RED HERRING PROSPECTUS
Dated: August 29, 2025
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Issue

(Please Scan this QR Code to view RHP)

AIRFLOA RAIL TECHNOLOGY LIMITED

(Formerly known as Airfloa Rail Technology Private Limited and Air Flow Equipments (India) Private Limited)

CIN: U30204TN1998PLC041571

REGISTERED OFFICE	CONTACT PERSON	EMAIL ID AND TELEPHONE	WEBSITE
No 9 Chelliamman Koilstreet Keelkttalai Chennai-117 Tamil Nadu 600117 India	Mr. Thygarajan Sivakumar Company Secretary and Compliance Officer	**Email-id:** cs@airflow.co.in Tel.: +91 9600621490	https://www.airflow.co.in/

PROMOTERS OF OUR COMPANY:
MR. VENKATESAN DAKSHINAMOORTHY, MR. MANIKANDAN DAKSHNA MOORTHY, MS. NANDHINI MANIKANDAN AND MR. SATISHKUMAR VENKATESAN

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE	OFS SIZE (BY NUMBER OF SHARES OR BY AMOUNT)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Upto 65,07,000 Equity Shares of face value of ₹ 10 each ("Equity Shares") aggregating up to ₹ [●] Lakhs ("Issue")	NIL	Upto 65,07,000 Equity Shares aggregating to ₹ [●] Lakhs	The Issue is being made pursuant to Regulation 229(2) and 253(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended.

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISKS IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity shares is ₹ 10 each. The Floor Price, Cap Price and Issue Price is to be determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in the "***Basis for the Issue Price***" beginning on page 96 of this Red Herring Prospectus and should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 33 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the SME Platform of BSE **("BSE SME")**. Our Company has received an 'In principle' approval letter dated August 11, 2025 from BSE SME for using its name in this offer document for listing our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be BSE Limited.

BOOK RUNNING LEAD MANAGER: GYR CAPITAL ADVISORS PRIVATE LIMITED

NAME AND LOGO	CONTACT PERSON	E-MAIL ID AND TELEPHONE
GYR Capital Advisors CLARITY | TRUST | GROWTH **GYR Capital Advisors Private Limited**	**Mr. Mohit Baid**	**Telephone:** +91 87775 64648 **E-mail:** info@gyrcapitaladvisors.com **Investor Grievance E-mail Id:** investors@gyrcapitaladvisors.com

REGISTRAR TO THE ISSUE: KFIN TECHNOLOGIES LIMITED

NAME AND LOGO	CONTACT PERSON	E-MAIL ID AND TELEPHONE
KFINTECH **KFIN Technologies Limited**	**M Murali Krishna**	**Tel: +91 40 6716 2222** **Email:** airfloa.ipo@kfintech.com **Investor Grievance Email:** einward.ris@kfintech.com

ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE	WEDNESDAY, SEPTEMBER 10, 2025*	BID/ ISSUE OPENS ON#	THURSDAY SEPTEMBER 11, 2025	BID/ ISSUE CLOSES ON*	MONDAY SEPTEMBER 15, 2025#

** Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor shall bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid/ Issue Opening Date.*

 # UPI mandate end time and date shall be at 5:00 p.m on the Bid/ Issue Closing Date.

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Pursuant To Schedule VI Of Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018.

RED HERRING PROSPECTUS
Dated: August 29, 2025
(Please read 32 of the Companies Act, 2013)
100% Book Built Offer

AIRFLOA RAIL TECHNOLOGY LIMITED

(Formerly known as Airfloa Rail Technology Private Limited and Air Flow Equipments (India) Private Limited)

Our Company was originally incorporated as 'Air Flow Equipments (India) Private Limited' a private limited company under the Companies Act, 1956 at Chennai, Tamil Nadu, pursuant to a certificate of incorporation dated December 14, 1998, issued by the Registrar of Companies, Tamil Nadu, Chennai, ("RoC"). Thereafter, name of our Company was changed from 'Air Flow Equipments (India) Private Limited' to 'Airfloa Rail Technology Private Limited', consequent to name change, pursuant to a special resolution passed by the shareholders of our Company on July 18, 2024, and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Central Processing Centre on August 27, 2024. Thereafter, name of our Company was changed from 'Airfloa Rail Technology Private Limited' to 'Airfloa Rail Technology Limited', consequent to conversion of our Company from private to public company, pursuant to a special resolution passed by the shareholders of our Company on September 12, 2024 and a fresh certificate of incorporation consequent to conversion of the company was issued by the Registrar of Companies, Central Processing Centre on November 15, 2024. Our Company's Corporate Identity Number is U30204TN1998PLC041571. For details of change in Registered office of our Company, please refer to the chapter titled "***History and Certain Corporate Matters***" on page 152 of this Red Herring Prospectus**.**

Registered Office: No 9 Chelliamman Koilstreet Keelkttalai Chennai-117, Tamil Nadu 600117, India
Tel: +91 9600621490; **E-mail id:** cs@airflow.co.in ; **Website:** https://www.airflow.co.in/
Contact Person: Mr. Thygarajan Sivakumar, Company Secretary and Compliance Officer;
Corporate Identity Number: U30204TN1998PLC041571

OUR PROMOTERS: MR. VENKATESAN DAKSHINAMOORTHY, MR. MANIKANDAN DAKSHNA MOORTHY, MS. NANDHINI MANIKANDAN AND MR. SATHISHKUMAR VENKATESAN

INITIAL PUBLIC OFFER OF UP TO 65,07,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") OF AIRFLOA RAIL TECHNOLOGY LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING UP TO ₹ [●] LAKHS (THE "ISSUE") OF WHICH UPTO 3,26,000 EQUITY SHARES AGGREGATING TO ₹ [●]LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 61,81,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING UPTO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.15 % AND 25.79 % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10/- EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITION OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITION OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND TAMIL EDITION OF HINDU TAMIL THISAI, (A WIDELY CIRCULATED TAMIL DAILY NEWSPAPER, TAMIL BEING THE REGIONAL LANGUAGE OF TAMILNADU WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE ("BSE SME") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional working days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50 % of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", the "**QIB Portion**"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. (the "**Net QIB Portion**"). Further, the SEBI ICDR Regulations read with SEBI ICDR (Amendment) Regulations, 2025, states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of shares in non-institutional investors' category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) (Amendment) Regulations, 2025.All potential Bidders (except Anchor Investors) are required to mandatorily participate in the issue only through the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts, and UPI ID in case of IBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "**Issue Procedure**" beginning on page 240 of this Red Herring Prospectus. A copy of the Prospectus will be filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares by our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Issue Price as determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in the "***Basis for Issue Price***" beginning on 96 of this Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing**.**

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section "***Risk Factors***" beginning on page 33 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the SME Platform of BSE ("BSE SME"). Our Company has received an 'In-principle' approval letter dated August 11, 2025 from BSE for using its name in this Issue document for listing our shares on the SME Platform of BSE ("BSE SME"). For the purposes of the Issue, the Designated Stock Exchange shall be BSE Limited. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "***Material Contracts and Documents for Inspection***" beginning on page 296 of this Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
GYR Capital Advisors CLARITY | TRUST | GROWTH	KFINTECH
GYR Capital Advisors Private Limited **Address:** 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad-380 054, Gujarat, India. **Telephone**: +91 8777564648 **E-mail Id**: info@gyrcapitaladvisors.com **Website**: www.gyrcapitaladvisors.com **Investor Grievance E-mail Id**: investors@gyrcapitaladvisors.com **Contact Person**: Mr. Mohit Baid **SEBI Registration Number**: INM000012810 **CIN**: U67200GJ2017PTC096908	**Kfintech Technologies Limited** **Address:** Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana **Tel:** +91 40 6716 2222 **Toll-free No.:** 1800 309 4001 **Email:** airfloa.ipo@kfintech.com **Website:** www.kfintech.com **Investor Grievance Email:** einward.ris@kfintech.com **Contact Person:** Mr. M Murali Krishna **SEBI Registration Number:** INR000000221 **CIN**: L72400TG2017PLC117649

ISSUE PROGRAMME

ANCHOR INVESTOR BID/ ISSUE PERIOD*: WEDNESDAY, SEPTEMBER 10, 2025	BID/ ISSUE OPENS ON#: THURSDAY, SEPTEMBER 11, 2025	BID/ ISSUE CLOSES ON*: MONDAY, SEPTEMBER 15, 2025 **

** Our company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor shall bid on the Anchor Investor bidding date i.e. one Working Day prior to the Bid/ Issue opening Date.*
#UPI mandate end time and date shall be at 5:00 p.m on the Bid/ Issue Closing Date.

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Pursuant To Schedule VI Of Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, Issue related terms used but not defined in this Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document.

Notwithstanding the foregoing, the terms used in *"Industry Overview", "Key Industrial Regulations and Policies", "Statement of Possible Special Tax Benefits", "Financial Information", "Basis for Issue Price", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association"* beginning on pages 106, 146, 103, 180, 96, 205 and 271 respectively, shall have the meaning ascribed to them in the relevant section.

GENERAL AND COMPANY RELATED TERMS

Term	Description
"Company", "our Company", "the Company", "the Issuer", "AIRFLOA RAIL" or "AIRFLOA" "ARTL"	Airfloa Rail Technology Limited (formerly known as Airfloa Rail Technology Private Limited and Air Flow Equipments (India) Private Limited), a public limited company incorporated in India under the Companies Act, 1956 having its registered office at No 9 Chelliamman Koilstreet Keelkttalai Chennai-117 Tamil Nadu 600117 India.
Our Promoters	Mr. Venkatesan Dakshinamoorthy, Mr. Manikandan Dakshna moorthy, Ms. Nandhini Manikandan and Mr. Sathishkumar Venkatesan
Promoters' Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled *"Our Promoter and Promoter Group"* on page 169 of this Red Herring Prospectus

COMPANY RELATED TERMS

Term	Description
Articles/Articles of Association/AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section177 of the Companies Act, 2013. For details refer section titled *"Our Management"* on page 157 of this Red Herring Prospectus.
Auditor/ Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s. Varadarajan & Co, Chartered Accountants.
Bankers to the Company	Axis Bank Limited and Union Bank of India Limited
Board of Directors/ Board/BOD	The Board of Directors of Airfloa Rail Technology Limited unless otherwise specified.
"Central Registration Centre (CRC)"	It's an initiative of the Ministry of Corporate Affairs (MCA) in Government Process Re-engineering (GPR) with the specific objective of providing speedy incorporation related services in line with the best global practices. For more details, please refer http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e. U30204TN1998PLC041571.
Chairman	Chairman of our Company is Mr. Venkatesan Dakshinamoorthy
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Mr. P S Karunakaran
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Mr. Thygarajan Sivakumar.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number.
Director(s)	Directors on our Board as described "*Our Management*" beginning on page 157 of this Red Herring Prospectus.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.

