

MARKET MAKING AGREEMENT
FOR INITIAL PUBLIC ISSUE OF
AIRFLOA RAIL TECHNOLOGY LIMITED

DATED AUGUST 04, 2025

AMONGST

AIRFLOA RAIL TECHNOLOGY LIMITED
(Issuer Company)

AND

GIRIRAJ STOCK BROKING PRIVATE LIMITED
(Market Maker)

AND

GYR CAPITAL ADVISORS PRIVATE LIMITED
(Book Running Lead Manager)



தமிழ்நாடு தமில்நாடு TAMILNADU

Airfloa rail technology Ltd

AE 571094

4 AUG 2025

S. SARASWATHI
STAMP VENDOR

LC No: 9228/36/85 DT. 18-4-1986
7, 2nd CRESCENT PARK ROAD,
ADYAR, CHENNAI-20. Call: 9176658000

THIS MARKET MAKING AGREEMENT (HEREINAFTER REFERRED TO AS THE "AGREEMENT")
MADE AT CHENNAI ON AUGUST 04, 2025 AND AMONGST

AIRFLOA RAIL TECHNOLOGY LIMITED (Formerly known as Airfloa Rail Technology Private Limited and Air Flow Equipments (India) Private Limited), a Company incorporated under the Companies Act, 1956, having its office, registered office at No. 9 Chelliamman Koilstreet Keelkttalai Chennai-117, Tamil Nadu, 600117, India (hereinafter referred to as "AIRFLOA" or "Issuer" or the "Company") which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns, of the FIRST PART;

AND

For AIRFLOA RAIL TECHNOLOGY LIMITED
Managing Director



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TAMILNADU

AIRFLOA Rail Technology Limited
Chennai - 119

4 AUG 2025

ED 585247

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S. SARASWATHI
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LC No: 922M/8/BU DT. 16-4-1986
7, 2nd CRESCENT PARK ROAD,
ADYAR, CHENNAI-20. Cell: 9176650088

GYR CAPITAL ADVISORS PRIVATE LIMITED, a company incorporated under Companies Act, 2013 and having SEBI registration number INM000012810 and having its registered Office at 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad - 380054, Gujarat, India (hereinafter referred to as "GCAPL" or "Book Running Lead Manager", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **SECOND PART**;

AND

For AIRFLOA RAIL TECHNOLOGY LIMITED

Managing Director



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AIRFLOA, GCAPL and GSBPL are hereinafter collectively referred to as the "Parties" and individually as a "Party".

WHEREAS

- A. The Issue consists of a Public Issue of upto 65,07,000 Equity Shares ("Equity Shares") of face value of Rs. 10/- each at issue price to be decided in accordance with the Chapter IX of the SEBI (ICDR) Regulations 2018, (as defined herein) and applicable Indian securities laws ("The Issue") through book-built process.
- B. The price band / Issue price of equity shares shall be decided through Book Built Process pursuant to which the shares are to be issued.
- C. The Issuer Company has obtained approval for the issue pursuant to the Board Resolution dated December 12, 2024. The Issuer Company passed a special resolution under section 62(1)(c) of Companies Act, 2013 at the Extra Ordinary General Meeting held on December 13, 2024 which collectively authorized the Issuer Company's Directors, or any other authorized representatives, for the purpose of the Issuing and signing the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, this Agreement, the Memorandum of Understanding, any amendments or supplements thereto, and any and all other writings as any be legally and customarily required in pursuance of the Issuing and to do all acts, deeds or things as may be required.
- D. The Company has applied for in-principle approval from BSE for insertion of its name in the Prospectus and shall be applying for listing of its Equity Shares on SME Platform BSE.
- E. The Issuer Company and the Underwriters have entered into an Underwriting Agreement pursuant to which GCAPL (Book Running Lead Manager and Underwriter) has agreed to ensure that in case of under subscription, the entire unsubscribed portion of the issue of equity shares shall be arranged for subscription from its resources as per the specified timeline in that agreement and in line with the requirement of the SEBI (ICDR) Regulation, 2018 and other applicable laws, regulations and guidelines.
- F. One of the requirements of issuing shares to the Public in accordance with the Chapter IX of the SEBI (ICDR) Regulation 2018, as specified in Regulation 261 (1) of the said Regulations is that GCAPL being Book Running Lead Manager to the Issue has to ensure compulsory Market Making through the Stock Brokers of the Startups Platform / SME Exchange (in this case being SME Platform of the BSE) for the compulsory market making period (as defined herein).
- G. Giriraj Stock Broking Private Limited (hereinafter referred to as "GSBPL") is a Registered Stock Broker / Trading Member of BSE Limited having Market Maker Registration Number: 90318 and SEBI Registration No. INZ000212638.
- H. GSBPL have approached Airfloa Rail Technology Limited (Formerly known as Airfloa Rail Technology Private Limited and Air Flow Equipments (India) Private Limited) for being appointed as Market maker. Airfloa Rail Technology Limited has accepted such proposal and confirmed that there is no conflict of interest arising from such transaction or arrangement.
- I. Issuer has understood the preliminary arrangements in place and agreed to such appointment and these parties have now therefore agreed to enter into this agreement for the relevant business.

