CASH FLOW STATEMENT

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash Flow From Operating Activities:		
Net Profit before tax as per Profit And Loss A/c	3,49,921	2,03,859
Adjustments for:		
Interest Cost	1,10,704	1,10,511
Gratuity Provision	693	-
Interest Income	-	(3,487)
Profit on sale of fixed asset	(874)	-
Unrealised Realised Forex Exchange Gain/(Loss)	-	-
Sundry balance written off	-	-
Sundry Creditors Written Back	-	-
Depreciation and Amortisation Expense	25,327	29,284
Operating Profit Before Working Capital Changes	**4,85,771**	**3,40,167**
Adjusted for (Increase)/Decrease in operating assets		
Inventories	(1,66,360)	43,209
Trade Receivables	(2,44,533)	(5,17,972)
Loans and Advances	(1,46,960)	-
Other Non Current Assets	(41,669)	-
Other Current Assets (Including Other Bank balances)	-	25,777
Adjusted for Increase/(Decrease) in operating liabilities	-	-
Trade Payables	1,39,734	88,397
Other Current Liabilities & Provisions	(7,962)	1,28,632
Cash Generated From Operations Before Extra-Ordinary Items	**18,021**	**1,08,210**
Net Income Tax paid/ refunded	(46,720)	(62,390)
Net Cash Flow from/(used in) Operating Activities: (A)	**(28,699)**	**45,820**
Purchase of property, plant & equipment and intangible assets	(56,732)	(8,988)
Sales of property, plant & equipment and intangible assets	1,150	-
Capital advances	-	-
Interest Income Received	-	3,487
Investment in Subsidiary company	(99)	-
Net Cash Flow from/(used in) Investing Activities: (B)	**(55,681)**	**(5,501)**
Cash Flow from Financing Activities:		
Proceeds / (repayment) from Borrowings (Net)	(55,715)	56,698
Fresh shares issued during the year	2,68,995	-
Interest Cost	(1,10,704)	(1,10,511)
Net Cash Flow from/(used in) Financing Activities (C)	**1,02,576**	**(53,813)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	18,196	(13,494)
Cash & Cash Equivalents As At Beginning of the Year	20,958	34,452
Cash & Cash Equivalents As At End of the Year	**39,154**	**20,958**

See accompanying annexures forming part of the financial statements (Refer Annexure No. IV to XXI)

Component of cash and cash equivalent consist of :

Cash-in-Hand	54	97
Bank Balance	23,359	2,285
Fixed Deposits (having original maturity of less than 3 months)	15,741	18,576
Total	**39,154**	**20,958**

Note: The Cash Flow Statements has been prepared under Indirect Method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under section 133 of the Companies Act, 2013.

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

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIQAV3028
Place : Chennai
Date : 21/08/2025

VARADARAJAN & CO. CHENNAI-20 CHARTERED ACCOUNTANTS

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

Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

Dakshinamoorthy Manikandan
(Joint Managing Director)
DIN - 00232275

Papa Sanjeevi Karunakaran
(CFO)
PAN - AZWPK0854H

Thygarajan Sivakumar
(Company Secretary)
M.No - A8192

Place : Chennai
Date : 21/08/2025

St. Alone

AIRFLOA RAIL TECHNOLOGY LIMITED

(Formerly known as Airflow Equipments (India) Private Limited)
No. 9, Chelliamman Koil Street, Keelkattalai, Chennai – 600 117
CIN: U30204TN1998PLC041571
Mob: +91 9384870774 Website: http://airflow.co.in/ Email: airflow1998@hotmail.com

COMPANY PROFILE

Airflow Equipments India Private limited was incorporated under Companies Act, 1956 with CIN - U29309TN1998PTC041571 on 14th December 1998. 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. The company is engaged in manufacturing and supply of parts for railways and rail equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES UNDER ACCOUNTING STANDARDS

1. **AS 1 - DISCLOSURE OF ACCOUNTING POLICIES:**
   (a) The Company generally follows mercantile system of accounting and recognizes significant items of Income & Expenditure on accrual basis.
   (b) The Financial Statements are prepared on historical cost convention and the accounts are prepared as per generally accepted accounting principles, mandatory Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013.

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 31.03.2025 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 and events after the Balance Sheet date that affects the financial position of the Company.