Term	Description
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
ED	Executive Director.
Group Companies	Companies with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and theSEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	INE0XBS01012
Key Managerial Personnel / Key Managerial Employees/KMP	Key Managerial Personnel of our company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations, 2018 and Section 2(51) of the companies Act, 2013 as applicable and as further disclosed in the section titled "*Our Management*" on page 157 of this Red Herring Prospectus.
KPI	Key Performance Indicator
KPIs	KPIs are numerical measures of the issuer company's historical financial or operational performance and financial or operational positions
KPI circular	SEBI Circular No. **SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28** dated February 28, 2025, issued by the Securities and Exchange Board of India ('SEBI') titled **"Industry Standards on Key Performance Indicators ("KPIs") Disclosures in the draft Offer Document and Offer Document."**
Legal Advisors to the Issue	The Legal Advisors being, M/s. Vidhigya Associates, Advocates
LLP	LLP incorporated under the Limited Liability Partnership Act, 2008.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on June 19, 2025 in accordance with the requirements of the SEBI ICDR Regulations.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
MD	Managing Director of our Company is Mr. Venkatesan. Dakshinamoorthy
Joint MD	Joint Managing Director of our company is Mr. Manikandan Dakshna moorthy
Non-Residents	A person resident outside India, as defined under FEMA
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled "*Our Management*" on page 157 of this Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of Indiaor a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Promoters	The Promoters of our company, being Mr. Venkatesan Dakshinamoorthy, Mr. Manikandan Dakshna moorthy, Ms. Nandhini Manikandan and Mr. Sathishkumar Venkatesan. For details, see *"Our Promoter and Promoter Group"* on page 169 of this Red Herring Prospectus.
Promoter Group	Person and entities constituting the promoter group of our company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in *"Our Promoter and Promoter Group"* on 169 of this Red Herring Prospectus.
Registered Office	No 9 Chelliamman Koilstreet Keelkttalai Chennai-117, Chennai-117, Tamil Nadu, India, 600117
Restated Financial Information/Restated Financial Statements	The Restated Financial Information of our Company, which comprises the Restated Statement of assets and liabilities, the Restated Statement of profit and loss, the Restated Statement of cash flows for the year ended on March 31, 2025, 2024 and 2023 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC / Registrar of Companies	Registrar of Companies, Chennai.
Shareholders	Shareholders of our company
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013 and Listing Regulations. For details refer section titled "*Our Management*" on page 157 of this Red Herring Prospectus.
Subsidiary Company	Sree Dakssnaa Aerospace And Defence India Private Limited
Whole-time Director/WTD	Whole-time director(s) on our Board, as described in *"Our Management"*, beginning on page 157 of this Red Herring Prospectus

ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to successful Bidders.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submittedby ASBA applicant for blocking the amount mentioned in the application form.
ASBA Applicant	Any prospective investor who makes an application pursuant to the terms of the Red Herring Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Bid	A Bid made by ASBA Bidder.
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process.
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant and which will be considered as the application for Allotment in terms of the Prospectus
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants.
Allottee(s)	The successful applicant to whom the Equity Shares are being/have been issued.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Banker(s) to the Issue	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited.
Bid	An indication to make an Issue during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor 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 and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	The date after which the Designated Intermediaries will not accept any Bids, being Monday September 15, 2025, which shall be published in All editions of Financial Express (a widely circulated English national daily newspaper), All editions of Jansatta (a widely circulated Hindi national daily newspaper) and Hindu Tamil Thisai (Regional Newspaper). Our Company in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the

Term	Description
	BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, being Thursday, September 11, 2025, which shall be published in All editions of Financial Express (a widely circulated English national daily newspaper), All editions of Jansatta (a widely circulated Hindi nationaldaily newspaper) and Hindu Tamil Thisai (Regional Newspaper).
Bid/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders. Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance withthe SEBI ICDR Regulations. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Periodnot exceeding 10 Working Days.
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of the Red HerringProspectus.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Companyin terms of Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDRRegulations, in terms of which the Issue is being made.
Book Running Lead Manager/ BRLM	The Book Running Lead Manager to the Issue, being GYR Capital Advisors Private Limited.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in paragraph titled 'Basis of allotment' under chapter titled *"Issue Procedure"* starting from page no. 240 of this Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Client ID	The client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE.
Circular on Streamlining of Public Issues/ UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Master circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular no

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	SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
Controlling Branches	Such branches of SCSBs which coordinate Applications under the Issue with the LM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut Off Price	The Issue Price finalised by our Company, in consultation with the Book Running Lead Manager which shall be any price within the Price Band.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Demographic Details	Details of the Applicants including their address, name of the father/husband, investor status, occupation and bank account details and UPI ID, where applicable.
Designated Intermediaries/ Collecting agent	Collectively, the members of the Syndicate, sub-syndicate Members/ Agents, SCSBs (other than in relation to Individual Bidders using the UPI Mechanism), Registered Brokers, CDPs and CRTAs, who are authorised to collect Bid cum Application Forms from the Bidders (Other than Anchor Investors), in relation to the Issue. In relation to ASBA Forms submitted by Individual Bidders bidding in the individual investor portion by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by IIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such II using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	SME Platform of BSE Limited (SME exchange) **("BSE SME")**
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Market Maker	Giriraj Stock Broking Private Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
DP ID	Depository Participant's identity number.
Draft Red Herring Prospectus/DRHP	The Draft Red Herring Prospectus dated June 30, 2025 issued in accordance with Section 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Application Form and the Prospectus constitutes an invitation to subscribe to the Equity Shares.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares

Term	Description
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depositary participants.
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
Escrow and Sponsor Bank Agreement	Agreement dated August 20, 2025 entered into amongst our Company, the Registrar to the Issue, the Book Running Lead Manager and Banker to the Issue and Sponsor Bank, to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Escrow Account(s)	Account(s) opened with the Bank(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement.
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being Axis Bank Limited.
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band being [●], subject to any revision(s) thereto, not being less than the face value of Equity Shares and the Anchor Investor Issue Price, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fresh Issue	The Fresh Issue of Upto 65,07,000 Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (lll) of the SEBI ICDR Regulations.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchange and the Book Running Lead Manager.
GIR Number	General Index Registry Number
Individual Bidder(s) or Individual Investor(s) or II(s) or IB(s)	Individual Bidders, submitting Bids, who applies for minimum application size for two lots. Provided that the minimum application size shall be above ₹2,00,000/- (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Issue Agreement	The agreement dated June 03, 2025 amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application.
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Book Running Lead Manager under the Red Herring Prospectus and the Prospectus being ₹ [●] per share.
Issue Proceeds	The proceeds of the Issue shall be available to our Company. For further information about the use of the Issue Proceeds, see "*Objects of the Issue*" beginning on page 85.
Issue Opening	The date on which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and Regional Newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being Thursday, September 11, 2025
Issue Closing	The date after which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and Hindu Tamil Thisai (Regional Newspaper) each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being Monday, September 15, 2025
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offering/IPO	The initial public offering of Upto 65,07,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs comprising the Fresh Issue.

Term	Description
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the BSE limited.
Market Maker	Market Maker of the Company, in this case being Giriraj Stock Broking Private Limited.
Market Maker Reservation Portion	The Reserved portion of 3,26,000 Equity shares of ₹ 10 each at an Issue Price of ₹ [●] aggregating to ₹ [●] for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Book Running Lead Manager and our Company dated August 04, 2025.
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by IIs to submit Bids using the UPI Mechanism.
"Monitoring Agency"	Monitoring Agency in this case being Crisil Ratings Limited
"Monitoring Agency Agreement"	The Agreement entered into between and amongst our company and the Monitoring Agency dated August 06, 2025
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion (other than anchor allocation), or 62,000 Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 61,81,000 equity Shares of face value of ₹10 each fully paid for cash at a price of ₹ [●] per Equity Share (the "Issue Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●].
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Issue. For further information about use of the Issue Proceeds and the Issue expenses, see "*Objects of the Issue*" on page 85.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors/ Non-Institutional Bidders/ NIB's	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI that are not QIBs (including Anchor Investors), or Individual Investors who applies for application size of more than two lots and who have Bid for Equity Shares for an amount of more than ₹2,00,000/- (but not including NRIs other than Eligible NRIs, QFI other than Eligible QFIs and Market Maker)
Non-Institutional Portion/ Non-Institutional Category	The portion of the Issue being not less than 15% of the Issue, consisting of upto 9,30,000 Equity Shares of face value of ₹10/ each of which (a) 1/3rd of the portion available to NIBs shall be reserved for applicants with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs and (b) 2/3rd of the portion available to NIBs shall be reserved for applicants with an application size of more than ₹10,00,000/- subject to valid Bids being received at or above the Issue Price.
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) and Hindu Tamil Thisai, The Tamil Regional Newspaper, Tamil being the regional language of Tamil Nadu, where our Registered Office is located) with wide circulation at least two working days prior to the Bid / Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective website.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Issue opening and closing dates, the size of the Issue and certain other information.

Term	Description
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors.
Pricing Date	The date on which our Company, in consultation with the Managers, will finalise the Issue Price.
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 30,87,000 Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors).
Red Herring Prospectus / RHP	The Red Herring Prospectus dated August 29, 2025 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s) /Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being Axis Bank Limited.
Registrar Agreement	The agreement dated June 03, 2025 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar to the Issue/ Registrar	Registrar to the Issue being KFIN Technologies Limited
Individual Investor(s)/ II(s)	Individual Applicants, who have applied for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Individual Portion	The portion of the Issue being not less than 35% of the Net Issue consisting of 21,64,000 Equity Shares which shall be available for allocation to Individual Bidders (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Individual Portion and remaining Equity Shares to be allotted on a proportionate basis.
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. Individual Applicants, QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System
SEBI Master Circular	The SEBI Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024.
Self-Certified Syndicate Bank(s) or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available athttp://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a IB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , or at such other websites as may be prescribed by SEBI from time to time. In relation to Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Application Forms

Term	Description
	from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI(https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.
SME Exchange	SME Platform of the BSE i.e., BSE SME
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Applicants, a list of which will be included in the Application Form
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars, Being Axis Bank Limited
Stock Exchange	BSE Limited
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time, The BRLM shall act as the underwriter to the Issue.
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated August 04, 2025
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Individual Bidders in the Individual Portion, and (ii) Non- Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the websites of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Master circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Individual Bidder to such Mobile App) to the Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a Individual Investors to make a Bid in the Issue

Term	Description
	inaccordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the Chennai city as specified in the Red Herring Prospectus are open for business :- 1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the Chennai city as notified in this Red Herring Prospectus are open for business. 2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

Conventional and General Terms and Abbreviations

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BG	Bank Guarantee
BSE	BSE Limited
BTI Regulations	The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Competition Act	Competition Act, 2002, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Competition Amendment Act	The Competition (Amendment) Act, 2023
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
CRAR	Capital to Risk Asset Ratio
CSR	Corporate social responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996.

Depository or Depositories	NSDL and CDSL both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EoGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
IMPS	Immediate Payment Service
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
KYC	Know your customer
LIC	Low-Income Country
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Enterprises
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non Residents	Non Resident
NPCI	National Payments Corporation of India
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account

NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Merchant Bankers Regulation	Securities and Exchange Board of India (Merchant Bankers) Regulations,1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TAN	Tax deduction account number
TIN	Tax payer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Holder	A beneficial owner of Equity Shares that is for United States federal income tax purposes: (a) an individual who is a citizen or resident of the United States; (b) a corporation organized under the laws of the United States, any state thereof or the District of Columbia; (c) an estate whose income is subject to United States federal income taxation regardless of its source; or (d) a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust, or (2) has a valid election in effect under the applicable U.S. Treasury regulations to be treated as a U.S. person
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.

	In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.
VAT	Value Added Tax
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

INDUSTRY RELATED TERMS

Term	Description
Covid-19	Coronavirus Disease
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IMF	International Monetary Fund
U.S.	United States of America
US$	United States Dollar
ICF	Integrated Coach Factory
DEMU	Diesel Electric Multiple Unit
OEM	Original Equipment Manufacturer
NBFC	Non-Banking Financial Company
RFP	Request for Proposal
IREPS	Indian Railways E-Procurement System
CVRDE	Combat Vehicles Research and Development Establishment
HAL	Hindustan Aeronautics Limited
DP	Demand Planning
UR	User Requirements
GL	General Ledger
BOM	Bill of Materials
ATP	Automatic Train Protection
NDT	Non-Destructive Testing
PDI	Pre-Delivery Inspection
MOR	Ministry of Railways
MRO	Maintenance, Repair, and Overhaul
MoU	Memorandum of Understanding
PSU	Public Sector Undertaking
CAGR	Compound Annual Growth Rate
GDP	Gross Domestic Product
LHB	Linke Hofmann Busch (a type of railway coach technology)
RKMs	Route Kilometers
PPP	Public-Private Partnership
GQ/GD	Golden Quadrilateral-Golden Diagonal (railway network)
TIG	Tungsten Inert Gas (welding process)
CNC	Computer Numerical Control
VMC	Vertical Machining Center
ESI	Employee State Insurance
Sq.ft.	Square Feet

KEY PERFORMANCE INDICATORS

KPIs	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Income	Total Income is used by our management to obtain a comprehensive view of all income including revenue from operations and other income
EBITDA	EBITDA provides information regarding the operational efficiency of our business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Net Profit for the Year	Net Profit for the year provides information regarding the overall profitability of our business

PAT Margin	PAT Margin is the ratio of Restated profit for the year to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.
Return on Net Worth (in %)	Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds.
Return on Capital Employed (in %)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in our business.
Debt-Equity Ratio (in times)	Debt- equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability.

Notwithstanding the foregoing, terms in "*Description of Equity Shares and Terms of Articles of Association*", "*Statement of Possible Tax Benefits*", "*Industry Overview*", "*Key Industrial Regulations and Policies*", "*Financial Information*", "*Outstanding Litigation and Material Developments*" and "*Issue Procedure*" on pages 271, 103, 106, 146, 180, 205 and 240 respectively of this Red Herring Prospectus, will have the meaning as described to such terms in these respective sections.

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CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" contained in this Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled "*Financial Information*" on Page No. 180 of this Red Herring Prospectus.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Statements of our Company Financial Years ended March 2025, 2024 and 2023 which comprise restated summary statement of assets and liabilities, the restated summary statement of profit and loss, the restated summary statement of cash flow and restated summary statement of changes in equity together with the annexures and notes thereto and the examination report thereon, as compiled from the Indian GAAP financial statements for respective year and in accordance with the requirements provided under the provisions of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "*Reports in Company Prospectuses (Revised 2019)*" issued by ICAI.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in *"Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on Page Nos. 33, 116 and 193 respectively, of this Red Herring Prospectus, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on Page Nos. 33, 106 and 116 respectively, this Red Herring Prospectus.