NOW THEREFORE IT IS HEREBY AGREED BY AND AMONG THE PARTIES HERETO AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 In addition to the defined terms contained elsewhere in this Agreement, the following expressions, as used in this Agreement, shall have the respective meanings set forth below:

"Affiliate" with respect to a specified person, shall mean any other person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified person.

"Allotment" shall mean the issue and allotment of equity shares pursuant to Fresh Issue to successful Applicants.

"Agreement" shall mean this agreement or any other agreement as specifically mentioned.

"Applicant" shall mean any prospective Investor who has made an application in accordance with the Draft Red herring prospectus/ Red Herring Prospectus and/or the Prospectus.

"Application" shall mean an indication to make an application during the Application Period by a prospective investor to subscribe to the Issued Shares at the Issue Price, including all revisions and modifications thereto.

For AIRFLOA RAIL TECHNOLOGY LIMITED
Managing Director



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"Bid / Issue Closing Date" shall mean any such date on completion of the application hours after which the Collection Banker will not accept any applications for the Issue, which shall be the date notified in a widely circulated English national newspaper and a Hindi national newspaper and a regional newspaper.

"Bid / Issue Opening Date" shall mean any such date on which the Collection Banker shall start accepting applications for the Issue, within the application hours which shall be the date notified in a widely circulated English national newspaper and a Hindi national newspaper and a regional newspaper.

"Bid / Issue Period" shall mean the period between the Bid / Issue Opening Date and the Bid / Issue Closing Date (inclusive of both dates) and during which prospective Applicants can submit their Applications.

"Bid" shall mean an indication to make an issue during the Bid / Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form.

"Bid Amount" shall mean the highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.

"Bid cum Application form" shall mean form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus.

"BRLM" shall mean the Book Running Lead Manager to the issue i.e. GYR Capital Advisors Private Limited.

"BSE" shall mean Bombay Stock Exchange of India Limited

"Closing Date" shall mean the date of allotment of the Shares by the Company, in accordance with the Prospectus, which date will not be later than 90 days after the application opening date, unless otherwise mutually agreed in writing between the BRLM and the Issuer Company.

"Companies Act" shall mean the Companies Act, 1956 and the Companies Act, 2013, along with the rules framed there under to the extent notified as amended from time to time.

"Controlling", "Controlled by" or "Control" shall have the same meaning ascribed to the term "control" under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, or as amended.

"Controlling Person(s)" with respect to a specified person, shall mean any other person who controls such specified person.

"Draft Red Herring Prospectus" shall mean the Draft Red herring prospectus of the Company which is filed with SME Platform of the BSE in accordance with Section 32 of the Companies Act, 2013 for getting in-principle listing approval.

"Fresh Issue" shall mean issue of upto 65,07,000 Equity shares

"Indemnified Party" shall have the meaning given to such term in this Agreement.

"Indemnifying party" shall have the meaning given to such term in this Agreement.

"Issue Agreement" shall mean agreement dated June 03, 2025 entered between the Issuer Company and Book Running Lead Manager.

"Issue Price" means price per share as may be determined in accordance with Book Building process as defined under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 of face value Rs. 10/- each.

"Market Maker" shall mean any person who is registered as a Market Maker with SME Platform of the BSE

"Market Maker Reservation Portion" shall mean the reserved portion for the Designated Market Maker of such number of Equity Shares of face value of Rs. 10/- each which shall be at least five per cent of the number of Equity Shares issued to public which shall be determined in accordance of Book Building Process as defined under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018.

"Market Making Agreement" shall mean the Agreement entered between the Issuer Company, Book Running Lead Manager and Market Maker.

"Material Adverse Effect" shall mean, individually or in the aggregate, a material adverse effect on the condition, financial or otherwise, or in the earnings, business, management, operations or prospects of the Company and its subsidiaries, taken as a whole.

