



FRN 00045155

VARADARAJAN & CO

CHARTERED ACCOUNTANTS

Ph: 044 - 24453533
044 - 49539520

BRANCH OFFICE

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

Independent Auditor's Report on Restated standalone financial Statements

To,
The Board of Directors
Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or
"Airflow Equipments India Private Limited")

1. We have examined the attached restated standalone financial information of **Airfloa Rail Technology Limited (Formerly known as "Airfloa Rail Technology Private Limited" or "Airflow Equipments India Private Limited")** (hereinafter referred to as "**the Company**") comprising the restated standalone statement of assets and liabilities as at March 31, 2025, 2024, and 2023, restated standalone statement of profit and loss and restated standalone cash flow statement for the financial year ended on March 31, 2025, 2024, and 2023 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the "**restated standalone financial information**" or "**Restated standalone financial Statements**") annexed to this report and initiated by us for identification purposes. These Restated standalone financial Statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on SME Platform ("**IPO**" or "**SME IPO**") of BSE Limited ("**BSE**") of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
 - (i) Section 26 of Part – I of Chapter III of Companies Act, 2013 (the "**Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**");
 - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**Guidance Note**")
3. The Company's Board of Directors is responsible for the preparation of the Restated financial Statements for inclusion in the Draft Red-Herring Prospectus/ Red-Herring Prospectus/ Prospectus ("**Offer Document**") to be filed with Securities and Exchange Board of India ("**SEBI**"), BSE and Registrar of Companies (Chennai) in connection with the proposed IPO. The Restated standalone financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated standalone financial Statements. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated standalone financial Statements. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
4. We have examined such Restated standalone financial Statements taking into consideration:
 - (i) The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed SME IPO;
 - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;



For VARADARAJAN & CO.
Chartered Accountants


(V. SADAGOPAN)
Partner.

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- (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated standalone financial Statements;
- (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. The Restated standalone financial Statements of the Company have been compiled by the management from audited financial statements for the year ended on March 31, 2025, 2024 and 2023.
6. Audit for the financial year ended year ended March 31, 2025 was audited by us vide our report dt. August 21, 2025. Audit for the financial year ended year ended March 31, 2024,&2023 was audited by G. Sekar Associates vide report dt. September 21, 2024, and November 15, 2023. respectively. There are no audit qualifications in the audit reports issued by previous auditors and which would require adjustments in the Restated standalone financial Statements of the Company. The financial report included for these years is based solely on the report submitted by him.
7. Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated standalone financial Statements:
- a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial year ended March 31, 2025, 2024 and 2023.
- b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
- c) Have no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
- d) Have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
8. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
- (i) The "restated stand alone statement of asset and liabilities" of the Company as at March 31, 2025, 2024 and 2023 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (ii) The "restated standalone statement of profit and loss" of the Company for the financial year ended as at March 31, 2025, 2024 and 2023 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (iii) The "restated standalone statement of cash flows" of the Company for the financial year ended as at March 31, 2025, 2024 and 2023 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.



For VARADARAJAN & CO.
Chartered Accountants

(V. SADAGOPAN)
Partner.

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(iv) The Company has violated provisions of Section 185 in the financial years ended March 31, 2024 and March 31, 2023 as the company has given loans to related parties which has been repaid till date and hence, such non-compliance does not exist as on August 21, 2025.

9. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial year/period ended March 31, 2025, 2024 and 2023 proposed to be included in the Offer Document.