Non-GAAP Financial Measures

This Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, PAT Margin, Return on Equity, Net Asset Value per Equity Share, Net worth, Return on Net worth and certain other statistical information relating to our operations and financial performance(together, "**Non-GAAP Measures**") that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in this Red Herring Prospectus in "lacs" units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

Exchange rates

This Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange rate as on		
	March 31, 2025*	March 31, 2024*	March 31, 2023
1 USD	85.58	83.37	82.22

**The exchange rate has been included as on March 28, 2025 and March 28, 2024 due to either public holiday or Saturday or Sunday on March 31, 2025 and March 31, 2024*

(Source: RBI reference rate)

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" on Page No. 96 of this Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on Page No. 33 of this Red Herring Prospectus.

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FORWARD - LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Any adverse change in policy of the Ministry of Railways, GOI "MoR".
- Increases in the prices of raw materials required for our operations
- Our operations are subject to high working capital requirements

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on Page Nos. 33, 116 and 193 , respectively, of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect current views as on the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoters, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, the Promoters and the Book Running Lead Manager will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue.

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SECTION II – SUMMARY OF ISSUE DOCUMENT

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections entitled "*Risk Factors*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*", "*Our Promoter and Promoter Group*", "*Financial Information*", "*Objects of the Issue*", "*Our Business*", "*Issue Procedure*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on Page Nos. 33, 106, 205, 169, 180, 85, 116, 240 and 271 respectively of this Red Herring Prospectus.

SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

The government of India has focused on investing in railway infrastructure by making investor-friendly policies. It has moved quickly to enable Foreign Direct Investment (FDI) in railways to improve infrastructure for freight and high-speed trains. At present, several domestic and foreign companies are also looking to invest in Indian rail projects. Indian railways launched Semi-high-speed self-propelled trains that have ultra-modern features like quick acceleration, a substantial reduction in travel time, a maximum speed of 160 kmph, on-board infotainment and GPS-based passenger information system, automatic sliding doors, retractable footsteps and Zero discharge vacuum bio-toilets, CCTV cameras etc. and other contemporary features as per global standards. According to Indian Railways 2023 book, Indian railways plan to market semi-high-speed 'Vande Bharat' trains by 2025-26 to European, South American, and East Asian markets for exporting 'Made in India' trains.

For further details, please refer to the chapter titled "*Industry Overview*" beginning on Page No. 106 of this Red Herring Prospectus.

SUMMARY OF BUSINESS

We are 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"), other coach factories. 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 and other coach factories, we also serve other Rails factories, and global rolling stock OEMs.

We 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.

For further details, please refer to chapter titled "*Our Business*" beginning on Page No. 116 of this Red Herring Prospectus.

PROMOTERS

Promoters of Our Company are Mr. Venkatesan Dakshinamoorthy, Mr. Manikandan Dakshna moorthy, Ms. Nandhini Manikandan and Mr. Sathishkumar Venkatesan.

For further details please refer to the chapter titled "*Our Promoters and Promoter Group*" beginning on Page No. 169 of this Red Herring Prospectus.

SIZE OF ISSUE

The following table summarizes the details of the Issue.

Issue of Equity Shares[(1) (2)]	Up to 65,07,000 Equity Shares of face value of ₹ 10/- each fully paid up of our company at a price of ₹ [●] per Equity share aggregating up to ₹ [●] lakhs
Out of which	
Market Maker Reservation Portion	Issue of Upto 3,26,000 Equity Shares having a face value of ₹ 10/- each at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs
Net Issue to Public[(3)]	Issue of Upto 61,81,000 Equity Shares having a face value of ₹ 10/- each at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 12, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on December 13, 2024.

For further details, see "*The Issue*" and "*Issue Structure*" beginning on pages 56 and 236, respectively.

OBJECTS OF THE ISSUE

The details of the proceeds of the Issue are set out in the following table:

Particulars	Estimated amount (in ₹ lakhs)
Gross proceeds of the Fresh Issue	Up to [●]
(Less) Issue expenses in relation to the Fresh Issue[(2)]	[●]

Net Proceeds[1]	[●]

(1) For details with respect to sharing of fees and expenses please refer to "Issue Expenses" on page 96.

(2) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

UTILIZATION OF NET ISSUE PROCEEDS

(₹ *in lacs*)

Sr. No.	Particulars	Estimated amount
1.	Capital expenditure towards purchase of Machinery and equipment	Upto 1,367.78
2.	Repayment of a portion of certain outstanding borrowing availed by our company	Upto 600.00
3.	Funding of the working capital requirement of our Company	Upto 5,927.02
4.	General corporate purposes*	[●]

** To be determined upon finalisation of the Issue Price and updated in the Red Herring Prospectus / Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes shall not exceed 15% of the gross proceeds or 10 crores whichever is lower.*

For further details, please see chapter titled "*Objects of the Issue*" beginning on Page No. 85 of this Red Herring Prospectus.

AGGREGATE PRE ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Following are the details of the pre-Issue shareholding of Promoters:

Sr. No.	Name of the Shareholders	Pre-Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital
	Promoter		
1.	Manikandan Dakshna moorthy	64,95,999	37.20%
2.	Venkatesan Dakshinamoorthy	64,95,996	37.20%
3.	Nandhini Manikandan	Nil	Nil
4.	Sathishkumar Venkatesan	Nil	Nil
	Promoter Group		
	NA		
Total		**1,29,91,995**	**74.40**

Our Promoter Group does not hold any shareholding in our Company.

For further details, please refer to the chapter titled "*Capital Structure*" beginning on Page No. 69 of this Red Herring Prospectus.

SHAREHOLDING PATTERN OF PROMOTER / PROMOTER GROUP AND ADDITIONAL TOP 10 SHAREHOLDERS OF THE COMPANY AS AT ALLOTMENT:

Sr. No.	Pre-Issue shareholding as at the date of Advertisement [2]			Post-Issue shareholding as at Allotment [3]			
	Shareholders	Number of Equity Shares	Share holding (in %)	At the lower end of the price band (₹ [●])		At the upper end of the price band (₹ [●])	
				Number of Equity Shares	Shareholding (in %)	Number of Equity Shares	Shareholding (in %)
Promoters							
1.	Manikandan Dakshna moorthy	64,95,999	37.20	[●]	[●]	[●]	[●]
2.	Venkatesan Dakshinamoorthy	64,95,996	37.20	[●]	[●]	[●]	[●]
Promoter Group[1]							
	NA						
Top 10 Shareholders							
3.	Aparna Samir Thakker	19,93,005	11.41	[●]	[●]	[●]	[●]
4.	Purvesh Mukeshkumar Shah	4,00,000	2.29	[●]	[●]	[●]	[●]
5.	Asha M Mehta	1,99,200	1.14	[●]	[●]	[●]	[●]
6.	Dhawal Arvind Thakker	1,50,000	0.86	[●]	[●]	[●]	[●]
7.	Aditya Rashmikant Dharia	99,990	0.57	[●]	[●]	[●]	[●]

8.	Kranti Prabhakar Shanbhag	99,000	0.57	[●]	[●]	[●]	[●]
9.	Amartara Plastics Private Limited	75,000	0.43	[●]	[●]	[●]	[●]
10.	Meghna Apurve Teli	74,000	0.42	[●]	[●]	[●]	[●]
11.	Amit Mehra	60,000	0.34	[●]	[●]	[●]	[●]
12.	Tejal Pratyush Bhartiya	60,000	0.34	[●]	[●]	[●]	[●]

Notes:

1. The members of promoter group do not hold any equity shares in the company as on date of Red Herring Prospectus
2. Pre-Offer shareholding as at the date of Advertisement shall be updated at the time of filing the Prospectus
3. Based on the Issue price of ₹ [●] and subject to finalization of the basis of allotment

SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the Restated Financial Information as at the Financial Years ended on March 31, 2025, 2024 and 2023:

(₹ in lacs)

S. No.	Particulars	Consolidated	Standalone	
		March 31, 2025	March 31, 2024	March 31, 2023
1.	Share Capital	1,746.30	499.50	499.50
2.	Net Worth[#]	11,080.17	5,598.05	4,174.77
3.	Revenue from operations	19,238.70	11,930.36	9,517.39
4.	Profit after Tax	2,554.76	1,423.28	149.36
5.	Earnings per Share[@]	15.63	9.50	1.00
6.	Net Asset Value per equity share (Post-Bonus)*	63.81	37.36	27.86
7.	Total borrowings^	5,997.71	6,380.24	6,021.82

#Net Worth = Restated Equity Share Capital plus Reserves and Surplus
@ Earnings per share (Basic & diluted) = Restated PAT attributable to Equity Shareholders divided by Weighted Average Number of Diluted Potential Equity Shares outstanding at the end of the year
**Net Asset Value per Equity Share = Restated Net Worth as at the end of the year divided by Total Number of Equity Shares outstanding at the end of the year*
^Total Borrowings = Restated Long-Term Borrowings Plus Restated Short-Term Borrowings outstanding at the end of year.

For further details, please refer to the section titled "*Financial Information*" beginning on Page No. 180 of this Red Herring Prospectus.

AUDITOR QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL INFORMATION

The Restated Financial Information do not contain any qualifications by the Statutory Auditors.

SUMMARY OF OUTSTANDING LITIGATION

A summary of outstanding litigation proceedings as on the date of this Red Herring Prospectus as disclosed in the section titled "***Outstanding Litigations and Material Development***" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

(₹ in lakhs)

Nature of Cases	Number of outstanding cases	Amount Involved
Litigation involving our Company		
Criminal proceeding against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	9	106.06
Litigation involving our Subsidiary		

Nature of Cases	Number of outstanding cases	Amount Involved
Criminal proceeding against our Subsidiary	Nil	Nil
Criminal proceedings by our Subsidiary	Nil	Nil
Material civil litigation against our Subsidiary	Nil	Nil
Material civil litigation by our Subsidiary	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Directors (other than Promoters)		
Criminal proceedings against our Directors (other than Promoters)	Nil	Nil
Criminal proceedings by our Directors (other than Promoters)	Nil	Nil
Material civil litigation against our Director (other than Promoters)	Nil	Nil
Material civil litigation by our Director (other than Promoters)	Nil	Nil
Actions by statutory or regulatory authorities (other than Promoters)	Nil	Nil
Direct and indirect tax proceedings	1	2.34
Litigation involving our Promoter		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	Nil	Nil
Material civil litigation against our Promoter	Nil	Nil
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	2	17.39
Litigation involving our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoters)		
Criminal proceedings against our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoter)	Nil	Nil
Criminal proceedings by our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoter)	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	1	9.24

For further details on the outstanding litigation proceedings, see "***Outstanding Litigation and Material Developments***" and "***Risk Factors***" beginning on page 205 and 33 respectively.

RISK FACTORS

Please refer to the section titled **"*Risk Factors*"** beginning on Page No. 33 of this Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES

Following are the details as per the Restated Financial Information as at Financial Years ended on March 31, 2025, 2024 and 2023:

(₹ in lacs)

Particulars	Consolidated	Standalone	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
I. Contingent Liabilities			
(a) claims against the company not acknowledged as debt*;	39.89	19.88	-
(b) guarantees excluding financial guarantees; and	-	-	-
(c) other money for which the company is contingently liable	-	-	-
II. Commitments			
(a) estimated amount of contracts remaining to be executed on capital account and not provided for**	11.66		-
(b) uncalled liability on shares and other investments partly paid	-	-	-
(c) other commitments	-	-	-

*** Note :**

1. 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.
2. 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.

**** Note :**

1. Starkeon Engineering Private Limited has acquired a set of high-value industrial assets, including a Heavy Duty Horizontal Turnmill Center (Model BHTM 2050Y), a CNC Vertical Machining Center (Model BMV60+TC30), a Detron Make Rotary Table, a Rotary with 6-Axis Attachment for VMC BMV60, and a Hydraulic Press Brake (Model HG1303). Subsequently, As per Purchase order dated. 25th October 2024 of these specified machinery and equipment was agreed at ₹210.00 lakhs. As of 31st March 2025, Airfloa Rail Technology Limited had made a payment of ₹198.34 Lakhs towards this transaction.

SUMMARY OF RELATED PARTY TRANSACTIONS

Related Party Disclosures are given below:

Based on restated Consolidated financial statement

For further details, please refer "***Annexure 35**: Related Party Disclosures*" from the chapter titled **"*Restated Consolidated Financial Information*"** beginning on Page No. 180 of this Red Herring Prospectus.