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. During the year the Company has proposed to file Draft Red Herring Prospectus on the BSE SME platform of the Bombay Stock Exchange of India Limited and there was restatement of the financial statements for three previous years and due to which there is an excess income shown under prior period Item of Rs. 1.53 Lakhs. The company's procedures and management's assessment undertaken are considered adequate. 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) All Tangible and 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) 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, except the following:

Description of Property	Gross Carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Free hold Land (Rs. In 000)	872.97	Mr. Venkatesan & Mr. Manikandan	Director	3 years	Sale Agreement entered between the company and parties during FY 2021-22, the same has been registered in the name of the company on 12/06/2025.

Note: The Company holds complete possession and control over the above property and also given the same as security in relation to loan from Union Bank of India.

(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.

Particulars (Amounts in Rs. 000s)	**31.03.2025**	**31.03.2024**
A. To KMP (Directors Remuneration) – See AS - 18 below.	14,860	9,600
B. To Employees (Wages, Bonus & Contribution for ESI & EPF)	1,10,359	1,19,470
C. Sub–Total	**1,25,219**	**1,29,070**

(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:

Particulars (Amounts in Rs. 000s)	**31.03.2025**	**31.03.2024**
ESI Contribution	504	507
EPF Contribution	3,161	3,272

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 '000s)

Particulars	31-Mar-2025	31-Mar-2024
Present value of unfunded obligations	1,88,04	1,81,11
Present value of funded obligations	-	1,81,11
Fair value of plan assets	-	-
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	**1,88,04**	**1,81,11**

Expense Recognition in the Statement of Profit & Loss

(₹ In '000s)

Particulars	31-Mar-2025	31-Mar-2024
Current service cost	16,18,124	13,37,849
Interest on obligation	9,38,887	7,82,046
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(18,63,577)	10,26,247
Recognised Past Service Cost-Vested	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	**6,93,434**	**31,46,142**
Short Provision	-	6,99,281
Net included in 'Employee Benefit Expense'	**6,93,434**	**24,46,861**

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
D Manikandan	Joint Managing Director
Nanthini Manikandan	Director of Company
Venkatesan Sathishkumar	Director of Company
Sree Dakssnaa Aerospace and Defence India Private Limited	Subsidiary 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
Airflow Aerospace and Defense India 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
Papa Sanjeevi Karunakaran	Chief Finance Officer
Malti Jaiswal	Company Secretary w.e.f 01/07/2024
Sivakumar Thygarajan	Company Secretary w.e.f 12/12/2024

(b) Transactions with related parties (Previous year figures are in brackets) (Amounts in Rs. '000s)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2024	Amount outstanding as on March 31, 2024 (Payable)/ Receivable
Dakshinamoorthy Venkatesan	Promotor / Managing director	Rent	1,140	-	-	-
		Remuneration	6,630	-	4,800	-
		Capital Advance Given	-	-	-	-
		Capital Advance Repaid	-		52,000	
		Advance repaid	45,690	-	64,696	20,525
		Advance given	26,422		89,300	
		Reimbursement of Expenses	1,257		5,065	
Dakshinamoorthy Manikandan	Promotor / Managing director	Rent	1,140	-	-	-
		Remuneration	6,630	-	4,800	-
		Capital Advance Given	-	-	-	-
		Capital Advance Repaid	-		-	
		Advance repaid	66,441	-	37,780	7,473
		Advance given	59,696		22,299	
		Reimbursement of Expenses	728		453	
V Revathi	Relative of director	Rent	840	-	-	25
		Loan taken	-	-	-	(2,815)
		Loan Repaid	2,815		25	
Airtrec Equipments	Controlled by Relative of Director	Advance repaid	4,328	-	-	3,108
		Advance given	1,220		1,032	

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2024	Amount outstanding as on March 31, 2024 (Payable)/ Receivable
Venkatesan Sathishkumar	Relative of director & Whole-time director w.e.f 24/7/2024	Rent	-	-	-	-
		Remuneration	1,600	-	-	-
Manikandan Nanthini	Relative of director & Non executive Director w.e.f 24/7/2024	Rent	840	-	-	-
		Loan taken	-	-	1,500	(2,412)
		Loan repaid	2,412		1,208	
Airflow Energy Solutions Private Limited	Controlled by Director of Company	Advance repaid	2,000	574	-	2,574
		Advance given	-		-	
Apex Material Sciences	Controlled by Relative of Director of Company	Advance repaid	2	12,145	-	12,142
		Advance given	-		-	
Nautone Private Limited	Controlled by Relative of Director of Company	Advance repaid	-	3,800	-	3,800
		Advance given	-		-	
Bharani Engineering Industries Private Limited	Controlled by Relative of Director of Company	Advance given	-	-	-	-
		Advance Repaid	-		-	
		Sales of goods	-	(17,231)	10,545	(30,847)
		Purchase of goods	-		15,079	
Papa Sanjeevi Karunakaran	CFO w.e.f 01/07/2024	Salary expense	744	(62)	-	-
Malti Jaiswal	Company Secretary and Compliance	Salary expense	250	-	-	-

