

**Monitoring Agency Report**  
**for**  
**Airfloa Rail Technology Limited**  
**for the quarter ended**  
**December 31, 2025**

CRL/MAR/AFESPL /2025-26/1707

February 14, 2026

To

**Airfloa Rail Technology Limited**

No 9, Chelliamman, Koilstreet,

Keelkttalai, Tamil Nadu,

Chennai - 302021

Dear Sir,

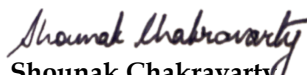
**Monitoring Agency Report for the quarter ended December 31, 2025 - in relation to the Initial Public Offer  
("IPO") of Airfloa Rail Technology Limited ("the Company")**

Pursuant to Regulation 262 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated August 06, 2025, enclosed herewith the Monitoring Agency Report, issued by Crisil Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO for the quarter ended December 31, 2025.

Request you to kindly take the same on records.

Thanking you,

**For and on behalf of Crisil Ratings Limited**

  
**Shounak Chakravarty**  
Director, Ratings (LCG)

**Report of the Monitoring Agency (MA)****Name of the issuer: Airfloa Rail Technology Limited****For quarter ended:** December 31, 2025**Name of the Monitoring Agency:** Crisil Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

**Declaration:**

*We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.*

*The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.*

*We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.*

**Signature:** **Name and designation of the Authorized Signatory:** Shounak Chakravarty**Designation of Authorized person/Signing Authority:** Director, Ratings (LCG)

### 1) Issuer Details:

**Name of the issuer:** Airfloa Rail Technology Limited

**Names of the promoter:** Mr. Venkatesan Dakshinamoorthy  
Mr. Manikandan Dakshnamoorthy

**Industry/sector to which it belongs:** Industrial Products

### 2) Issue Details

**Issue Period:** Thursday, September 11, 2025, to Monday, September 15, 2025

**Type of issue (public/rights):** Initial Public Offer (IPO)

**Type of specified securities:** Equity Shares

**IPO Grading, if any:** NA

**Issue size:** Rs. 9,109.80 lakhs (Net proceeds of Rs. 8,884.80 lakhs\*)

*\*Crisil Ratings shall be monitoring the net proceeds.*

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

Particulars	Reply	Source of information/certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Statutory Auditor certificate^, Management Undertaking, Prospectus dated September 16, 2025, ( <b>hereinafter referred as "Offer document"</b> ), Bank Statements	The utilisation is towards the objects of the issue as mentioned in the Prospectus related to Capital expenditure towards purchase of machinery and equipment, working capital requirements and General Corporate purposes	No comments
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA		No comments	No comments
Whether the means of finance for the disclosed objects of the issue has changed?	No		No comments	No comments

Particulars	Reply	Source of information/certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Is there any major deviation observed over the earlier monitoring agency reports?	No	Statutory Auditor certificate <sup>^</sup> , Management undertaking	No comments	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA		No comments	No comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No comments	No comments
Are there any favorable events improving the viability of these object(s)?	No		No comments	No comments
Are there any unfavorable events affecting the viability of the object(s)?	No		No comments	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	No		No comments	No comments

NA represents Not Applicable

<sup>^</sup>Certificate dated February 10, 2026, issued by M/s Varadarajan & Co, Chartered Accountants (Firm Registration Number: 004515S), Statutory Auditors of the Company.

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

##### i. Cost of the object(s):

Sr. No.	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in lakh)	Revised Cost (Rs in lakh)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Capital expenditure towards purchase of machinery and equipment	Statutory Auditor certificate <sup>^</sup> , Management undertaking,	1,367.78	NA	No revision	No comments		

Sr. No.	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in lakh)	Revised Cost (Rs in lakh)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
2	Repayment of a portion of certain outstanding borrowing availed by our company	Prospectus	600.00	NA	No revision	No comments		
3	Funding working capital requirements	Statutory Auditor certificate <sup>^</sup> , Management undertaking, Prospectus	5,927.02	NA	No revision	No comments		
4	General Corporate Purposes		990.00	NA	No revision	No comments		
<b>Total</b>				<b>8,884.80</b>	<b>8,884.80</b>	-	-	-

<sup>^</sup>Certificate dated February 10, 2026, issued by M/s Varadarajan & Co, Chartered Accountants (Firm Registration Number: 004515S), Statutory Auditors of the Company.