(₹ In Lakhs)

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
Dakshinamoorthy Venkatesan	Promotor / Managing director	Rent	11.40	-
		Remuneration	66.30	-
		Capital Advance Given	-	-
		Capital Advance Repaid	-	
		Advance repaid	456.90	-
		Advance given	264.22	
		Reimbursement of Expenses	12.57	
Dakshina moorthy Manikandan	Promotor / Managing director	Rent	11.40	-
		Remuneration	66.30	-
		Capital Advance Given	-	-
		Capital Advance Repaid	-	
		Advance repaid	664.41	-
		Advance given	596.96	
		Reimbursement of Expenses	7.28	
V Revathi	Relative of director	Rent	8.40	-
		Loan taken	-	-
		Loan Repaid	28.15	
Airtrec Equipments	Controlled by Relative of Director	Advance repaid	43.28	-
		Advance given	12.20	
Venkatesan Sathishkumar	Relative of director & Whole-time director w.e.f 24/7/2024	Rent	-	-
		Remuneration	16.00	-
Manikandan Nanthini	Relative of director & Non executive Director w.e.f 24/7/2024	Rent	8.40	-
		Loan taken	-	-
		Loan repaid	24.12	
Airflow Energy Solutions Private Limited	Controlled by Director of Company	Advance repaid	20.00	5.74
		Advance given	-	
Apex Material Sciences	Controlled by Relative of Director of Company	Advance repaid	0.02	121.44
		Advance given	-	
Nautone Private Limited	Controlled by Relative of Director of Company	Advance repaid	-	38.00
		Advance given	-	
Bharani Engineering	Controlled by Relative of	Advance given	-	-
		Advance Repaid	-	
		Sales of goods	-	(172.31)

Industries Private Limited	Director of Company	Purchase of goods	-	
Papa Sanjeevi Karunakaran	CFO w.e.f 01/07/2024	Salary expense	7.44	(0.62)
Raghavendra Industries	Controlled by Relative of Director of Company	Sales of goods	201.01	746.35
		Purchase of goods	67.73	
Starkeon Engineering Private Limited	Controlled by Relative of Director of Company	Research and development expense	-	-
		Sales of goods	-	
		Purchase of goods	-	
		Capital Advance Given	72.53	198.34
		Capital Advance Repaid	-	

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For further details, please refer "***Annexure 35**: Related Party Disclosures*" from the chapter titled **"*Restated Standalone Financial Information*"** beginning on Page No. 180 of this Red Herring Prospectus.

(₹ In Lakhs)

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	Amount of transaction during the year ended March 31, 2023	Amount outstanding as on March 31, 2023 (Payable)/ Receivable
Dakshinamoorthy Venkatesan	Promotor / Managing director	Rent	11.40	-	-	-	-	-
		Remuneration	66.30	-	48.00	-	48.00	-
		Capital Advance Given	-	-	-	-	-	520.00
		Capital Advance Repaid	-		520.00		400.00	
		Advance repaid	456.90	-	646.96	205.25	524.15	9.86
		Advance given	264.22		893.00		567.85	
		Reimbursement of Expenses	12.57		50.65		50.91	
Dakshina moorthy Manikandan	Promotor / Managing director	Rent	11.40	-	-	-	-	-
		Remuneration	66.30	-	48.00	-	48.00	-
		Capital Advance Given	-	-	-	-	-	-
		Capital Advance Repaid	-		-		50.00	
		Advance repaid	664.41	-	377.80	74.73	320.38	234.07
		Advance given	596.96		222.99		630.47	
		Reimbursement of Expenses	7.28		4.53		50.48	
V Revathi	Relative of director	Rent	8.40	-	-	0.25	7.20	-
		Loan taken	-	-	-	(28.15)	7.50	(28.40)
		Loan Repaid	28.15		0.25		-	
Airtrec Equipments	Controlled by Relative of Director	Advance repaid	43.28	-	-	31.08	-	20.76
		Advance given	12.20		10.32		11.15	
Venkatesan Sathishkumar	Relative of director & Whole-time director w.e.f 24/7/2024	Rent	-	-	-	-	-	-
		Remuneration	16.00	-	-	-	-	-
Manikandan Nanthini	Relative of director & Non	Rent	8.40	-	-	-	-	
		Loan taken	-	-	15.00	(24.12)	28.92	(21.20)

	executive Director w.e.f 24/7/2024	Loan repaid	24.12		12.08		7.72	
Airflow Energy Solutions Private Limited	Controlled by Director of Company	Advance repaid	20.00	5.74	-	25.74	-	25.74
		Advance given	-		-		-	
Apex Material Sciences	Controlled by Relative of Director of Company	Advance repaid	0.02	121.44	-	121.42	14.56	121.42
		Advance given	-		-		-	
Nautone Private Limited	Controlled by Relative of Director of Company	Advance repaid	-	38.00	-	38.00	-	38.00
		Advance given	-		-		-	
Bharani Engineering Industries Private Limited	Controlled by Relative of Director of Company	Advance given	-	-	-	-	-	-
		Advance Repaid	-		-		-	
		Sales of goods	-	(172.31)	105.45	(308.47)	52.26	(401.19)
		Purchase of goods	-		150.79		368.32	
Papa Sanjeevi Karunakaran	CFO w.e.f 01/07/2024	Salary expense	7.44	(0.62)	-	-	-	-
Sree Dakssnaa Aerospace and Defence India Private Limited	Subsidiary company w.e.f 11/06/2024	Customer Advance Received	182.66	(180.58)	-	-	-	-
		Customer Advance repaid	2.08		-		-	
Raghavendra Industries	Controlled by Relative of Director of Company	Sales of goods	201.01	746.35	22.72	482.79	9.99	491.48
		Purchase of goods	67.73		408.54		313.13	
Starkeon Engineering Private Limited	Controlled by Relative of Director of Company	Research and development expense	-	-	-	-	-	90.60
		Sales of goods	-		-		73.56	
		Purchase of goods	-		-		63.08	
		Capital Advance Given	72.53	198.34	125.81	125.81	-	-
		Capital Advance Repaid	-		-		-	

FINANCIALS ARRANGEMENTS

There are no financing arrangements whereby the Promoters, members of the Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.

WEIGHTED AVERAGE PRICE OF THE EQUITY SHARES ACQUIRED BY OUR PROMOTERS IN THE LAST ONE YEAR PRECEDING THE DATE OF THIS RED HERRING PROSPECTUS

The details of the weighted average price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Red Herring Prospectus is as follows:

Name of Promoters	No. of shares acquired in last one year from the date of this Red Herring Prospectus	Weighted Average Price (in ₹)
Manikandan Dakshna moorthy	43,30,666	Nil
Venkatesan Dakshinamoorthy	43,30,664	Nil
Nandhini Manikandan	Nil	NA
Sathishkumar Venkatesan	Nil	NA

**As Certified by Varadarajan & Co., Chartered Accountants vide their certificate dated August 21, 2025.*

AVERAGE COST OF ACQUISITION OF EQUITY SHARES FOR PROMOTERS

The average cost of acquisition of Equity Shares for the Promoters is as follows:

Name of Promoter	No. of shares held	Average Cost of Acquisition (in ₹)
Manikandan Dakshna moorthy	64,95,999	1.20
Venkatesan Dakshinamoorthy	64,95,996	1.26
Nandhini Manikandan	Nil	Nil
Sathishkumar Venkatesan	Nil	Nil

**As Certified by Varadarajan & Co., Chartered Accountants vide their certificate dated August 21, 2025.*

PRE-IPO PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares in this Issue until the listing of the Equity Shares.

ISSUE OF EQUITY SHARES MADE IN LAST ONE YEAR FOR CONSIDERATION OTHER THAN CASH

Our Company has not issued shares for consideration other than cash during last one year except for issue of 1,10,76,636 bonus shares allotted on August 31, 2024. For further details regarding Issue of Shares please refer chapter titled *"Capital Structure"* on Page 69 of this Red Herring Prospectus.

SPLIT OR CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

No split or consolidation of equity shares has been made in the last one year prior to filing of this Red Herring Prospectus.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

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SECTION III – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 106, 116 and 193 of this Red Herring Prospectus, respectively. The industry-related information disclosed in this section that is not otherwise publicly available is derived from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 22 of this Red Herring Prospectus.

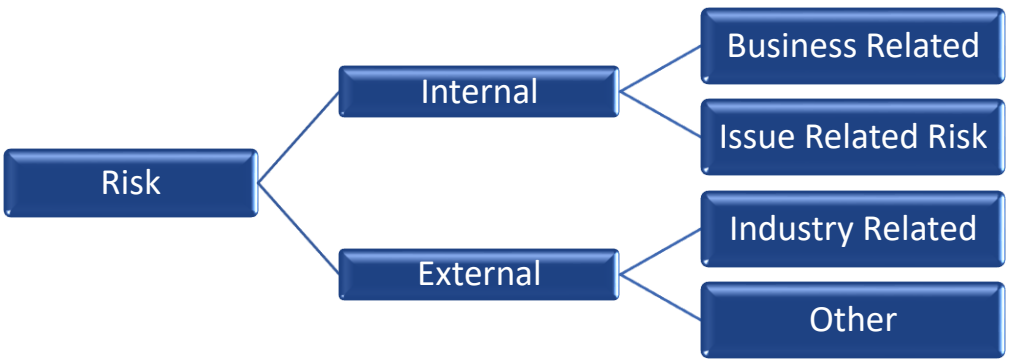
Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

Classification of Risk Factors



The financial and other related implications of risks concerned, whether quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Red Herring Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Airfloa Rail Technology Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

1. ***Our business and revenues are substantially dependent on Indian Railways. Any adverse change in policy of the Ministry of Railways, GOI "MoR" may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on our business and results of operations.***

   Our business and revenues are substantially dependent on the policies of the MoR and operations of Indian Railways. Our Company has derived a significant portion of its revenues from the Indian Railways and for the Fiscal 2025, 2024 and 2023 the total revenue from Indian Railways was ₹ 10,715.64, ₹ 7707.94 Lakhs and ₹ 7506.20 Lakhs, respectively, which represents 55.70%, 64.61% and 78.87% respectively our total revenue.

   The number of rolling stocks we supply to the Indian Railways is likely to vary from year to year, since we are not the exclusive supplier of rolling stocks to the Indian Railways. Due to any future changes to government policy, the Indian Railways may decide to reduce their spending on the purchase of wagons or change their procurement policy. In addition, there are a number of factors, other than our performance, that are not predictable and could cause our business from the Indian Railways to reduce. For instance, rolling stock manufacturing is a need-based activity, which is dependent on the traffic needs and availability of funds after taking into consideration the replacement of wagons. If we are not able to continue to receive orders in the manner we have in the past from the Indian Railways, it would have a material adverse effect on our results of operations and financial conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem as standard market practice or acceptable. As a result, we are subject to the risk of losing new awards to competitors thereby adversely impacting our business growth, financial condition and results of operations.

   If the Indian Railways reduce their volume of business with our Company, including due to an amendment of the relevant policies to favour public sector enterprises, or a withdrawal of the programmes and policies beneficial to the private sector, or if the Indian Railways do not release any new orders, our Company's business, financial condition, results of operations and prospects may be adversely affected. Any withdrawal or adverse changes in Government policies may lead to adverse impact on our on-going business and could, materially and adversely affect our financial condition, capital expenditure, revenues, development and our business operation

2. ***We depend on the entities under Indian Railways for a significant portion of contracts in our order book which are awarded on a tender basis. There is no assurance that our bids will be accepted and future contracts will be awarded to us by Indian Railways. This may result in an adverse effect on our business growth, financial condition and results of operations.***

   Our revenues in the future depend on the acceptance of bids submitted to the Indian Railways. As of August 28, 2025 our order book from the Indian Railways was ₹ 27,127.73 lakh.

   Our railway related projects are awarded by the entities under Indian Railways through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. We may not be selected for the projects for which we may have submitted a bid. In selecting contractors, Indian Railways generally limits the tender to contractors, who have pre-qualifications based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts. Further, once prospective bidders satisfy the prequalification requirements of the tender, the project is usually awarded on the basis of price competitiveness of the bid. The growth of our business mainly depends on our ability to obtain new contracts. While we have, in the past, been awarded a number of contracts, we cannot assure you that we will continue to be awarded such contracts. Some of the new entrants may also bid at lower margins in order to be awarded a contract.