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year ended March 31, 2025	Amount outstanding as on March 31, 2025 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2024	Amount outstanding as on March 31, 2024 (Payable)/ Receivable
	Officer w.e.f 01/07/2024					
Sivakumar Thygarajan	Company Secretary and Compliance Officer w.e.f 12/12/2024	Salary Expenses	195	(75)	-	-
Sree Dakssnaa Aerospace and Defence India Private Limited	Subsidiary company w.e.f 11/06/2024	Customer Advance Received	18,266	(18,058)	-	-
		Customer Advance repaid	208		-	
Raghavendra Industries	Controlled by Relative of Director of Company	Sales of goods	20,101	74,635	2,272	48,279
		Purchase of goods	6,773		40,854	
Starkeon Engineering Private Limited	Controlled by Relative of Director of Company	Research and development expense	-	-	-	-
		Sales of goods	-		-	
		Purchase of goods	-		-	
		Capital Advance Given	7,253	19,835	12,581	12,581
		Capital Advance Repaid	-		-	

17. **AS 19- LEASES:**
This Standard is not applicable as the Company does not have any material lease agreement in force.

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	2024-25	2023-24
Basic EPS		
Net Profit (in '000s)	2,57,827	1,35,115
Weighted Average number of equity shares	1,63,41,402	49,95,000
Basic EPS (In Rs.)	**15.78**	**27.05**
Diluted EPS (In Rs.)		
Net Profit (in '000s)	2,57,827	1,35,115
Diluted Weighted Average number of equity shares	1,63,41,402	1,49,85,000
Basic EPS (In Rs.)	**15.78**	**9.02**

19. **AS 21- CONSOLIDATED FINANCIAL STATEMENTS:**
During the financial year the Company has incorporate 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 2024-25	FY 2023-24
Number of Shares Held	9,900	–
% of Holding	79.20%	–
Amount of Investment (at Cost) **(₹ In '000s)**	99.00	–
Nature of Relationship	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, 2025.

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 –

(Amount in Rs.000)

Particulars (Amount in '000s.)	Current Year	Previous Year
1. Current Tax 2. Deferred Tax Items –	(95,317)	(62,390)
(a) Deferred Tax Liability (DTL):		
• (Creation): Depreciation Difference	-	(6,354)
• Reversal: Depreciation Difference	1,510	-
(b) Deferred Tax Assets (DTA)		
• Creation: Audit Fees Originating Timing Difference	-	-
• (Reversal): Audit Fees Reversing Timing Difference	-	-
3. Short/Excess provision for tax for previous period	1,713	-

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:**

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

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:**
There are no Contingent Liabilities for the year. Provisions have been made in the books of accounts wherever applicable, where the outflow of economic resources from the Company is probable and quantifiable.

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 Rs. 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 31/03/2025
1.	D Venkatesan	1	64,95,996	37.20%	Equity Share	Managing Director
2.	D Manikandan	3	64,95,999	37.20%	Equity Share	Joint Managing Director
	Total		**1,29,91,995**	**74.40%**		

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 (Rs. In '000s)	31.03.2025	31.03.2024
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 Principal Amount due to Creditors other than Micro and Small Enterprises Interest due thereon	3,507 6,35,763 NIL	3,242 4,96,294 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.	3,859	NIL
4. Amount of Interest Accrued and remaining unpaid at the end of each accounting year	3,859	NIL
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. The Title Deeds of such Immovable Property are held in the name of the Company except the following:

Description of Property	Gross Carrying value (amount in Rs.000)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Free hold Land (₹ In '000s)	872.97	Mr. Venkatesan & Mr. Manikandan	Director	3 years	Sale Agreement entered between the company and parties during FY 2021-22, the same has been registered in the name of the company on 12/06/2025.

A. **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.

B. **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.

C. **Capital WIP:** There are no items of Capital–Work–in–Progress (CWIP). Hence, the details pertaining to Ageing Schedule of CWIP does not arise for this Company.

D. **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.

E. **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.

F. **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.

G. **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.

H. **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.

I. **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.

J. **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.

K. **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.

L. **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:** **(Rs. In '000s)**

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 II. Components and Spare Parts III. Capital Goods	73,581	9,369
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	5.51%	1.61%
Indigenous Raw Materials	94.49%	98.39%
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.