Annexure to Restated standalone financial Statements of the Company: -

- I. Summary statement of standalone assets and liabilities, as restated as appearing in ANNEXURE I;
- II. Summary statement of standalone profit and loss, as restated as appearing in ANNEXURE II;
- III. Summary statement of standalone cash flows as restated as appearing in ANNEXURE III;
- IV. Corporate Information, Significant accounting policies as restated and Notes to reconciliation of restated standalone profits and net worth as appearing in ANNEXURE IV;
- V. Details of share capital as restated as appearing in ANNEXURE V to this report;
- VI. Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
- VII. Details of long-term borrowings as restated as appearing in ANNEXURE VII to this report;
- VIII. Details of long-term provisions as appearing in ANNEXURE VIII to this report;
- IX. Details of deferred tax liabilities & Asset (net) as appearing in ANNEXURE IX to this report;
- X. Details of short-term borrowings as restated as appearing in ANNEXURE X to this report;
- XI. Details of trade payables as restated as appearing in ANNEXURE XI to this report;
- XII. Details of other current liabilities as restated as appearing in ANNEXURE XII to this report;
- XIII. Details of short-term provisions as restated as appearing in ANNEXURE XIII to this report;
- XIV. Details of property, plant & equipment and intangible assets as appearing in ANNEXURE XIV to this report;
- XV. Details of non-current investment as restated as appearing in ANNEXURE XIV to this report
- XVI. Details of long-term loans and advances as restated as appearing in ANNEXURE XVI to this report;
- XVII. Details of other non-current investment as restated as appearing in ANNEXURE XVII to this report;
- XVIII. Details of inventories as restated as appearing in ANNEXURE XVIII to this report;
- XIX. Details of trade receivables as restated as appearing in ANNEXURE XIX to this report;
- XX. Details of cash and bank balances as restated as appearing in ANNEXURE XX to this report;
- XXI. Details of short-term loans and advances as restated as appearing in ANNEXURE XXI to this report;
- XXII. Details of revenue from operations as restated as appearing in ANNEXURE XXII to this report;
- XXIII. Details of other income as restated as appearing in ANNEXURE XXIII to this report;
- XXIV. Details of cost of material consumed as restated as appearing in ANNEXURE XXIV to this report;
- XXV. Details of direct expenses as restated as appearing in ANNEXURE XXV to this report;
- XXVI. Details of Changes in Inventories of Work- In- Progress & Finished Goods as restated as appearing in ANNEXURE XXVI to this report;
- XXVII. Details of employee benefit expense as restated as appearing in ANNEXURE XXVII to this report
- XXVIII. Details of finance cost as restated as appearing in ANNEXURE XXVIII to this report;
- XXIX. Details of depreciation and amortization expense as restated as appearing in ANNEXURE XXIX to this report;
- XXX. Details of other expenses as restated as appearing in ANNEXURE XXX to this report;
- XXXI. Details of other income as restated as appearing in ANNEXURE XXXI to this report;
- XXXII. Details of terms of borrowings as restated as appearing in ANNEXURE XXXII to this report;
- XXXIII. Ageing of trade payables as restated as appearing in ANNEXURE XXXIII to this report;
- XXXIV. Ageing of trade receivables as restated as appearing in ANNEXURE XXXIV to this report;
- XXXV. Details of related party transactions as restated as appearing in ANNEXURE XXXV to this report;
- XXXVI. Details of disclosure under AS-15 as restated as appearing in ANNEXURE XXXVI to this report;
- XXXVII. Summary of accounting ratios as restated as appearing in ANNEXURE XXXVII to this report;

For VARADARAJAN & CO.
Chartered Accountants

(V. SADAGOPAN)
Partner





FRN : 0004515S

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- XXXVIII. Statement of tax shelters as restated as appearing in ANNEXURE XXXVIII to this report;
- XXXIX. Details of contingent liabilities & commitment as restated as appearing in ANNEXURE XXXIX to this report;
- XL. Details of restated value of imports calculated on C.I.F. basis by the company during the financial year as appearing in ANNEXURE XL to this report;
- XLI. Details of value (including incidental expenses) of imported and indigenous raw materials consumed as appearing in ANNEXURE XLI to this report.
- XLII. Details of expenditure in foreign currency during the financial year as restated as appearing in ANNEXURE XLII to this report;
- XLIII. Details of earnings in foreign exchange as restated as appearing in ANNEXURE XLIII to this report;
- XLIV. Details of dues of small enterprises and micro enterprises as restated as appearing in ANNEXURE XLIV to this report;
- XLV. Additional Regulatory Information as per Para Y of Schedule III to Companies Act, 2013 as restated as appearing in ANNEXURE XLV to this report;
- XLVI. Details of Corporate social responsibility as restated as appearing in ANNEXURE XLVI to this report;
- XLVII. Capitalisation Statement as at March 31, 2025 as restated as appearing in ANNEXURE XLVII to this report;
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the board of directors for inclusion in the offer document to be filed with SEBI, BSE and Registrar of Companies (Chennai) in connection with the proposed SME IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZI7755

Place: Chennai
Date: 21-08-2025