"Net Issue" shall mean the issue of equity shares in this issue excluding Market Maker Reservation Portion.

"Non-institutional Applicants" shall mean all Applicants that are not QIBs or Retail Applicants and who have applied for equity shares for an amount more than Rs. 2,00,000.

For AIRFLOA RAIL TECHNOLOGY LIMITED
Managing Director



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"Offer Documents" shall mean, collectively, the Draft Red herring prospectus, Red herring prospectus, the Application Form, the Prospectus, any Supplemental Offer Materials, including all supplements, corrections, and amendments, thereto.

"Party" or "Parties" shall have the meaning given to such terms in the preamble to this Agreement.

"Public Issue Account" shall mean the Public Issue Account as and when opened by the Issuer Company with a designated Banker to the Issue in order to collect the subscription monies procured from this Issue of Shares.

"Prospectus" shall mean the prospectus of the Company which will be filed with BSE / SEBI / ROC and others in accordance with Section 26 of the Companies Act, 2013 after getting in-principle listing approval but before opening the issue.

"Qualified Institutional Buyers" or "QIBs" Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI (ICDR) Regulations, 2018.

"Registrar" shall mean KFIN Technologies Limited, a company incorporated under the Companies Act and having its registered office at Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.

"Retail Applicants" shall mean individual Applicants (including HUFs and NRIs) who have applied for Equity Shares for an amount not more than Rs. 2,00,000 in any of the application options in the Issue.

"SEBI" shall mean the Securities and Exchange Board of India.

"SEBI Act" shall mean the Securities and Exchange Board of India Act, 1992, as amended and as applicable to the Issue.

"SEBI (ICDR) Regulation 2018" shall mean the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended and as applicable to the Issuing.

"SME Platform of the BSE" shall mean SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations.

"Stock Exchange" shall mean SME Platform of the BSE.

1.2 In this Agreement, unless the context otherwise requires:

- a. Words denoting the singular shall include the plural and vice versa;
- b. Words denoting the person shall include an individual, corporation, company, partnership, trust or other entity;
- c. Headings and bold typeface are only for convenience shall be ignored for the purpose of interpretation;
- d. References to the word "include" or "including" shall be construed without limitation;
- e. Reference to this agreement or to any other Agreement, deed or other instrument shall be construed as a reference to such agreement, deed, or instrument as the same may from time to time be amended, varied, supplemented or noted;
- f. A reference to an article, section, paragraph or schedule of this Agreement is unless indicated to the contrary, reference to an article, section, paragraph or schedule of this Agreement;
- g. Reference to any party to this Agreement or to any other Agreement, deed or other instrument shall, in the case of an individual, include his or her legal heirs, executors or administrators and in other case include its successors or permitted assigns;
- h. Reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- i. Capitalized terms used in this agreement and not specifically defined herein shall have the meanings given to such terms in the Draft Red herring Prospectus, Red Herring Prospectus and the Prospectus.

1.3 The Parties acknowledge and agree that the Schedules attached hereto form an integral part of this Agreement.

For AIRFLOA RAIL TECHNOLOGY LIMITED
Managing Director



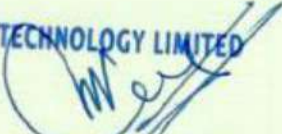
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2. MARKET MAKING:

On the basis of the representations and warranties contained in this Agreement and subject to its terms and conditions, the Market Maker hereby agrees to ensure Market Making in the shares of issuer in the manner and on the terms and conditions contained elsewhere in this Agreement and as mentioned below:

- 2.1 The Market Maker will subscribe to such number of shares which shall be at least five per cent of the number of Equity Shares issued to public which shall be determined in accordance of Book Building Process as defined under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018. Equity Shares of Face value of Rs. 10/- each being the market making reservation portion at a price specified in the Red Herring Prospectus.
- 2.2 The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the stock exchange from time to time and the same shall be updated in Prospectus. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker(s).
- 2.3 The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the SME Platform of the BSE and SEBI from time to time.
- 2.4 The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 2.5 The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform of the BSE. (The lot size will be based as per SEBI circular dated February 21, 2012 on determination of Price band. The same will be disclosed in RHP / Prospectus / Price Band Advertisement)
- 2.6 Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 2.7 The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the exchange.
- 2.8 The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of the BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars."
- 2.9 There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 2.10 The Market Maker may be allowed to withdraw temporarily / fully from the market under special circumstances – for instance due to system problems, any other problems. All controllable reasons will require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 2.11 The Market Maker shall not buy the shares from the promoters or persons belonging to promoter group of Issuer Company or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
- 2.12 The promoter's holding of Issuer Company shall not be eligible for issuing of Market Maker during the compulsory Market Making period. However, the promoters holding of Issuer Company which is not locked in as per SEBI (ICDR) Regulations can be traded with prior permission of the Bombay Stock Exchange of India Limited in the manner specified by SEBI from time to time.
- 2.13 The Book Running Lead Manager if required has a right to appoint a nominee director on the Board of the Issuer Company any time during the compulsory Market Making period provided it meets requirements of the SEBI (ICDR) Regulations 2018.
- 2.14 The Market Maker shall not be responsible to maintain the price of the shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of Issuer Company via its 2-way quotes. The price shall be determined and be subject to market forces.
- 2.15 Bombay Stock Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. Bombay Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.