(Amount in Rs.000)

a	amount required to be spent by the company during the year	1,781.
b	amount of expenditure incurred	10,789
c	shortfall at the end of the year	NIL
d	total of previous years shortfall	9,004
E	reason for shortfall,	NA
F	nature of CSR activities	As the company is yet to undertake CSR activities by its own, it has decided to contribute the amount due for the current year amounting to Rs. 17,85,000 to Akashiganga Foundation for 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. The company also contributed previous years' shortfall of Rs. 90,03,968 towards Prime Minister's National Relief Scheme.
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 '000s)

Key Performance Indicator	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations [(1)]	19,23,870	11,93.036

Key Performance Indicator	For the year ended March 31, 2025	For the year ended March 31, 2024
Growth in revenue from operations (%)	61.26%	25.35%
Total Income [2]	19,26,626	12,30,787
EBITDA[3]	4,85,951	3,43,654
EBITDA Margin (%) [4]	25.22%	27.92%
profit for the year [5]	2,57,827	1,35,115
profit for the period/year Margin/ PAT Margin (%) [6]	13.38%	10.98%
Networth[7]	10,87,538	5,60,715
Return on Net Worth (%) [8]	23.71%	24.10%
Return on Average Equity ("RoAE") (%) [9]	31.28%	27.40%
Return on Capital Employed("RoCE")(%) [10]	27.15%	25.62%
Net Asset Value Per Share (₹) (Post - Bonus)[11]	62.28	37.42
Debt- Equity Ratio[12]	0.55	1.17

(₹ In '000s, except per share data and ratios)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after Tax as per Profit & Loss Statement (A)	2,57,827	1,35,115
Tax Expense (B)	92,094	68,744
Depreciation and amortization expense (C)	25,327	29,284
Interest Cost (D)	1,10,703	1,10,511
Weighted Average Number of Equity Shares at the end of the Year (Pre Bonus) (E-1)	1,63,41,402	49,95,000
Weighted Average Number of Equity Shares at the end of the Year (Post Bonus) (E-2)	1,63,41,402	1,49,85,000
Number of Equity Shares outstanding at the end of the Year (Pre-Bonus) (F-1)	1,74,62,954	49,95,000
Number of Equity Shares outstanding at the end of the Year (Post-Bonus) (F-2)	1,74,62,954	1,49,85,000
Nominal Value per Equity share (₹) (G)	10	10
Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	10,87,538	5,60,715
Net-Assets as per Statement of Assets and Liabilities (I)	10,87,538	5,60,715
Current Assets (J)	20,97,053	15,22,870
Current Liabilities (K)	14,42,035	12,09,110
Earnings Per Share - Basic & Diluted[1 & 4] **(₹) (Pre-Bonus)**	**15.78**	**27.05**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Earnings Per Share - Basic & Diluted[1 & 4] (₹) (Post-Bonus)	15.78	9.02
Return on Net Worth[1] (%)	23.71%	24.10%
Net Asset Value Per Share[1 & 4] (₹) (Pre - Bonus)	62.28	112.26
Net Asset Value Per Share[1 & 4] (₹) (Post - Bonus)	62.28	37.42
Current Ratio[1]	1.45	1.26
Earning before Interest, Tax and Depreciation and Amortization[1] (EBITDA)	4,85,951	3,43,654

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 V. Sadagopan Partner Mem No- 022618 UDIN - 25022618BMIQAV3029 Place : Chennai Date : 21/08/2025 VARADARAJAN & CO. CHENNAI-20 CHARTERED ACCOUNTANTS	By Order of the Board D Venkatesan, Managing Director, DIN: 00232210 D Manikandan, Joint Managing Director, DIN: 00232275 Papa Sanjeevi Karunkaran, CFO Sivakumar Thyagarajan, Company Secretary Place : Chennai Date : 21/08/2025

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

DETAILS OF SHARE CAPITAL **ANNEXURE - V**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
AUTHORISED:		
Equity Shares of ₹ 10 each	2,50,000	50,000
(As at December 31,2024 2,50,00,000 shares, As at March 31, 2024 50,00,000 shares, As at March 31, 2023 50,00,000 shares and As at March 31,2022 50,00,000 shares)	2,50,000	50,000
ISSUED, SUBSCRIBED AND PAID UP		
Equity Shares of ₹ 10 each fully paid up	1,74,630	49,950
(As at December 31, 2024 1,74,62,954 shares, As at March 31,2024 49,95,000 shares, As at March 31, 2023 49,95,000 shares and As at March 31,2022 49,95,000 shares)		
TOTAL	**1,74,630**	**49,950**