3. ***Increases in the prices of raw materials required for our operations could adversely affect our business and results of operations***

   We source raw material such as SS Sheet/Coils, MS Pipes, SS Pipes, Foam, Led Lights, Aluminium Extrusions, Aluminium Sheets Glass, Electrical Components, Rubber, Aluminium Alloy Ingots and Paints etc. for our manufacturing operations from a combination of domestic and foreign suppliers. The table below shows the cost of materials consumed.

   (₹ in Lakhs)

Particulars	Consolidated	Standalone	
	Fiscal 2025	Fiscal 2024	Fiscal 2023
Total cost of materials consumed	13,343.47	6,179.87	5,475.45

   For further risks related to our suppliers, see ***"We depend on a limited number of suppliers for raw materials. Any interruption in the availability of raw materials could adversely impact our operations. Further, any failure by our suppliers to provide raw materials to us on time or at all, or as per our specifications and quality standards could have an adverse impact on***

our ability to meet our manufacturing and delivery schedules" on page 41. For definitions of the terms mentioned above, see ***"Definitions and Abbreviations – Industry Related Terms"*** on page 6.

Our inability to procure raw materials on terms more favourable, or at all, may constrain our raw material supply, may adverse effect on our business, financial condition and results of operations. Any increase in price of cost of inputs as well as limitations and/ or disruptions in the supply of such inputs, will adversely affect our business and financial condition. We cannot assure that we shall be able to timely and adequately effect any prices increases corresponding to the input costs escalation. Further, any substantial delay in supply or non-conformance to quality requirements by our suppliers can impact our ability to meet our customer requirements and thus impact our business and results of operations. We typically purchase raw materials based on the order in hand and price trend of upcoming orders.

In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, environmental factors and changes in government policies and regulations. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers.

While historically, we have not experienced a shortfall or limited availability of raw materials that has affected our operations, we cannot assure you that there will not be any significant and prolonged interruption or a shortage in the supply of our critical raw materials. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins and adversely affect our results of operations. Further, an increased cost in the supply of raw material arising, from a lack of long-term contracts may have an adverse impact on our ability to meet customer demand for our products and result in lower net revenue from operations both in the short and long term.

4. Our Subsidiary company is in a similar line of business as us which may involve conflict of interest, which could adversely impact our business.

Our Subsidiary Company namely, Sree Dakssnaa Aerospace and Defence India Private Limited, is engaged in the similar line of business, as of our Company. Further, we have not entered into any non-compete agreement with the said entity. We cannot assure that our Promoter who has common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Subsidiary Companies in circumstances where our respective interests' conflict. In cases of conflict, our Promoter may favour other companies/entities in which our Promoter has interest. There can be no assurance that our Promoter or our Subsidiary Companies or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. For details regarding Subsidiary Companies, please refer chapter titled *"Our Subsidiary"*, on page no. 177 of this Red Herring Prospectus.

5. Our operations are subject to high working capital requirements. If we are unable to generate sufficient cash flows to allow us to make required payments, there may be an adverse effect on our results of operations.

Majority of the working capital funds of our Company are blocked due to High Inventory Levels, High Debtors, Advance Payments to Suppliers and Requirement of Security Deposits as on March 31, 2025, our Company's net working capital consisted of ₹ 11,910.87 Lakhs. Further, as on March 31, 2024, our Company's net working capital consisted of ₹ 7,904.05 Lakhs as against ₹ 5,509.88 lakhs as on March 31, 2023. As on the date of this Red Herring Prospectus, we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans, from the Banks etc. This requires us to obtain financing through various means. As on March 31, 2025 and March 31, 2024, our total borrowings (excluding vehicle loan) stood at ₹ 5,853.65 lakhs and ₹ 6,370.84 lakhs. We may incur additional indebtedness in the future. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and investors interest in the Company and could adversely impact our Equity Share price.

Furthermore, the objects of the Issue include funding working capital requirements of our Company. For more information in relation to such management estimates and assumptions, please see ***"Objects of the Issue"*** on page 85. Our working capital requirements may be affected due to factors beyond our control including force majeure conditions, delay or default of payment by our clients, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

In the last three (3) financial years, our Company has been able to raise funding from bank as and when the need has arisen and has never delayed and defaulted its financial commitments. However, any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credits which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely

manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

The working capital requirement for the FY 2023, 2024 and 2025. The working capital gap (WCG) has been met with an increase in the bank borrowing and capital and Internal cash Accruals of the Company.

(₹ in Lakhs)

Particulars	Fiscal 2023 (Restated)	Fiscal 2024 (Restated)	Fiscal 2025 (Restated)
Current Assets			
Inventories	5,032.39	4,580.29	6,243.89
Trade Receivables	4,876.74	10,170.80	12,760.04
Short term loan and advances	1,705.74	1,291.79	1,575.07
Total (A)	**11614.87**	**16042.88**	**20,579.00**
Current Liabilities			
Trade Payables	5,207.44	5,977.17	6,392.70
Other Current Liabilities & Short Term Provision	897.55	2,161.66	2,275.43
Total (B)	**6,104.99**	**8,138.83**	**8,668.13**
Total Working Capital (A)-(B*)*	**5,509.88**	**7,904.05**	**11,910.87**
Funding Pattern			
I) Borrowings for meeting working capital requirements	5,509.88	6,370.84	5,853.65
II) Networth / Internal Accruals	-	1,533.21	6,057.22
III) Proceeds from IPO	-	-	-

6. Our Registered Office and one of the Manufacturing facility from where we operate is not owned by us.

We operate our registered office and Manufacturing facility on rental basis, details whereof are as under:

S. No.	Description and Usage	Address	Ownership Status	Name of Lessor	Area	Rent	Tenure
1.	Registered Office & Corporate Office	No:9, Chelliamman Koil Street, Keelkattalai, Chennai-600117	Rented	Manikandan Dakshna moorthy and Venkatesan Dakshinamoorthy	6179.00 sq. ft.	1,20,000/- per month	11 Months (up to September 2025)
2.	Manufacturing Unit	4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu, 600117	Rented	Manikandan Dakshna moorthy, Venkatesan Dakshinamoorthy V. Revathy and Nandhini Manikandan	7200 sq. ft.	2,80,000/- per month	up to February 2026)

We cannot assure you that we will be able to continue the above arrangement on commercially acceptable/favourable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangements for new office and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

7. We have had negative cash flows from Operating activities in the past and a consequent net decrease in cash and cash equivalents in some of the recent years.

As per our Restated Financial Statements, our cash flows from operating activities was negative for fiscal ending March 31, 2025 as set out below*:*

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	March 31, 2025	March 31, 2024	March 31, 2023
Net cash generated from/(used in) Operating activities	(444.60)	346.32	1,007.92

Such negative cash flows led to a net decrease in cash and cash equivalents for respective years. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, see "*Financial Information*" on page 180.

8. ***Our Company has not adequately complied with some of the provisions of Companies Act, 2013. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for noncompliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.***

In the past, there have been certain instances of non-compliance in filing statutory forms which have been missed and subsequently the company has filed compounding application with the RoC. No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position. The details of the said delays are as follows:

Non-Compliance	Compliance Status as on date of filing RHP
Violation of Section 96: The Company has convened the AGM for the FY 2022-23 with delay the date of the AGM is 31st December, 2023	The Company has made application for Voluntary Compounding for the aforementioned violation under Form GNL-1 on May 09, 2025 vide SRN: N30660120. As on the date of this Red Herring Prospectus (RHP), the Company has **received the compounding order** from the **Regional Director, Chennai**, thereby concluding the compounding proceedings in relation to the said violation.
Violation of Section 135: The Company had a net profit for the FY ended 2017-18, 2018-19, and 2019-20 and the Company failed to spent 2% of the average net profits during the FY 2019-20, 2020-21 and 2021-22	The Company has made application for Adjudication for the aforementioned violation under Form GNL-1 on May 08, 2025 vide SRN: N30641906. The Registrar of Companies, Chennai, has issued four showcause notices bearing nos. SCN/ADJ/08-2025/CN/02428, SCN/ADJ/08-2025/CN/02446, SCN/ADJ/08-2025/CN/02447 and SCN/ADJ/08-2025/CN/02448, dated August 29, 2025, against Airfloa Rail Technology Limited and its directors Venkatesan Dakshinamoorthy and Manikandan Dakshna moorthy for non-compliance with CSR provisions under Section 135 of the Companies Act, 2013. The Company had filed an application for adjudication under Section 135(5) and Section 135(6) of the Companies Act, 2013 in relation to unspent Corporate Social Responsibility ("CSR") obligations through Form GNL-1 on May 08, 2025 vide SRN: N30641906. The details of unspent CSR obligations and corresponding penalties levied by the ROC are as under: 1. FY 2019–20: Unspent CSR – ₹17,27,343; Penalty – ₹17,27,343 on the Company and ₹1,72,734 on each director. 2. FY 2020–21: Unspent CSR – ₹25,99,631; Penalty – ₹25,99,631 on the Company and ₹2,00,000 each on the directors (capped at statutory limit). 3. FY 2021–22: Unspent CSR – ₹27,12,722; Penalty – ₹27,12,722 on the Company and ₹2,00,000 each on the directors (capped). 4. FY 2022–23: Unspent CSR – ₹19,64,272; Penalty – ₹19,64,272 on the Company and ₹1,96,427 on each director.

	Although the Company has since transferred the said unspent CSR amount to the Prime Minister's National Relief Fund in December 2024, the ROC has nevertheless held the Company and its directors liable under Section 135(7) of the Act and has called upon them to show cause, on or before September 13, 2025, as to why penal action should not be initiated.
Violation of Section 148: The company's total annual turnover from all products and services is Rs. 100 crore and the aggregate turnover from the individual product or service is Rs. 35 crores since FY 2018-19. The Company failed to appoint Cost Auditor within 180 days of the commencement of every financial year.	The Company had appointed Cost Auditor for the Fiscal 2024. Also appointed for the earlier years. It is further noted, that the Company has applied for Voluntary Compounding to compound the offence of not appointing the cost auditors for earlier financial years under Form GNL-1 on May 10, 2025 vide SRN: N30679757. As on the date of this Red Herring Prospectus (RHP), the Company has **received the compounding order** from the **Regional Director, Chennai**, thereby concluding the compounding proceedings in relation to the said violation.

9. We have been unable to locate certain of our historical corporate records. Our Company was incorporated in 1997 and certain corporate records and documents filed by us with the RoC are not traceable.

The secretarial records such as certain returns of past allotments of Equity Shares made by our Company, share transfer forms, could not be traced. While we have undertaken extensive search for our records at registered office of the company and on the MCA portal maintained by the Ministry of Corporate Affairs, we have not been able to trace the aforementioned corporate records. In this regard, we have relied on the minutes and statutory registers. Accordingly, we have included the details of the build-up of the share capital of the Company and the build-up of the Promoters' shareholding in our Company in this RHP, by placing reliance on other corporate records such the annual reports filed by corporate entities who were the erstwhile shareholders of our Company and the documents such as Annual Return filed by our Company with the Registrar of Companies.

10. An inability to comply with repayment and other covenants in the financing agreements or otherwise meet our debt servicing obligations could adversely affect our business, financial condition, cash flows and credit rating.

Our Company has entered into agreements in relation to financing arrangements with certain banks for working capital facilities, term loans and bank guarantees. As of March 31, 2025 and March 31, 2024, we had total outstanding borrowings of ₹ 5,997.71 lakhs and ₹ 6,380.24 lakhs. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company subject to the threshold prescribed for the shareholding of certain shareholders of our Company and effecting change in the constitutional documents or management of our Company. For further details, see "*Financial Indebtedness*" beginning on page 184. As on March 31, 2025 and March 31, 2024, our total secured borrowings amounted to ₹ 5,738.71 lakhs and ₹ 6,051.62 lakhs. Under the terms of our secured borrowings, we are required to create a charge by way of hypothecation on the assets of our Company, together with cash in hand and bank accounts. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, among others, change in the capital structure, availing additional borrowings, change in ownership or management control, changes in shareholding pattern and management set-up including its constitution and composition, amalgamation, demerger, merger, acquisition, corporate or debt restructuring or similar action. If we fail to meet our debt service obligations or covenants (or do not receive approvals from our lenders to undertake certain transactions) under the financing agreements, the relevant lenders could declare us to be in default of our agreements, accelerate the maturity of our obligations, enforce security, take possession of the assets. As a result, we may be forced to sell some or all of our assets if we do not have sufficient cash or credit facilities to make these repayments.