<sup>#</sup>The amount utilised for general corporate purposes does not exceed 15% of the total issue size or Rs. 1,000 lakhs, whichever is lower of the amount raised through the IPO.

## ii. Progress in the object(s):

Sr. No.	Item Head <sup>#</sup>	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in lakh) (Refer note 1)	Amount utilized (Rs in lakh)			Total unutilized amount (Rs in lakh)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Capital expenditure towards purchase of machinery and equipment	Statutory Auditor certificate <sup>^</sup> , Management Undertaking, Prospectus, Bank Statements	1,367.78	36.10	78.27	114.37	1,253.41	Proceeds were utilized as an advance payment for the purchase of machinery as stated in the prospectus	No comments	

Sr. No.	Item Head#	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in lakh) (Refer note 1)	Amount utilized (Rs in lakh)			Total unutilized amount (Rs in lakh)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
2	Repayment of a portion of certain outstanding borrowing availed by our company	Statutory Auditor certificate^, Management Undertaking, Prospectus, Bank Statements	600.00	600.00	NIL	600.00	NIL	Proceeds have been fully utilised towards Repayment of Term Loan to Share India Fincap Private Limited as mentioned in the prospectus	No comments	
3	Funding working capital requirements		5,927.02	3,971.31	1,955.71	5,927.02	NIL	Proceeds were utilised towards vendor payments, salaries etc as in line with the prospectus.  <i>Refer note 2</i>	No comments	
4	General Corporate Purposes		990.00	NIL	990.00	990.00	NIL	Proceeds were utilised towards advance payment of land and materials purchased for working capital requirements if the company	No comments	
<b>Total</b>			<b>8,884.80</b>	<b>4,607.41</b>	<b>3,023.98</b>	<b>7,631.39</b>	<b>1,253.41</b>	-	-	-

^Certificate dated February 10, 2026, issued by M/s Varadarajan & Co, Chartered Accountants (Firm Registration Number: 004515S), Statutory Auditors of the Company.

**Note 1:** As per the prospectus dated September 16, 2025, the company received net proceeds of Rs. 8,884.80 lakhs in its Public Issue account during the quarter ended September 30, 2025. Out of this amount, Rs. 8,732.21 lakhs were transferred from the Public Issue account to the company's Monitoring account, leaving a balance of Rs. 152.59 lakhs in the Public Issue account as at the quarter ended December 31, 2025.

**Note 2:** During the reported quarter, net proceeds amounting to Rs. 285.17 lakhs were transferred from the Company's Monitoring account to current account of the company for operational ease. The transferred amount was utilized towards working capital during the reported quarter.