For AIRFLOA RAIL TECHNOLOGY LIMITED

Managing Director







- 2.16 The Market Maker shall be liable for punitive action in case of default. Bombay Stock Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- 2.17 Further, the following shall apply to market makers while managing their inventory during the process of market making:
- The exemption from threshold as per table below shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.
 - Threshold for market making as per table below will be inclusive of mandatory inventory of 5% of issue size at the time of allotment in the issue.
 - Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.
 - Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold.
 - Threshold limit will take into consideration, the inventory level across market makers.
 - The market maker shall give two way quotes till he reaches the upper limit threshold, thereafter he has the option to give only sell quotes.
 - Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.
 - In view of the market making obligation, there shall be no exemption / threshold on downside. However, in the event the market maker exhausts his inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto Rs.20 Crore	25 %	24 %
Rs.20 Crore to Rs.50 Crore	20 %	19 %
Rs.50 Crore to Rs.80 Crore	15 %	14 %
Above Rs.80 Crore	12 %	11 %

3. REPRESENTATIONS AND WARRANTIES BY THE MARKET MAKER:

- 3.1 In addition to any representations of the Market Maker under the Registration Documents filed with the SME Platform of the BSE the Market Maker hereby represents and warrants that:
- it has taken all necessary actions to authorize the signing and delivery of this agreement;
 - the signing and delivery of this agreement and the compliance with this agreement does not violate any law, rule, regulation or agreement, document or instrument binding on or applicable to the Market Maker;
 - it will comply with all of its respective obligations set forth in this Agreement;
 - it will ensure compliance with the applicable laws and rules laid down by the SEBI and SME Platform of the BSE w.r.t Market Making in general and Market Making in shares of Issuer Company in specific;
 - it shall follow fair trade price practices and abide by the code of conducts and ethical standards specified by SEBI, Stock Exchange and other related associations from time to time.
- 3.2 GSBPL shall not buy the Equity Shares from the Promoters or persons belonging to the Promoter Group of Issuer Company or any person who has acquired Equity Shares from such Promoter or person belonging to Promoter Group during the compulsory market making period.
- 3.3 GSBPL shall comply with all applicable by-laws, laws, rules, guidelines and regulations for the term of this Agreement.

The Market Maker acknowledges that it is under a duty to notify Book Running Lead Manager and the SME Platform of the BSE Limited immediately in case it becomes aware of any breach of a representation or a warranty.

For AIRFLOA RAIL TECHNOLOGY LIMITED

Managing Director



(Signature)



4. REPRESENTATIONS AND WARRANTIES BY THE BOOK RUNNING LEAD MANAGER:

- 4.1. In addition to any representations of the Book Running Lead Manager under the Due Diligence Certificate and Underwriting Agreement, the Book Running Lead Manager hereby represents and warrants that:
- it has taken all necessary actions to authorize the signing and delivery of this agreement;
 - the signing and delivery of this agreement and the compliance with this agreement does not violate any law, rule, regulation or agreement, document or instrument binding on or applicable to the Book Running Lead Manager;
 - it will comply with all of its respective obligations set forth in this Agreement;
 - it will ensure compliance with the applicable laws and rules laid down by the SEBI and Bombay Stock Exchange of India Limited w.r.t role of the Book Running Lead Manager in the Market Making process in general and Market Making process in the shares of Issuer Company in specific;
 - it shall follow fair trade price practices and abide by the code of conducts and ethical standards specified by SEBI, Stock Exchange and other related associations from time to time.
- 4.2. The Book Running Lead Manager acknowledges that it is under a duty to notify Market Maker and the Bombay Stock Exchange of India Limited immediately in case it becomes aware of any breach of a representation or a warranty.
- 4.3. Notwithstanding the above, the Book Running Lead Manager shall not be responsible for market price movements and the orders which would be executed by the Market Maker in the scrip of the Issuer Company. As per the SEBI (ICDR) Regulations, the responsibility of the Book Running Lead Manager shall be to ensure continuity of Market Maker for the period specified thereunder and the Book Running Lead Manager shall not in any way get involved in day-to-day trading, pricing or similar operational matters.