11. One of our group entity i.e. Airflow Aerospace And Defence India Private Limited is Voluntarily been struck off.

We always comply with the statutory obligations applicable to our company, however one of our group company named "Airflow Aerospace And Defence India Private Limited" failed to commence business within one year of its incorporation due to business non-viability. As a result, an application for strike-off under Section 248 of the Companies Act, 2013 was filed with the Registrar of Companies (RoC), Chennai, through Form STK-2 bearing SRN No. AB2169491. As on the date of filing this Red Herring Prospectus, the name of Airflow Aerospace has been struck off from the records of the Ministry of Corporate Affairs (MCA).

Although Airflow Aerospace is not included under the chapter titled *"Group Entities of our Company"* in this Red Herring Prospectus, any perception of failure associated with a company that is or was part of our group may adversely affect our brand image and reputation in the eyes of customers, investors, and other stakeholders. There can be no assurance that such events will not have a negative impact on our business, prospects, or financial performance.

12. In the past Directors of our company namely Nandhini Manikandan and Sathishkumar Venkatesan have been directors of the company Emrion Technologies Private Limited which was struck off by ROC on Suo-moto basis.

In the past, two of our Directors, Ms. Nandhini Manikandan and Mr. Sathishkumar Venkatesan, served as directors of Emrion Technologies Private Limited, a company that was struck off by the Registrar of Companies (RoC), Chennai. As per Public Notice STK5/ROC/CHN/S.248(1)/2022 issued by the Ministry of Corporate Affairs, Office of the RoC, Emrion Technologies Private Limited was struck off due to non-payment of the subscription amount committed at the time of incorporation. In addition, the requisite declaration confirming receipt of such subscription amount was not filed within 180 days from the date of incorporation, as required under Section 10A(1) of the Companies Act, 2013.

Although Emrion Technologies Private Limited is not connected in any manner with our current business operations, and our Company has fully complied with all applicable statutory obligations, the prior association of our Directors with a company that has been struck off may be viewed negatively. Such associations could potentially affect the perception of our Directors' governance track record and, in turn, impact the reputation of our Company. There can be no assurance that this will not adversely affect investor confidence or our business prospects

13. Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.

Our Order Book as on a particular date consists of contract value of unexecuted or uncompleted portions of our ongoing projects, i.e., the total contract value of ongoing projects as reduced by the value of projects billed till August 28, 2025. As on August 28, 2025 our Company had an Order Book of ₹ 37,588.65 lakhs, and comprised detail of projects in order book. For further details on our Order Book, see *"Our Business – Order Book"* on page 116 of this Red Herring Prospectus. We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts or we may not be able to realise the revenues which we anticipated in such projects. In addition, there can be no assurance that we will be awarded the projects that we currently expect or that we will be able to execute agreements for these anticipated projects on terms that are favourable to us or at all.

We may encounter problems executing the projects as ordered or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of projects, resulting from our clients' discretion or problems we encounter in project execution or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent, a project forming part of our Order Book will be performed and this could reduce the income and profits we ultimately earn from the contracts. Delays in the completion of a project can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, all payments otherwise due to us on a project. These payments often represent an important portion of the margin we expect to earn on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our Order Book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

14. We derive a significant portion of our revenues from a limited number of clients. The loss of any significant clients may have an adverse effect on our business, financial condition, results of operations, and prospect.

Set out in the table below is the contribution of our top 10 customers to our consolidated revenue from operations in Fiscal 2025, 2024 and 2023.

Particulars	**Fiscal 2025**		**Fiscal 2024**		**Fiscal 2023**	
	Revenue From operations (₹ in Lakhs)	**As a % of Revenue from Operations**	**Revenue From operations (₹ in Lakhs)**	**As a % of Revenue from Operations**	**Revenue From operations (₹ in Lakhs)**	**As a % of Revenue from Operations**
Top 10 Customers	17,800.95	92.52%	10,968.54	91.93%	9,047.48	95.07%

Our business heavily relies on our customer base, and the potential loss of any of our customers could have a negative impact on our sales and, consequently, our overall business and financial performance. If we were to lose one or more of our significant or key customers or experience a reduction in the volume of business they provide, it could result in adverse consequences for our business, financial health, and cash flow. We cannot guarantee that we will be able to maintain the same levels of business as we have historically or secure long-term contracts with our major customers on mutually beneficial terms. Additionally, reducing our dependence on a few key customers may pose challenges in the future. Furthermore, factors such as a decline in our product or service quality, increased competition, or shifts in market demand could jeopardize our ability to retain these valuable customers. There is no assurance that we will continue to generate the same amount of business, or any business at all, from these customers, and any loss of their business could significantly impact our revenue and overall financial performance. While our customer mix and revenue streams may naturally evolve with the addition of new clients in the ordinary course of operations, we maintain confidence in our ability to sustain existing business relationships and attract new customers. Nonetheless, it's essential to acknowledge that the continuity of long-term customer relationships and the timely acquisition of new clients are not guaranteed, and uncertainties exist in this regard. Our long-term relationships with the customers are indicative of our quality consciousness and timely execution.

15. Our Company, our Directors and our Promoter are party to certain legal proceeding. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

Our Company, our Directors and our Promoter are party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and legal forums. A summary of outstanding litigation proceedings involving our Company, as on the date of this Red Herring Prospectus as disclosed in "***Outstanding Litigations and Material Developments***" on page 205, in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

(₹ in lakhs)

Nature of Cases	Number of outstanding cases	Amount Involved
Litigation involving our Company		
Criminal proceeding against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	09	106.06
Litigation involving our Subsidiary		
Criminal proceeding against our Subsidiary	Nil	Nil
Criminal proceedings by our Subsidiary	Nil	Nil
Material civil litigation against our Subsidiary	Nil	Nil
Material civil litigation by our Subsidiary	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Directors (other than Promoters)		
Criminal proceedings against our Directors (other than Promoters)	Nil	Nil
Criminal proceedings by our Directors (other than Promoters)	Nil	Nil
Material civil litigation against our Director (other than Promoters)	Nil	Nil
Material civil litigation by our Director (other than Promoters)	Nil	Nil
Actions by statutory or regulatory authorities (other than Promoters)	Nil	Nil
Direct and indirect tax proceedings	1	2.34
Litigation involving our Promoter		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	Nil	Nil
Material civil litigation against our Promoter	Nil	Nil
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	2	17.39
Litigation involving our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoters)		
Criminal proceedings against our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoter)	Nil	Nil

Criminal proceedings by our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoter)	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	1	9.24

There can be no assurance that litigations involving our Company, our Director and our Promoter will be decided in favour of our Company or our Director or our Promoter it may divert the attention of our management and Promoters and consume our corporate resources and we may incur significant expenses in such proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against Company, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

Furthermore, we may not be able to quantify all the claims in which we are involved. Failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure that similar proceedings will not be initiated in the future. This could adversely affect our business, cash flows, financial condition, and results of operation. For further details, pertaining to material pending outstanding litigations involving our Company, see "***Outstanding Litigations and Material Developments***" on page 205.

16. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, any failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations may adversely affect our operations.

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which are either received or applied for. Many of these approvals are subject to periodical renewal. Any failure to renew the approvals that may expire, or to apply for the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

Additionally, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals which may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, see "***Key Industry Regulations and Policies***" and "***Government and Other Approvals***" for permits/licenses required for the business on pages 146 and 210, respectively.

17. We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights

As on date of this Red Herring Prospectus, our Company has application for its logo '

' dated December 29, 2024 under class 12 of the under the Trade Mark Act, 1999 which is currently pending. There can be no assurance that we will be able to successfully obtain the registration in a timely manner or at all, which may affect our ability to use the logo in the future. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

Pending the registration of the trademark, any third party may use the above-mentioned trademark and we may have a lesser recourse to initiate legal proceedings to protect our intellectual property. Further, our application for the registration of trademark may be opposed by third parties, and we may have to incur significant cost in relation to these oppositions. In the event we are not able to obtain registration due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of the trademark, we may not be able to use such trademark and / or avail the legal protection or prevent unauthorized use of such trademark by third parties, which may adversely affect our goodwill and business.

For further details see "Our Business - Intellectual Property" and "Government and Other Approvals" on pages 116 and 210 respectively.

18. ***We depend on a limited number of suppliers for raw materials. Any interruption in the availability of raw materials could adversely impact our operations. Further, any failure by our suppliers to provide raw materials to us on time or at all, or as per our specifications and quality standards could have an adverse impact on our ability to meet our manufacturing and delivery schedules.***

Set out in the table below is the contribution of our top 10 suppliers to Total purchases in Fiscal 2025, 2024 and 2023.

(₹ in Lakhs)

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	As a % of Total Purchase based on restated financial statement					
Top 10 Suppliers	8,340.64	64.37%	3,902.19	64.86%	2,840	50.90%

We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seeking new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

We source our raw materials from a limited number of third-party suppliers from various geographies including China, United Kingdom, Turkey etc.. We do not have long-term contracts with our suppliers for such raw materials. Our dependence on foreign suppliers subjects us to certain risks and uncertainties which include political and economic instability in the countries in which such suppliers are located, disruptions in transportation, currency exchange rates and transport costs, amongst others. If we fail to (i) receive the quality of raw materials that we require; (ii) negotiate appropriate financial terms; (iii) obtain adequate supply of raw materials in a timely manner, or if our principal suppliers discontinue the supply of such raw materials, or were to experience business disruptions or become insolvent, we cannot assure you that we will be able to find alternate sources for the procurement of raw materials in a timely manner. Moreover, in the event that either our demand increases, or our suppliers experience a scarcity of resources, our suppliers may be unable to meet our demand for raw materials.

While other than in the ordinary course of business, there has not been any reduction or interruption in the supply of raw materials to our Company in the Fiscals 2025, 2024 and 2023, any reductions, or interruptions in the supply of raw materials, and any inability on our part to find alternate sources in a timely manner for the procurement of such raw materials, may have an adverse effect on our ability to manufacture our products in a timely or cost-effective manner. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial condition.

19. ***The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles "Objects of the Issue".***

The fund requirement and deployment, as mentioned in the *"Objects of the Issue"* on page 85 of this Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter Objects of the Issue is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency and the audit committee of the Company will monitor the deployment of funds and provide disclosure for the same as per applicable provisions. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter Objects of the Issue will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

20. ***Information relating to capacity utilization of our manufacturing facilities included in this Red Herring Prospectus is based on various assumptions and estimates. Under-utilization of capacity of our manufacturing facilities and an inability to effectively utilize our manufacturing facilities may have an adverse effect on our business and future financial performance.***

Information relating to our capacity utilization of our manufacturing facilities included in this Red Herring Prospectus is based on various assumptions and estimates of our management and independent chartered engineer, namely, M/s Yuvraj S.,

including proposed operations, assumptions relating to availability and quality of raw materials, potential utilization levels and operational efficiencies. For further information regarding our manufacturing facilities, including our historical installed capacity, see *"Our Business - Description of our Business and Operations – Capacity Utilization"* on page 116 of this Red Herring Prospectus. Actual manufacturing volumes and capacity utilization rates may differ significantly from the estimated production capacities of our manufacturing facilities. Undue reliance should therefore not be placed on the information relating to our installed capacities or historical capacity utilization of our manufacturing facilities included in this Red Herring Prospectus.

Our overall capacity utilization for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 are as follows:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Capacity Installed (in Nos.)	6,220.00	8,761.00	11,863.00
Production (in Nos.)	5,317.00	6,955.00	9,151.00
Utilization (in %)	85%	79%	77%

Note: - *As certified by, Yuvaraj S, independent chartered engineer by his certificate dated 21/08/2025*

Further, there is no guarantee that our future production or capacity utilization levels will match or exceed our historical levels. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term could increase our cost of production and our operating costs and adversely impact our business, growth prospects and future financial performance. As of the date of this Red Herring Prospectus, there have been no such instances of under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term in the past. Our expected return on capital invested is subject to, among other factors, the ability to ensure satisfactory performance of personnel to further grow our business, our ability to absorb additional infrastructure costs and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently. However, as of the date of this Red Herring Prospectus, there have been no such instances in the past three years.

21. Delays or defaults in customer payments could adversely affect our financial condition.

We are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. Further, we may not receive advance payment from our customers after signing the purchase orders. Delays in customers' payments may require us to make a working capital investment. If a customer defaults in making payments where we have devoted significant resources or where we have invested significant resources is delayed, cancelled, or does not proceed to completion, it could have an adverse effect on our operating results. For the Fiscal ending March 31, 2025, 2024 and 2023, our trade receivables were ₹ 12,760.04 lakhs on consolidated basis, ₹ 10,170.80 lakhs on standalone basis and ₹ 4,876.74 lakhs on standalone basis, respectively. However, in the past, our Company has not faced any such instance of default but there is no guarantee that the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

22. In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement and rent received from our Company.

Some of our Directors (Promoters) are interested in our Company to the extent of their shareholding, dividend entitlement in our Company and rent received from our Company. For further details, see *"Our Business"* on page 116, in addition to normal remuneration or benefits and reimbursement of expenses. As a result, our directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. To enhance our business operations and prospects, our directors and Key Management Personnel are committed to consistently exercising their shareholder rights in the best interest of our Company, positively influencing our business, operational results, and future prospects.