**#Brief description of objects:**

Object of the Issue	Description of objects as per the offer document filed by the issuer
Capital expenditure towards purchase of machinery and equipment	Company requires purchase of Customized Four Column Hydraulic Press, Moulds, Full-Electric Servo Press Brake, Double Column Machining Center, Machine PCD-CNC4008B, Machine PCD-CNC6012, Machine PCD-CNC8008B, Machine PGME2030 for enhancing their in-house manufacturing capabilities, increasing production efficiency, and supporting upcoming projects specific requirements involving high-precision and high-tonnage operations. The benefits arising from the proposed capital expenditure include improved production throughput, reduced dependency on third-party vendors, enhanced product quality through better process control, and increased operational capacity to meet growing customer demand and project volumes. The Company intends to utilise Net Proceeds towards purchase of machinery and equipment.
Repayment of a portion of certain outstanding borrowing availed by our company	Company has entered into certain financing arrangements with banks and financial institutions for working capital facilities to fund its operational requirements. The outstanding loan facilities entered into by the Company include secured borrowing in the form of Loan against property of the Company and personal guarantees of the Directors and Promoters. The Company intend to utilise the Net Proceeds towards prepayment and/or repayment of all or a portion of these borrowings availed by the Company
Funding working capital requirements	Company proposed to utilise net Proceeds towards funding Company's working capital requirements. Company has significant working capital requirements, and they fund their working capital requirements in the ordinary course of business from their internal accruals and financing facilities from various banks and financial institutions. Company requires additional working capital for executing increased order volumes, High Inventory Levels, High Debtors, Advance Payments to Suppliers and Requirement of Security Deposits and for other corporate purposes.
General Corporate Purposes	Company proposes to utilize Net Proceeds include, but not restricted to, strategic initiatives, partnerships, joint ventures and acquisitions brand building and strengthening of promotional & marketing activities, On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions, meeting operating expenses, repayment of the borrowings, investment in the Group Companies, meeting working capital requirements including payment of interests, strengthening of our business development and marketing capabilities, meeting exigencies which the Company in the ordinary course of business may not foresee or any other purpose as approved by our board of directors, subject to compliance with the necessary provisions of the Companies Act. The quantum of utilization of funds towards each of the above purposes will be determined by the Board of Directors based on the permissible amount actually available under the head "Utilization of Net proceeds" and the business requirements of the Company, from time to time.

### iii. Deployment of unutilised proceeds:

Based on management undertaking and Certificate dated February 10, 2026, issued by M/s Varadarajan & Co, Chartered Accountants (Firm Registration Number: 004515S), Statutory Auditors of the Company.

S. No.	Type of instrument where amount is invested	Amount invested (in Rs lakh)	Maturity date	Earnings as on December 31, 2025 (in Rs lakh) <sup>Refer note 4</sup>	Return on Investment (%)	Market value as at the end of quarter (in Rs lakh)
1	Fixed Deposit - Axis Bank - 925040105382542	350.00	05/01/2026	2.50	3.75%	352.50
2	Fixed Deposit held in Axis Bank - 925040105413413	350.00	05/01/2026	2.50	3.75%	352.50
3	Fixed Deposit held in Axis Bank - 925040105413578	300.00	05/01/2026	2.14	3.75%	302.14
4	Balance in Monitoring Account - Axis Bank 925020041866195	100.82	NA	NA	NA	100.82
5	Balance in Public Issue Account - Axis Bank 925020039322902 <sup>(Refer note 3)</sup>	152.59	NA	NA	NA	152.59
	<b>Total</b>	<b>1,253.41</b>		-		<b>1,260.55</b>

**Note 3:** As of December 31, 2025, the balance stands at Rs. 170.70 lakhs, comprising Rs. 152.59 lakhs towards net proceeds and Rs. 18.11 lakhs towards issue expenses.

**Note 4:** Monitoring the deployment of Interest Income earned from unutilised proceeds does not form part of the scope of Monitoring Agency report.

### iv. Delay in implementation of the object(s):

Based on management undertaking and Certificate dated February 10, 2026, issued by M/s Varadarajan & Co, Chartered Accountants (Firm Registration Number: 004515S), Statutory Auditors of the Company.

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
Not applicable as per the prospectus dated September 16, 2025					

5) Details of utilization of proceeds stated as General Corporate Purpose amount in the offer document:

Based on management undertaking and Certificate dated February 10, 2026, issued by M/s Varadarajan & Co, Chartered Accountants (Firm Registration Number: 004515S), Statutory Auditors of the Company.

Sr	Item Heads	Amount (Rs in lakh)	Remarks <i>(Refer note 5)</i>
1	Capital expenditure	200.00	Advance payment towards purchase of land.
2	Working Capital Requirements	790.00	Payment towards to purchase of materials required for working capital
	<b>Total</b>	<b>990.00</b>	

**Note 5:** The Board of Directors of the Company vide resolution dated February 14, 2026, has approved the quantum of utilization of GCP towards mentioned item heads in line with the disclosure provided in the prospectus dated September 16, 2025

## Disclaimers:

- a) *This Report is prepared by Crisil Ratings Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*
- b) *This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like Peer-reviewed Independent Chartered Accountants (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.*
- c) *Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.*
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- e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*
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