5. REPRESENTATIONS AND WARRANTIES BY THE ISSUER COMPANY:

- 5.1. In addition to any representations of the Issuer Company under the Draft Red herring Prospectus, Prospectus and Underwriting Agreement, the Issuer Company hereby represents and warrants that:
- it has taken all necessary actions to authorize the signing and delivery of this agreement;
 - the signing and delivery of this agreement and the compliance with this agreement does not violate any law, rule, regulation or agreement, document or instrument binding on or applicable to the Issuer Company;
 - it will comply with all of its respective obligations set forth in this Agreement;
 - it shall ensure compliance with the applicable laws and rules laid down by the SEBI and Bombay Stock Exchange of India Limited w.r.t. role of the Issuer Company in the Market Making process in general and Market Making process in the shares of Issuer Company in specific;
 - it shall follow fair trade price practices and abide by the code of conducts and ethical standards specified by SEBI, Stock Exchange and other related associations from time to time.

6. CONDITIONS TO THE MARKET MAKERS OBLIGATIONS:

- 6.1. The several obligations of the Market Maker under this Agreement are subject to the following conditions:
- Subsequent to the execution and delivery of this Agreement and prior to the Listing Date there shall not have occurred any regulatory change, or any development involving a prospective regulatory change or any order or directive from SEBI, the Bombay Stock Exchange of India Limited or any other governmental, regulatory or judicial authority that, in the judgment of the Market Maker, is material and adverse and that makes it, the judgment of the Market Maker, impracticable to carry out Market Making.
 - The representation and warranties of the Book Running Lead Manager and Issuer Company contained in this Agreement shall be true and correct on and as of the Listing Date and both these parties shall have complied with all the conditions and obligations under this Agreement and the Underwriting Agreement on its part to be performed or satisfied on or before the listing date.
 - The Market Maker shall have received evidence satisfactory to them that the Issuer Company has been granted final listing approval by the Bombay Stock Exchange of India Limited and that such approvals are full in force and affects as of the Listing Date.
 - Prior to the Listing Date, the Book Running Lead Manager and the Issuer Company shall have furnished to the Market Maker such further information, certificates, documents and materials as the Market Maker shall reasonably request in writing.
 - Subsequent to the Listing date and without having served the notice period required to terminate this agreement, the Market Maker shall not be released from its obligations in any situation, except for technical failures or Force Majeure Event. In case of technical failure or force majeure event occurring due to the Market Makers own systems, the Market Maker shall inform the Book Running Lead Manager, Issuer

For AIRFLOA RAIL TECHNOLOGY LIMITED
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Managing Director



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Company and Bombay Stock Exchange of India Limited immediately and take necessary actions to correct this failure upon discovery.

- 6.2. If any conditions specified in 6.1 shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Market maker by written notice to the Book Running Lead Manager any time on or prior to the Listing Date; provided, however, that this Section 6.2, Sections 3, 4, 5, 6.3, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 shall survive the termination of this Agreement.
- 6.3. In case of termination of the agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. In such a case, revised agreement like this one shall have to be entered into and this too shall be the responsibility of the Book Running Lead Manager. However, certain terms and conditions may be modified on mutual consent of the Issuer Company and the Book Running Lead Manager, subject to such modifications being legal and allowed under the then applicable laws, rules and regulations.

7. MARKET MAKING FEES AND OTHER RELATED ARRANGEMENTS:

- 7.1. The Book Running Lead Manager shall pay the Market Maker the fees and commissions as per Schedule A in respect of the obligations undertaken by the Market Maker in this Agreement. Such aggregate fees shall be divided in the manner set forth in Schedule A and will be paid to the Market Maker or such other persons as directed by the Market Maker from time to time.
- 7.2. The Issuer Company and / or the Book Running Lead Manager shall not bear any other expenses or losses, if any, incurred by the Market Maker in order to fulfil its Market Making Obligations, except for the fees/commissions etc. mentioned in Schedule A of this Agreement.
- 7.3. The Issuer shall take steps to pay the Market Maker's fees as per the Mandate Letter.