23. Our Company is yet to place orders for the plant and machinery. Any delay in placing orders or procurement of such plant and machinery may delay the schedule of implementation and possibly increase the cost of commissioning the manufacturing unit.

We intend to utilize a portion of the Net Proceeds for funding capital expenditure requirements. Accordingly, orders worth ₹ 1,367.78 Lakhs, which constitute 100% of the total estimated costs of the machinery and equipment are yet to be placed. There can be no assurance that we will be able to place orders for such plant and machinery, in a timely manner or at all. We have not entered into any definitive agreements to utilize the Net Proceeds for these objects of the Issue and have relied on the quotations received from third parties for estimation of the cost.

We have obtained quotations from vendors for the proposed capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For further details, please see "*Objects of the Issue*" on page 85 of this Red Herring Prospectus.

The objects of the Issue have not been appraised by any bank or financial institution, and our funding requirement is based on current conditions, internal estimates, estimates received from the third-party agencies and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Issue would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue, at such price and in such manner in accordance with applicable law.

Pending utilization of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of RBI Act as may be approved by our Board. We will appoint a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 242 of the SEBI ICDR Regulations

24. Our individual Promoters plays key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoter and Executive Directors remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.

We benefit from our relationship with our individual Promoters and our success depends upon the continuing services of our Promoters and executive Directors who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters and executive Directors have been actively involved in the day-to-day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters and executive Directors. If our Promoters and executive directors are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, it may take reasonable time to locate suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters and executive Directors, along with the key managerial personnel, have over the years-built relations with various customers and other persons who form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected. However, we have encountered no such issues in the past, as majority of our promoters and both the Executive Directors have been with our company since its inception.

For further details of our Directors and Key Managerial Personnel, please refer to Chapter titled *"Our Promoter and Promoter Group"* and "Our Management" on page no. 169 and 157 respectively of this Red Herring Prospectus.

25. None of the Executive Directors of the Company have experience of being a director of a public listed company.

The Directors of the Company do not have the experience of having held directorship of public listed company. Accordingly, they have limited exposure to management of affairs of the listed company which inter-alia entails several compliance requirements and scrutiny of affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, the company will require to adhere strict standards pertaining to accounting, corporate governance and reporting that it did not require as an unlisted company. The company will also be subject to the SEBI Listing Regulations, which will require it to file audited annual and unaudited quarterly reports with respect to its business and financial

condition. If the company experiences any delays, we may fail to satisfy its reporting obligations and/or it may not be able to readily determine and accordingly report any changes in its results of operations as promptly as other listed companies.

Further, as a publicly listed company, the company will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of the company's disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, the Board of Directors of the company may have to provide increased attention to such procedures and their attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

26. Our projects require deployment of labour and depend on availability of labour. In case of unavailability of such labour, our business operations could be affected.

Our project operations require deployment and our ability to retain labour. In case such labour workforce is unavailable, or we are unable to identify and retain such labour our business could be adversely affected. We cannot guarantee that we may be able to continue with the same on favourable terms or at all. Any such failure may impact the operations, business process and profitability. Additionally, there have been amendments in the labour and Employment related laws, which may have a direct impact on our employee costs and consequently, on our margins. Further, latest amendments in labour laws in India may be led to increasing cost of compliance, wages, social security, Occupational Safety, Health and Working Conditions. We cannot assure you that we will continue to comply with all these labour related laws and that as we continue to grow our business in the future, our labour and employee costs coupled with operating compliances and expenses will not significantly increase. Our employees are not unionized currently. However, there is no assurance that our employees will not seek unionization in the future. In the event that employees at our project sites take any steps to unionize, it may become difficult for us to maintain flexible labour policies and may increase our costs and adversely affect our business.

Further, our business model is human resource intensive and as at July 31, 2025, our Company's work force comprised 281 employees (including employees on contract basis) including our senior management team. Our Company's average attrition rate of employees during the last 3 Fiscals is set out below

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Employees	39.92%	81.31%	54.12%

Any strikes or lock-outs, work stoppages, slowdowns, shut downs, supply interruptions or costs or other factors beyond our control, may disrupt our operations and could negatively impact our financial performance or financial condition. Additionally, our inability to recruit employees, in particular skilled employees, and retain our current workforce could have a material adverse effect on our business, financial condition and profitability. There can be no assurance that we will not experience slowdowns or shutdowns in the manner described above, or in any other manner, in the future, for reasons which are beyond our control. Any slowdown or shutdown will adversely impact our results of operations, market share and financial condition.

27. We may encounter delays in the implementation and execution of our orders.

We have not in the past encountered any delays in relation to the completion of our orders. There can be no assurance that future orders will be completed in the estimated time frame. We cannot assure that all potential liabilities that may arise from delays will be covered or that the damages if any, that may be claimed from customers/third parties for such delay, shall be adequate to cover any loss of profits resulting from such delays. Further, any delay in completing our orders may also result in an increase in the total cost of implementing the contract which could exceed the original estimate or further cost escalation. Such delays and cost overruns will adversely affect our business, cash flows, and results of operations.

28. We are subject to impact of foreign exchange fluctuation. Any significant movement in foreign exchange rates, could adversely impact our costs of sourcing raw materials through imports, which in turn could adversely impact our operations.

Our Restated Consolidated Financial Information are reported in the Indian Rupee. Accordingly, our consolidated financial results and assets and liabilities may be materially affected by changes in the exchange rates of foreign currencies, which have fluctuated significantly in recent years. A proportion of our consolidated financial results, assets and liabilities are accounted for in currencies other than the Indian Rupee before being converted into and reported in the Indian Rupees. In addition, the policies of the Reserve Bank of India **("RBI")** may change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our business, financial condition, cash flows and results of operations. To the extent that we incur costs in one currency and make sales in another, our profit margins may be affected by changes in the exchange rates between the two currencies. Since the currency in which sales are recorded may not be the same as the currency in which expenses are incurred, foreign exchange rate fluctuations may materially affect our results of

operations. In the past, our exposure to foreign exchange rate fluctuation risks was mainly derived from import of raw materials we may continue to experience such fluctuations due to ongoing imports

The following table provides a breakdown of materials sourced from domestic suppliers and through imports for the periods indicated:

(₹ in Lakhs)

Particulars	**Fiscal**					
	2025		**2024**		**2023**	
	Amount	**% of purchases of raw materials**	**Amount**	**% of purchases of raw materials**	**Amount**	**% of purchases of raw materials**
Raw material sourced from domestic supplier	12,607.66	94.49%	6,086.18	98.48%	5,381.76	98.29%
Raw material sourced through imports	735.81	5.51%	93.69	1.52%	93.69	1.71%

Exchange rate fluctuations can also affect the Indian Rupee value of our monetary assets and liabilities denominated in foreign currencies irrespective of operating results, which could have an adverse impact on the value of our Equity Shares.

29. The average cost of acquisition of Equity Shares by our Promoters is lower than the Issue Price.

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered though this prospectus. For Details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer the table below:

Name of Promoter	**No. of shares held**	**Average Cost of Acquisition (in ₹)**
Manikandan Dakshna moorthy	64,95,999	1.20
Venkatesan Dakshinamoorthy	64,95,996	1.26
Nandhini Manikandan	-	NA
Sathishkumar Venkatesan	-	NA

30. There have been certain instances of delays in payment of statutory dues by our Company in the past. Any delay in payment of statutory dues by our Company in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operation and cash flows.

As a Company, we are required to file GST returns and make payments in respect of Employee Provident Fund with the respectively authorities. However, there are certain inadvertent delays in relation to filling of GST returns in the past for which the Company have paid the penalties and taken the steps to improve the internal system for payment of GST to mitigate the technical difficulties,

These delays were primarily due to server issues and a vendor's representative not filing the returns on the designated due dates.
To address these issues and prevent future delays, we have taken several corrective actions, including:

Increasing Manpower: *We have augmented our team to ensure that there is sufficient coverage to manage the GST filing process efficiently, even in cases of unforeseen technical issues.*

Enhanced Monitoring and Vendor Follow-up: *We have implemented stricter monitoring and internal tracking systems to ensure that all filing deadlines are met without exception. Additionally, we have instituted a more rigorous follow-up process with our vendors to ensure they adhere to filing deadlines, thereby preventing delays caused by external parties.*

Backup Procedures: *We have established backup procedures to handle technical difficulties, including ensuring that alternative systems or personnel are available to complete filings on time.*

Training and Accountability: *Additional training has been provided to our staff to reinforce the importance of meeting compliance deadlines, and accountability measures have been introduced to prevent recurrences.*

However, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our GST filling or EPF payment in future, which may adversely affect our business, financial condition, and reputation.

31. We are completely reliant on third-party logistics service providers for transport of input materials and finished products.

We procure input materials from domestic and international suppliers, which are brought to our manufacturing units through third party logistics providers including overland transport companies. Similarly, our finished products are transported from our manufacturing units to distribution points by overland transport. The logistics service providers are, therefore, integral to our Company's business operations. While we have over the years engaged the services of various logistics service providers for our business operations, we do not have, and we do not propose to enter into, contractual arrangements with such third-party logistics providers. While these third-party logistics service providers have generally, in the past, been reliable, we cannot assure you that they will continue to be available to us as required. If such third-party logistics service providers discontinue their services for a reasonable length of time and, if we are unable to obtain the services of other service providers, our business operations could be adversely impacted, at times, significantly. Moreover, we cannot assure you that we will not be liable for acts of negligence or other acts which may result in harm or injury to third parties. Any such acts could result in serious liability claims (for which we may not be adequately insured) which may, in addition to resulting in pecuniary liability also entail personal liability, which could significantly adversely impact our business operations and financial condition. In addition, our Company also transport input materials and products and from one unit to another unit of our Company's manufacturing facilities for which it relies on its own transport system as well as third-party transporters, for which our Company does purchase any insurance.

32. Our Company has taken short term unsecured loans that may be recalled by the lenders at any time.

Our Company have availed unsecured loans which may be called by their lenders at any time. For the Fiscal ending March 31, 2025 and March 31, 2024, the unsecured loan were amounting to ₹ 259.00 Lakhs on consolidated basis and ₹ 328.62 lakhs on standalone basis and Rs 351.22 lakhs on standalone basis. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. In the event any of such unsecured lenders seek a repayment of any these loans, our company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. However, Company has managed to repay their loan on demand in the past and have intentions to continue doing so through net proceeds from IPO and other alternate means. Therefore, any such demand shall not adversely affect our business, financial condition and results of operations. For further details, see "Financial Indebtedness" on page no. 184 of this Red Herring Prospectus.

33. Our contingent liabilities as stated in our Restated Financial Statements could adversely affect our financial condition.

Below are the contingent liabilities, for the Fiscal ending March 31, 2025, March 31, 2024 and March 31, 2023 as disclosed in our Restated Financial Statements in accordance with applicable accounting standards:

(Amount Rs. In Lakhs)

Particulars	Consolidated	Standalone	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
I. Contingent Liabilities			
(a) claims against the company not acknowledged as debt*;	39.89	19.88	-
(b) guarantees excluding financial guarantees; and	-	-	-
(c) other money for which the company is contingently liable	-	-	-
II. Commitments			
(a) estimated amount of contracts remaining to be executed on capital account and not provided for**	11.66	-	-
(b) uncalled liability on shares and other investments partly paid	-	-	-
(c) other commitments	-	-	-

*** Note :** 1. 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. 2. 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.
**** Note :** **1.** Starkeon Engineering Private Limited has acquired a set of high-value industrial assets, including a Heavy Duty Horizontal Turnmill Center (Model BHTM 2050Y), a CNC Vertical Machining Center (Model BMV60+TC30), a Detron Make Rotary Table, a Rotary with 6-Axis Attachment for VMC BMV60, and a Hydraulic Press Brake (Model HG1303). Subsequently, As per Purchase order dated. 25th October 2024 of these specified machinery and equipment was agreed at ₹210.00 lakhs. As of 31st March 2025, Airfloa Rail Technology Limited had made a payment of ₹198.34 Lakhs towards this transaction.