Particulars	As at March 31, 2025	As at March 31, 2024
Equity Shares at the beginning of the year	49,95,000	49,95,000
Add: Shares issued during the year	13,91,318	-
Add: Bonus Shares issued during the year	1,10,76,636	-
Equity Shares at the end of the year	**1,74,62,954**	**49,95,000**

Aggregated no. of shares issued for consideration other than cash during the last 5 years:

Particulars	As at March 31, 2025	As at March 31, 2024
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	-	-
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	1,10,76,636	-
Aggregate number and class of shares bought back	-	-

Note:

1) Terms/Rights attached to Equity Shares: The company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining Assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Share holders.

2) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013

3) Every member of the company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

4) Company has issued 4,993,18 fresh equity shares via private placement at Face value of Rs.10 each at premium of Rs. 290 per share on 01st August, 2024

5) Company has made 44,000 fresh issue of equity shares via private placement at Face value of Rs. 10 each at premium of Rs. 290 per share on 09th August

6) Company has made 11,076,636 Bonus issue of shares at the ratio of 2 shares for every 1 share held on 31st August, 2024

7) Company has issued 8,48,000 fresh equity shares via private placement at a Face Value of 10 each at premium of Rs. 115 per share on 4th D

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Name of Shareholders	As at March 31,2025

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

Equity Share Holders	64,95,996	37.20%
Dakshinamoorthy Venkatesan	64,95,999	37.20%
Dakshna Moorthy Manikandan	19,93,005	11.41%
Aparna Samir Thakker		

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Name of Shareholders	As at March 31,2024	
Equity Share Holders		
Dakshinamoorthy Venkatesan	21,65,332	43.35%
Dakshna Moorthy Manikandan	21,65,333	43.35%
Aparna Samir Thakker	6,64,335	13.30%

Details of equity shares held by promoters:

Name of Promoter	As at March 31,2025	
	No. of Shares Held	% of Holding
Dakshinamoorthy Venkatesan	64,95,996	37.20%
Dakshinamoorthy Manikandan	64,95,999	37.20%

Details of equity shares held by promoters:

Name of Promoter	As at March 31,2024	
	No. of Shares Held	% of Holding
Dakshinamoorthy Venkatesan	21,65,332	43.35%
Dakshinamoorthy Manikandan	21,65,333	43.35%

Airfloa Rail Technology Limited
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CIN: U30204TN1998PLC041571

DETAILS OF RESERVE & SURPLUS **ANNEXURE - VI**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium		
Opening Balance	**-**	**-**
Add: Received during the year	2,55,082	-
Less: Utilized for bonus shares issued during the year	-1,10,766	-
Closing Balance (a)	**1,44,316**	**-**
Balance in profit & Loss A/c		
Opening Balance	**5,10,765**	**3,75,650**
Add : Net profit / (Loss) after Tax for the year	**2,57,827**	**1,35,115**
Less: Liability of Rates & Taxes previously not recognised		
Less: Gratuity Expense recognised		
Less: CSR expenditure for prior year		
Less: Deferred Tax for previous years		
Less: Asset balances written off		
Add: Interest income on Fixed deposit		
Add: Liabilities write back		
Closing Balance (b)	**7,68,592**	**5,10,765**
TOTAL (a + b)	**9,12,908**	**5,10,765**

DETAILS OF LONG TERM BORROWINGS **ANNEXURE - VII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term Loan		
- Banks		
1. Axis Bank Term Loan 2	-	1,201
2. Axis Bank WC Term Loan	-	7,088
3. Axis Bank WC Term Loan-354021	-	735
4. Yes bank Loan	-	91
- Others	-	-
Vehicle Loan	-	-
Vehicle Loan from Bank	-	849
Vehicle Loan from Others	11,992	-
Unsecured		
Term Loan	-	-
- Banks	-	-
- Others	-	87,635
Loan from Related parties		

- Directors	-	22,688
Current maturities of long-term debt		
TOTAL	**11,992**	**1,20,287**

Airfloa Rail Technology Limited
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DETAILS OF LONG TERM PROVISIONS **ANNEXURE - VIII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Long term Provision for Gratuity	6,541	7,537
TOTAL	**6,541**	**7,537**