8. INDEMNITY:

The Issuer Company shall indemnify and keep indemnified, the Book Running Lead Manager, Underwriters and Market Makers from and against any and all losses, liabilities, costs, claims, charges, actions, proceedings, damages, expenses or demands which they (or any of them) incur or which is made against them (or any of them) as a result of or arising out of, or in relation to, any misrepresentation or alleged misrepresentation of a material fact contained in the Draft Red herring Prospectus and Prospectus or omission or alleged omission there from of a material fact necessary in order to make the statements therein in light of the circumstances under which they were made not misleading, or which are determined by a court or arbitral tribunal of competent jurisdiction to have resulted from any bad faith, dishonesty, illegal or fraudulent acts or the wilful default or gross negligence on the part of the Company.

Such indemnity will extend to include all reasonable costs, charges and expenses that such Indemnified Party may pay or incur in disputing or defending any such loss, liability, cost, claim, charge, demand or action or other proceedings. Provided however that the Issuer Company will not be liable to the Book Running Lead Manager and Market Maker to the extent that any loss, claim, damage or liability is found in a judgment by a court to have resulted solely and directly from any of the Book Running Lead Manager and / or the Market Maker and/or Underwriter jointly or severally, as the case may be, and/or as a result of bad faith or gross negligence or wilful misconduct, illegal or fraudulent acts, in performing the services under this Agreement and/or under the Issue Agreement entered into by the Issuer Company with the Book Running Lead Manager confirming the engagement of the Book Running Lead Manager to manage the Issue. Provided however that the Issuer Company will not be liable to the Book Running Lead Manager, Underwriter & Market Maker to the extent that any loss, claim, damage or liability is found in a judgment by a court to have resulted solely and directly from any of the Underwriters severally, as the case may be, bad faith or gross negligence or wilful misconduct, illegal or fraudulent acts, in performing the services under this agreement.

9. TERM AND TERMINATION:

- 9.1. The Market Maker's engagement shall commence with effect from the date of this Agreement, and shall, unless terminated earlier, remain in force for a minimum period of three (3) years from the date of listing of the Equity Shares pursuant to the Issue. Once the Market Maker is registered, the Market Maker shall mandatorily act in the capacity as the market maker for a minimum period of three (3) months plus one (1) months' notice to Bombay Stock Exchange of India Limited. In case the Market Maker gets deregistered as a Market Maker within 3 years from the date of listing of Equity Shares, Merchant Banker shall then be responsible to appoint a replacement Market Maker on mutually acceptable terms to the Issuer and Book Running Lead Manager.
- 9.2. The Market Maker shall be allowed to terminate this Agreement by giving a written notice to the Book Running Lead Manager, one month prior to the date from which he wishes to discontinue his services. Provided however that, if the Book Running Lead Manager agrees to the same, the notice period may be reduced in order to

For AIRFLOA RAIL TECHNOLOGY LIMITED

Managing Director



provide mutual comfort. Provided further that, the Market Maker may be replaced with a successor Market Maker, which is acceptable to Bombay Stock Exchange of India Limited, the Book Running Lead Manager and the Issuer Company from time to time.

- 9.3. Notwithstanding section 9.2, the Book Running Lead Manager may terminate this agreement with immediate effect in case of a material event pertaining to the Market Maker, which in view of the Book Running Lead Manager, affects the ability of the Market Maker to carry out his obligations or negatively affects the goodwill of the Issuer Company.
- 9.4. The Book Running Lead Manager agrees to consult with the Market Maker, to the extent practicable, prior to exercising its right to terminate this Agreement on the occurrence of a Material event as specified above, it being acknowledged by the Market Maker that the exercise of the right to terminate this Agreement on such an occurrence is at the absolute discretion of the Book Running Lead Manager.
- 9.5. The provisions of Sections 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 shall survive the termination of this Agreement.
- 9.6. In case of termination of the agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange another Market Maker in replacement during the term of the notice period being served by the current Market Maker (i.e. GSBPL) but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. In such a case, revised agreement like this one shall have to be entered into and this too shall be the responsibility of the Book Running Lead Manager. However, certain terms and conditions may be modified on mutual consent of the Issuer Company and the Book Running Lead Manager, subject to such modifications being legal and allowed under the applicable laws, rules and regulations.
- 9.7. It is agreed between the Parties hereto that in the event of the Issuer Company migrating to the Main Board of Bombay Stock Exchange of India Limited, during the Compulsory Market Making Period, this Agreement shall stand terminated and the Market Maker shall no longer be obliged to provide the Issuer Company any market making services.

10. NOTICES

Any notices or other communication given pursuant to this Agreement must be in writing and (a) delivered personally, or (b) sent by tele facsimile or other similar facsimile transmission, (c) sent by registered mail, postage prepaid, to the address of the respective Party specified below, or to fax number given below or any other number as may be designated in writing by such Party from time to time. All notices and other communications required or permitted under this Agreement that are addressed as provided in this Section 10 will (i) if delivered personally or by overnight courier, be deemed given upon delivery; (ii) if delivered by tele facsimile or other similar facsimile transmission, be deemed to be given electronically confirmed; and (iii) if sent by registered mail, be deemed given when received.

If notices to the Book Running Lead Manager, deliver to it at:

GYR CAPITAL ADVISORS PRIVATE LIMITED

428, Gala Empire, Near JB Tower,
Drive In road, Thaltej, Ahmedabad – 380054,
Gujarat, India

Tel: +91 87775 64648

Email: info@gyrcapitaladvisors.com

Contact Person: Mr. Mohit Baid/ Mr. Abhishek Sharma

If notices to the Market Maker, deliver to it at:

GIRIRAJ STOCK BROKING PRIVATE LIMITED

Address: 4, Fairlie Place, HMP House, 4th Floor, Suite No- 421A, Kolkata- 700001, India

Tel: 033- 40054519 / 9547473969

Email: girirajstock@yahoo.com

Website: www.girirajstock.com

Contact Person: Kuntal Laha

For AIRFLOA RAIL TECHNOLOGY LIMITED

Managing Director



If notices to the Issuer Company, deliver to it at:

AIRFLOA RAIL TECHNOLOGY LIMITED

Address No 9 Chelliamman Koilstreet Keelkattalai, Chennai-117, Tamil Nadu ,600117, India

E-mail: cs@airflow.co.in;

Contact Person: Mr. Thygarajan Sivakumar

11. TIME IS THE ESSENCE OF THE AGREEMENT:

All obligations of the Company, the Market Maker and the Book Running Lead Manager, are subject to the conditions that time wherever stipulated, shall be of the essence of the Agreement. Consequently, any failure on the part of the Company or the Market Maker to adhere to the time limits shall unless otherwise agreed between the Company and the Market Maker, discharge the Market Maker or Company of his / their obligations under the Market Making Agreement. This agreement shall be in force from the date of execution and will expire on completion of allotment for this Issue.

12. SEVERAL OBLIGATIONS

The Issuer Company, the Market Maker and the Book Running Lead Manager acknowledges and agrees that they are all liable on a several basis to each other in respect of this representation, warranties, indemnities, undertakings and other obligations given, entered into or made by each of them in this Agreement.

13. MISCELLANEOUS OBLIGATIONS:

The Agreement shall be binding on and insure to the benefit of the Parties hereto and their respective successors. The Market Maker shall not assign or transfer any of its respective rights or obligation under this Agreement or purport to do so without the consent of the Book Running Lead Manager and Issuer Company. The Book Running Lead Manager shall not assign or transfer any of their respective rights or obligation under this Agreement or purport to do so without the consent of the Market Maker and the Issuer Company.

14. GOVERNING LAW AND JURISDICTION:

This Agreement shall be governed by and construed in accordance with the laws of the Republic of India.

15. ARBITRATION:

If any dispute, difference or claim arises between the Parties (the "Disputing Parties") hereto in connection with the validity, interpretation, implementation or alleged breach of the terms of this Agreement or anything done or to be done pursuant to this Agreement, the Disputing Parties shall attempt in the first instance to resolve the same through negotiation. If the dispute is not resolved through negotiation within fifteen business days after a written request by any Disputing Party to commence discussions (or such longer period as the Disputing Parties may agree in writing) then the dispute shall be referred for final resolution to a sole arbitrator. The arbitrator shall be appointed by agreement between the Disputing Parties within 10 business days after a written notice served by any of them proposing a named arbitrator, or, if there is no such agreement, the dispute will be referred to four arbitrators (one to be appointed by the Market Maker, one to be appointed by the Book Running Lead Manager, one to be appointed by the Issuer Company and the fourth to be appointed by the three arbitrators so appointed). All proceedings in any such arbitration shall be conducted under the Arbitration and Conciliation Act, 1996, as amended, and shall be conducted in English. The arbitration shall take place in Chennai, Tamil Nadu, India.