DETAILS OF DEFERRED TAX LIABILITIES (NET) **ANNEXURE - IX**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Liabilities arising on account of:		
-Difference of WDV as per Companies Act, 2013 and Income Tax Act, 1961	9,478	10,989
-Expenses disallowed under Income Tax Act, 1961		
TOTAL	**9,478**	**10,989**

DETAILS OF SHORT TERM BORROWINGS **ANNEXURE - X**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Working capital loan facility / Cash Credit facility		
Working capital facility from Axis Bank	3,19,798	3,53,417
Working capital facility from Union Bank of India	1,79,666	1,81,781
Working capital facility from Others	60,000	-
Current Maturities of Long Term Debt	2,414	
Cash Credit		
Loan from Directors*		
Loan from Relatives of Directors		
Unsecured		
Intercorporate Loan	25,900	-
Secured		
Loan from Others**		
Loan from Related parties*		

Current maturities of long-term debt		
TOTAL	**5,87,778**	**5,35,198**
(Refer Annexure for terms of security, repayment and other relevant details)		
****Loan from Directors are interest-free.***		

Airfloa Rail Technology Limited
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DETAILS OF TRADE PAYABLES **ANNEXURE - XI**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Payable to Micro and Small Enterprises	3,507	3,242
Payable to other than Micro and Small Enterprises	6,35,763	4,96,294
TOTAL	**6,39,270**	**4,99,536**

(Refer Annexure - XXXIII for ageing)

DETAILS OF OTHER CURRENT LIAIBILITES **ANNEXURE - XII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Audit Fees Payable	1,982	8,325
EPF Payable	2,252	3,967
ESI Payable	126	318
Wages & Salaries Payable	5,177	11,988
Unpaid Salary	-	-
TDS Payable	7,503	9,390
Rent & other expense payable	4,052	5,093
Customs Duty Payable	819	17,735
GST Payable	41,161	54,891
Customer Advances	30,101	-
CSR expense payable	-	-
Interest Payable	-	733
Interest payable on MSME Creditors	3,859	-
Interest payable on Statutory dues	-	-
Statutory Dues Payable (EPF, ESIC, TDS, Custom duty and GST)	48	-
Liabilities for Expenses		
TOTAL	**97,080**	**1,12,440**

DETAILS OF SHORT TERM PROVISIONS **ANNEXURE - XIII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Taxation (Net of Advance Tax, TDS and TCS)	1,05,644	58,761
Short Term Provision for Gratuity	12,263	2,069
Provision for Interest on TDS	-	1,106
Provision for Taxation - PY		-
	1,17,907	**61,936**

Airfloa Rail Technology Limited
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CIN: U30204TN1998PLC041571

DETAILS OF NON - CURRENT INVESTMENTS **ANNEXURE - XV**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Unquoted, Non-Trade (At Cost)		
A. Investment in Equity Instruments of Subsidiaries	99	-
Investment in Sree Dakssnaa Aerospace and Defence India Private Limited December 31, 2024 - 9999 Equity Shares of ₹ 10 each (FY 2023-24 - NIL Shares, FY - 2022-23 - NIL shares and FY 2021-22 - NIL Shares)		
TOTAL	**99**	**-**
Aggregate value of quoted investments	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**
Aggregate carrying value of unquoted investments	**99**	**-**
Aggregate provision for diminution in value of investments	**-**	**-**

DETAILS OF LONG-TERM LOANS & ADVANCES **ANNEXURE - XVI**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Security Deposits	-	17,858
Southern Railway FD	-	111
Sales Tax Deposit	3	3
Capital advance against property	19,835	-
TOTAL	**19,838**	**17,972**

DETAILS OF OTHER NON CURRENT ASSETS **ANNEXURE - XVII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Electricity Deposit	736	735
Earnest Money Deposit	34,898	30,580
Security Deposit	35,138	-
Fixed Deposit (having original maturity of more than 3 months and remaining maturity of more than 12 months)*	2,212	
TOTAL	**72,984**	**31,315**

DETAILS OF INVENTORIES **ANNEXURE - XVIII**

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials	73,539	4,58,029
Work In Progress	3,88,713	-
Finished goods	1,62,137	-

TOTAL	**6,24,389**	**4,58,029**

DETAILS OF TRADE RECEIVABLES **ANNEXURE -** XIX

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, Considered Good		
Trade Receivable More than Six Months	2,98,306	-
Trade Receivable Less than Six Months	9,77,699	10,31,472
	-	-
Unsecured, Considered Doubtful	-	-
Trade Receivable More than Six Months	-	-
Less: Provision for Bad & Doubtful Debts	-	-
Trade Receivable Less than Six Months	-	-
Less: Provision for Bad & Doubtful Debts	-	-
TOTAL	**12,76,005**	**10,31,472**