Any reference of any disputes, difference or claim to arbitration under this Agreement shall not affect the performance by the Parties of their respective obligations under this Agreement other than the obligations relating to the dispute, difference or claim referred to arbitration.

16. AMENDMENT:

No amendment, supplement, modification or clarification to this Agreement shall be valid or binding unless set forth in writing and duly executed by all the Parties to this Agreement.

17. SEVERABILITY:

If any provisions of this agreement or application of any such provision to any person or set of circumstances is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provisions or the applicable part of such provision and the remaining part of such provision and all other provisions of this Agreement shall continue to remain in full force and effect. GSBPL, GCAPL, and Issuer shall endeavour in good faith negotiations to replace the invalid, void or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, void or unenforceable provisions.

For AIRFLOA RAIL TECHNOLOGY LIMITED

Managing Director







18. COUNTERPARTS:

This Agreement may be executed in separate counterparts; each of which when so executed and delivered shall be deemed to be an original, but all the counterparts shall constitute one and the same Agreement.

19. CUMULATIVE REMEDIES:

The rights and remedies of each of the parties and each indemnified person under Section 8 pursuant to this Agreement are cumulative and are in addition to any other rights and remedies provided by general law or otherwise.

20. ILLEGALITY:

If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected. In case any provision of this Agreement conflict with any provision of law including SEBI (ICDR) Regulations, and / or any other norms to be issued by SEBI, in force on the date of this Agreement or any time in future, the latter shall prevail.

21. CONFIDENTIALITY:

The Parties shall keep all information confidential which will be shared by the other Parties during the course of this Agreement for a period of two (2) years from the end of the Bid/Issue Period and shall not disclose such confidential information to any third party without prior permission of the respective Party, except where such information is in public domain other than by reason of breach of this clause or when required by law, regulation or legal process or statutory requirement or by any governmental authority or by stock exchanges to disclose the same. The terms of confidentiality clause shall survive the termination of the Agreement for reasons whatsoever.

22. ASSIGNMENT:

No party may assign any rights under this Agreement without the consent of the party against whom the right operates. No provision of this Agreement may be varied without the consent of the Book Running Lead Manager. The undersigned hereby certifies and consents to act as Book Running Lead Manager or Market Maker (as the case may be) to the aforesaid issue and to their name being inserted as Book Running Lead Manager or Market Maker (as the case may be) in the Draft Red herring Prospectus, Red Herring Prospectus, Prospectus and Information Memorandum which the Issuer Company intends to issue in respect of the proposed Issuing and hereby authorize the Issuer Company to deliver this Agreement to SEBI and the Stock Exchange.

23. MISCELLANEOUS:

No party to this Agreement may assign or transfer, in whole or in part, any of its rights, obligations or duties under this Agreement. The failure or delay of any party to enforce at any time any provision of this Agreement shall not constitute a waiver of such party's right thereafter to enforce each and every provision of this Agreement.

For AIRFLOA RAIL TECHNOLOGY LIMITED

Managing Director



IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED THIS AGREEMENT ON THE DATE MENTIONED ABOVE.

For and on behalf of

AIRFLOA RAIL TECHNOLOGY LIMITED



Name: Mr. Venkatesan Dakshinamoorthy

DIN: 00232210

Designation: Chairman and Managing Director

For and on behalf of

GYR Capital Advisors Private Limited



Name: Mr. Mohit Baid

DIN: 08594571

Designation: Director

For and on behalf of

GIRIRAJ STOCK BROKING PRIVATE LIMITED

GIRIRAJ STOCK BROKING PVT. LTD.

Kuntal Laha

Director



Name: Kuntal Laha

DIN: 08086873

Designation: Director

SCHEDULE A

MARKET MAKING FEES PAYABLE BY THE ISSUER COMPANY TO THE MARKET MAKER

1. The fees for market making shall be Rs. 4,00,000/- payable annually and such as may be mutually decided by the parties from time to time.
2. The company shall pay the Market Maker, the market making fee for the period of market making as statutorily required and/or extended voluntarily.
3. All applicable taxes will be additional and would be borne by the Issuer Company.
4. Any other claims or other documentation and miscellaneous expenses will be borne by the Market Maker alone and that the total cost of the Issuer Company and / or Book Running Lead Manager for availing his market making Services shall be such amount as may be agreed by the parties in clause 1.
5. The above-mentioned fees or term may be changed and modified, subject to mutual written consent of all the parties any day from the date of signing this agreement.

For AIRFLOA RAIL TECHNOLOGY LIMITED

Managing Director



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