DETAILS OF CASH AND BANK BALANCE **ANNEXURE -** XX

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
a. Cash and Cash Equivalents		
Cash-in-Hand	54	97
Bank Balance	23,359	2,285
Fixed Deposits (having original maturity of less than 3 months)	15,741	18,576
b. Other Bank Balances with Scheduled Bank		
Balance with Banks in Fixed Deposits*	-	-
(having original maturity of more than 3 months and remaining maturity of less than 12 months including given as collateral or margin money)	-	
TOTAL	**39,154**	**20,958**

DETAILS OF SHORT TERM LOAN AND ADVANCES **ANNEXURE -** XXI

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Salary & Other Advances	5,095	5,996
Balance with Government Authorities	329	3,202
TDS Receivable	-	-
Refund of TDS from NBFC's	502	-
GST Receivable	2,667	-
GST Paid on Advance Receipt	-	-
VAT Deposit	-	-
Staff Advances	-	-
Rent Deposit	1,826	3,213

Prepaid expenses (Including IPO expense)	4,500	-
Advances to related parties (Refer Annexure - XLIV)	-	-
Vendor advances	1,42,586	-
TOTAL	**1,57,505**	**12,411**

Airfloa Rail Technology Limited
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PROPERTY,PLANT AND EQUIPMENT & DEPRECIATION FOR THE YEAR ENDING 31.03.2025

ANNEXURE - XIV

Particulars	Rate	Original Cost				Accumulated Depreciation				Net Block	
		As on 01.04.2024	Additions	Deletions	As on 31.03.2025	As on 01.04.2024	Additions	Deletions	As on 31.03.2025	As on 31.03.2025	As on 31.03.2024
Land & Buildings											
Land	0.00%	2,985	-	-	2,985	-	-	-	-	2,985	2,985
Land- Madurai	0.00%	42,191	4,413	-	46,604	-	-	-	-	46,604	42,191
Land- Nehru Nagar	0.00%	87,297	-	-	87,297	-	-	-	-	87,297	87,297
Building - Block 1 (Unit 5)	4.87%	1,57,803	-	-	1,57,803	58,165	4,852	-	63,017	94,786	99,638
Building	9.50%	25,617	36,020	-	61,637	13,144	1,476	-	14,620	47,017	12,473
Plant & Machinery											
Plant & Machinery	18.10%	1,24,388	-	-	1,24,388	72,145	9,456	-	81,601	42,787	52,243
Plant & Machinery (Moulds)	31.23%	6,886	-	-	6,886	835	1,890	-	2,725	4,161	6,051
Machinery (Unit 5)	18.10%	93,969	-	-	93,969	75,104	3,415	-	78,519	15,450	18,865
Car	31.23%	15,551	15,983	(5,516)	26,018	14,135	630	(5,240)	9,525	16,493	1,416
Vehicle	31.23%	5,547	-	-	5,547	5,198	72	-	5,270	277	349
Computers & Software											
Computer & Softwares	63.16%	10,274	316	-	10,590	9,364	449	-	9,813	777	910
Planning Software	63.16%	1,088	-	-	1,088	1,033	-	-	1,033	55	55
CREO Elements	63.16%	515	-	-	515	484	-	-	484	31	31
Fixtures											
Airconditioner	18.10%	270	-	-	270	201	12	-	213	57	69
Electrical Equipments	25.89%	5,139	-	-	5,139	4,077	275	-	4,352	787	1,062
UPS	0.00%	307	-	-	307	307	-	-	307	-	-
Furniture & Fittings	25.89%	18,615	-	-	18,615	7,822	2,794	-	10,616	7,999	10,793
Office Equipments	45.07%	1,160	-	-	1,160	1,107	6	-	1,113	47	53
Total		**5,99,602**	**56,732**	**(5,516)**	**6,50,818**	**2,63,121**	**25,327**	**(5,240)**	**2,83,208**	**3,67,610**	**3,36,481**

For Airfloa Rail Technology Limited

As per our report of even date

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

D. Venkatesan
Director
DIN: 00232210

D. Manikandan
Director
DIN: 00232275

V. Sadagopan
Partner
Mem No- 022618
UDIN -
Place : Chennai
Date : 21.08.2025

Papa Sanjeevi Karunakaran
(CFO)
Place: Chennai

Thygarajan Sivakumar
(Company Secretary)
Date: 21.08.2025

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
CIN: U30204TN1998PLC041571

DETAILS OF REVENUE FROM OPERATIONS **ANNEXURE -** XXII

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Revenue from Sale of Products	19,23,870	11,93,036
TOTAL	**19,23,870**	**11,93,036**

DETAILS OF OTHER INCOME **ANNEXURE -** XXIII

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest Income	1,259	3,487
Discount Received	623	-
Exchange Rate Gain	-	-
Sale of Scrap	-	-
Profit on sale of Asset	874	-
Reimbursement	-	-
Reversal of gratuity expense	-	-
Sundry Balances Written Back	-	-
Miscellaneous Income	-	-
Sundry Balances Written Back	-	34,264
TOTAL	**2,756**	**37,751**

DETAILS OF COST OF MATERIAL CONSUMED **ANNEXURE -** XXIV

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Stock	1,12,004	1,28,400
Purchases	12,95,882	5,66,013
Less : Closing Stock	-73,539	-1,12,004
TOTAL	**13,34,347**	**5,82,409**

Airfloa Rail Technology Limited
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DETAILS OF DIRECT EXPENSES **ANNEXURE -** XXV

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Freight, Service and Conversion Charges	75,397	19,691
Rent, Electricity & Repairs	22,551	34,127
Testing Charges & Other expenses	3,030	4,205
Factory Maintenance	1,356	2,456
Insurance & License	2,592	2,410
Labour & Service charges	12,341	-
	-	-
TOTAL	**1,17,267**	**62,889**

DETAILS OF CHANGES IN INVENTORIES OF WORK- IN- PROGRESS & FINISHED GOODS **ANNEXURE -** XXVI

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Work in Progress		
Opening Stock	2,93,946	2,72,749
Less : Closing Stock	-3,88,713	-2,93,946
Finished goods		
Opening Stock	52,079	1,02,089
Less : Closing Stock	-1,62,137	-52,079
	-	-
TOTAL	**-2,04,825**	**28,813**

DETAILS OF EMPLOYEE BENEFIT EXPENSES **ANNEXURE -** XXVII

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Wages, Salaries and Staff Welfare Expenses	1,06,001	83,087
Managerial Remuneration	14,860	9,600
Labour & Service charges	-	30,157
Contribution to Provident Fund	3,161	3,272
Contribution to Employee State Insurance	504	507
Employee Gratuity	693	2,447

TOTAL	**1,25,219**	**1,29,070**

Airfloa Rail Technology Limited
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CIN: U30204TN1998PLC041571

DETAILS OF FINANCE COST **ANNEXURE -** XXVIII

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest on Borrowings	65,307	67,473
Bank and loan Processing Charges	11,610	27,820
Interest on Supplier Overdue/ Loan from others	14,933	15,218
Interest on late payment of TDS	-	-
Interest on Income Tax	-	-
Interest on late payment of MSME Dues	1,283	-
Interest on late payment of statutory dues	17,570	-
TOTAL	**1,10,703**	**1,10,511**

DETAILS OF DEPRECIATION AND AMORTIZATION EXPENSE **ANNEXURE -** XXIX

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation Expenses	25,327	29,284
Amortization Expenses	-	-
TOTAL	**25,327**	**29,284**

Airfloa Rail Technology Limited
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DETAILS OF OTHER EXPENSES **ANNEXURE -** XXX

(₹ In 000's)

Particulars	As at March 31, 2025	As at March 31, 2024
Administrative Expenses		
Advertisement and Business Promotion Expenses	20,671	2,400
Audit Fee	2,400	20
Computer Maintenance	11	783
CSR expenses	1,785	4,466
Donation Expenses	605	-
Income Tax Demand	-	-
Interest under Income Tax, EPF, TDS etc.	-	5,476
Loss on foreign exchange	373	-
Misc. Expenses	517	989
Office maintenance	2,476	3,289
Printing, Postage and Stationery	545	703
Professional and Consultancy Charges	15,733	21,958
Rate Differences and Contract Variations	-	-
Rates & Taxes	8,735	6,240
Reversal of written back liabilities	288	10,721
Sundry balance written off	1,243	18,980
Telephone Charges	658	768
Travelling & Conveyance	11,191	-
Vehicle Maintenance	1,589	-
Total	**68,820**	**76,793**

Prior Period Items:		-
Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Prior Period Items	-153	7,159
Prior Period Expenses	-	-
Total	**-153**	**7,159**