For further details of the contingent liabilities and commitments of our Company as on March 31, 2025, March 31, 2024 and March 31, 2023, see "Restated Financial Information" on page 180 of this Red Herring Prospectus. If a significant portion of these liabilities materialize, fully or partly, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

34. We have in the past entered into related party transactions and may continue to do so in the future

We have entered into and may in the course of our business continue to enter into transactions specified in the Restated Financial Information contained in this Red Herring Prospectus with related parties that include our Promoters, Directors and their relatives. For further details in relation to our related party transactions, see "Related Party Transactions" on page 180. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business and as per the Companies Act, 2013 and other applicable laws, there can be no assurance that we could not have achieved more favorable terms. Furthermore, it is likely that we may enter into related party transactions in the future. Further, we hereby confirm that all related party transactions in the future shall be done in an arm length basis in compliance with Companies Act and other applicable laws.

There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

35. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section "Dividend Policy" on page 179 of the Red Herring Prospectus.

36. Pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

37. We have issued Equity Shares during the last one year at a price that may be below the Issue Price.

During the last one year we have issued Equity Shares at a price that may be lower than the Issue Price. For further details, see "*Capital Structure*" on page 69. The prices at which Equity Shares have been issued by us in last one year should not be taken to be indicative of the Price Band, Issue Price and the trading price of our Equity Shares after listing.

38. The requirements of being a public listed company may strain our resources and impose additional requirements.

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we were not required to incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations.

There can be no assurance that we will be able to satisfy our reporting obligations. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange, if any, could lead to imposition of penalties, including suspension of trading in shares of the Company.

39. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.

While we maintain insurance coverage, in amounts which we believe are commercially appropriate, including related to our registered office, our movable property and employees, provide appropriate coverage in relation to fire, explosions, floods, inundations, earthquakes, landslides we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our business. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

***40.* Changes in technology may affect our business by making our manufacturing facilities or equipment less competitive.**

Our profitability and competitiveness are to a certain extent dependent on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer generation manufacturing equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our manufacturing facilities. Our inability to continue to invest in new and more advanced technologies and equipment, may result in our inability to respond to emerging industry standards and practices in a cost-effective and timely manner that is competitive with other manufacturing companies. The development and implementation of such technology entails technical and business risks. However, as of the date of this Red Herring Prospectus, there have been no such instances in the past three years, We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to emerging industry standards. If we are unable to adapt in a timely manner to changing market conditions or technological changes, our business and financial performance could be adversely affected.

41. We face competition from both domestic as well as international players and our inability to compete effectively may have a material adverse impact on our business and results of operations.

The market in which our company is doing business is highly competitive. Players in this industry generally compete with each other on key attributes such as technical competence, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

***42.* We will continue to be controlled by our Promoter and Promoter Group after the completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.**

As on the date of this Red Herring Prospectus, our Promoter and Promoter Group hold 74.40% of the issued and outstanding paid-up share capital of our Company. As a result, they will have the ability to influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of

Association, and any other business decisions. We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details regarding our shareholding, please refer to chapter titled *"Capital Structure"* beginning on Page 69 of this Red Herring Prospectus.

43. Our inability to effectively implement our business and growth strategy may have an adverse effect on our operation and growth.

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

44. We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available from the online source.

We have not commissioned an industry report for the disclosures which need to be made in the chapter titled *"Industry Overview"* beginning on page no. 106 of this Red Herring Prospectus. We have made disclosures in the said chapter on the basis of the relevant industry related data available online. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Red Herring Prospectus. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, the industry data mentioned in this Red Herring Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Red Herring Prospectus in this context.

EXTERNAL RISK FACTORS

45. Our business and operations are located in India and as such, we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond our control.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and almost all of our business and all of our personnel are located in India. Consequently, our business, cash flows and results of operations will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. In particular, our total income and profitability are strongly correlated to consumer discretionary spending in India, which is influenced by general economic conditions, salaries and employment levels and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could lead to a decline in our total income and profitability.

While our results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition, cash flows and results of operations.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

46. Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, cash flows, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, GoI has notified the Finance Act, 2021 ("Finance Act"), which introduced various amendments to the taxation laws in India. Under the Finance Act, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Further, the GoI has announced the Union Budget for the Financial Year 2023 pursuant to which the Finance Act of 2022 has introduced various amendments. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules

and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("Social Security Code"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the "Labour Codes"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Additionally, the Ministry of Electronics and Information Technology has brought about a 'new regime' on data protection in India by notifying Digital Personal Data Protection Act, 2023 ("DPDP Act") on August 11, 2023. The DPDP Act, amongst other obligations, prescribes format for obtaining consent and giving notice for processing of personal data, along with certain legitimate uses for which personal data can be processed. The notification for its implementation is awaited and its rules are yet to be notified.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, cash flows, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

47. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

48. In the past, there have been changes in Indian law related to foreign investments in India. Any such changes or restrictions on foreign investors may adversely affect the trading price of Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities including FEMA. Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions) provided they comply with the pricing guidelines and reporting requirements specified under applicable law. Further, unless specifically restricted, foreign investment is freely permitted in majority of the sectors up to any extent and without any prior approval of Government of India, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in manufacturing, under the automatic route, subject to certain conditions specified thereunder.

Further, in accordance with the provisions of the FEMA and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 as amended from time to time, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. We cannot assure investors from such jurisdictions that any required approval from the RBI or any other governmental agency can be obtained on any particular terms and conditions or at all. For further information, see *"Restrictions on Foreign Ownership of Indian Securities"* on page 270. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, cash flows and financial condition.

49. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Furthermore, economic developments globally can have a significant impact on India. In particular, the global economy has been negatively impacted by the conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation.

In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. These factors may also result in a slowdown in India's export growth. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

50. If inflation rises in India, increased costs may result in a decline in profits and result of operations may be adversely affected.

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third party suppliers and contract manufacturers, rents, wages, raw materials and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, raw materials and wages. Further, while the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not worsen and rise in the future. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

51. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

52. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE Limited in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE Limited. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

53. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic

stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Further, withholding tax may be applicable on sale of shares by Non- Resident / FII under section 115E and 115AD of the Income Tax Act, 1961.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

There is no certainty on the impact of Indian tax laws or other regulations, and which may adversely affect the Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

54. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting the Application, and Individual Investors are not permitted to withdraw their Application after Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Application Amount on submission of the Application and are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting a Application. Individual Investors can revise their Application during the Issue Period and withdraw their Application until the Issue Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within three Working Days from the Issue Closing Date, events affecting the Investors' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Application and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline upon listing. QIBs and Non-Institutional Applicants will therefore not be able to withdraw following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Application Form and Allotment.

55. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Equity Shares is proposed to be determined by us in consultation with the BRLM, through a book-building process. This price is based on numerous factors, as described under *"Basis for Issue Price"* on page 96, and may not be indicative of prices that will prevail in the open market following the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Issue Price.

56. Investors may have difficulty enforcing foreign judgments against us or our management.

The Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. All of our assets and the assets of our Directors are located in India. As a result, it may be difficult for foreign investors to effect service of process upon us or directors to enforce judgments obtained outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India.

However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered**.**

57. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

58. Any future issuance of Equity Shares or convertible securities or other equity linked securities by us may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in us. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or encumber the Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares.

In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

59. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI SAST Regulations.

60. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

61. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the "Listed Securities") in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures ("ASM") and graded surveillance measures ("GSM").

ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as share price, price-to-earnings ratio, percentage of delivery, client concentration, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net-worth, other measures such as price-to-earnings multiple and market capitalization and overall financial position of the concerned listed company, the Listed Securities of which are subject to GSM.

For further details in relation to the ASM and GSM Surveillance Measures, including criteria for shortlisting and review of Listed Securities, exemptions from shortlisting and frequently asked questions (FAQs), among other details, refer to the websites of the NSE and the BSE.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, and low trading volumes as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and / or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.

SECTION IV - INTRODUCTION

THE ISSUE

The following table summarises the Issue details of this Red Herring Prospectus:

Issue of Equity Shares[(1) (2)]	Up to 65,07,000 Equity Shares of face value of ₹ 10/- each fully paid up of our company at a price of ₹ [●] per Equity share aggregating up to ₹ [●] lakhs
of which:	
Market Maker Portion Reservation	Issue of Upto 3,26,000 Equity Shares having a face value of ₹ 10/- each at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs
Net Issue to Public[(3)]	Issue of Upto 61,81,000 Equity Shares having a face value of ₹ 10/- each at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs
Out of which*:	
A. QIB Portion [(4) (5)]	Not more than 30,87,000 Equity Shares aggregating to ₹ [●] Lakhs
*Of Which**	
(a) Anchor Investor Portion	Upto 18,52,000 Equity Shares aggregating to ₹ [●] Lakhs
(b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	Upto 12,35,000 Equity Shares aggregating to ₹ [●] Lakhs
*Of which**	
(i) Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion)	Upto 62,000 Equity Shares aggregating to ₹ [●] Lakhs
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	Upto 11,73,000 Equity Shares aggregating to ₹ [●] Lakhs
B. Non-Institutional Category	Not Less than 9,30,000 Equity Shares aggregating to ₹ [●] Lakhs
*Of which**	
i. One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs	Up to 3,10,000 Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
ii. Two-third of the portion available to noninstitutional investors shall be reserved for applicants with application size of more than ₹10 lakhs	Up to 6,20,000 Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
C. Individual Investor Portion	Not Less than 21,64,000 Equity Shares aggregating to ₹ [●] Lakhs
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,74,62,954 Equity Shares of face value of ₹10/- each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of ₹10/- each
Use of Net Proceeds	Please refer "*Objects of the Issue*" on page 85 for further information about the use of the Net Proceeds.

**Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of Issue price.*

Notes:

1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.

2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 12, 2024 and by the Shareholder of our Company, *vide* a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on December 13, 2024**.**

3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Individual Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Individual Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

4) The SEBI ICDR Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025, permits the Issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not

more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non- Institutional Portion. Subject to the availability of shares in non-institutional investors' category the, allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations 2018 read with SEBI ICDR (Amendment) Regulations, 2025. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.

5) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws. Undersubscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.

6) Our Company in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled "*Issue Procedure*" beginning on page 240 of this Red Herring Prospectus.

SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025 effective from the date of their publication in official gazette, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and Subject to the availability of shares in non-institutional investors' category, the allotment to Non- Institutional Investors shall be more than two lots which shall not be less than the minimum application size in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Further, SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has prescribed that all individual Investors applying in initial public offerings opening on or after May 1, 2022, where the Bid amount is up to ₹ 5,00,000 shall use UPI. UPI Bidders using the UPI Mechanism, shall provide their UPI ID in the Bid cum Application Form for Bidding through Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For details, including grounds for rejection of Bids, refer to "*Issue Structure*" and "*Issue Procedure*" on page 236 and 240, respectively. For details of the terms of the Issue, see "*Terms of the Issue*" on page 228.

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SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information for the Financial Years ended March 31, 2025, 2024, and 2023. The Restated Financial Information referred to above is presented under the section titled "Financial Information" beginning on Page No. 180 of this Red Herring Prospectus. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the chapters titled "Financial Information" and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on Page Nos. 180 and 193, respectively of this Red Herring Prospectus.

S. No.	Details	Page Number
1.	Summary of Consolidated Financial Information	SCF-1 to SCF-3
2.	Summary of Standalone Financial Information	SSF-1 to SSF-3

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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 AS RESTATED **ANNEXURE - I**

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	As at March 31, 2025
	EQUITY AND LIABILITIES		
1)	**Shareholders Funds**		
	a. Share Capital	V	1,746.30
	b. Reserves & Surplus	VI	9,333.87
2)	**Minority interest**	VII	62.34
3)	**Non - Current Liabilities**		
	a. Long-term Borrowings	VIII	119.92
	b. Deferred Tax Liabilities (net)	IX	0.72
	c. Long-term Provisions	X	65.40
4)	**Current Liabilities**		
	a. Short Term Borrowings	XI	5,877.79
	b. Trade Payables	XII	
	- Payable to Micro and Small Enterprises		35.07
	- Payable to other than Micro and Small Enterprises		6,357.63
	c. Other Current liabilities	XIII	790.29
	d. Short Term Provisions	XIV	1,304.66
	T O T A L		**25,693.99**
	ASSETS		
1)	**Non Current Assets**		
	a. Property, Plant & Equipment and Intangible Assets	XV	
	- Property, Plant & Equipment		3,675.22
	- Intangible Assets		0.86
	- Capital Work-in-Progress		-
	b. Deferred Tax Assets (Net)	IX	-
	c. Long-term Loans & Advances	XVI	198.35
	d. Other Non-current assets	XVII	729.81
2)	**Current Assets**		
	a. Inventories	XVIII	6,243.89
	b. Trade Receivables	XIX	12,760.04
	c. Cash and Bank Balance	XX	392.21
	d. Short term loan and advances	XXI	1,693.61
	T O T A L		**25,693.99**

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

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZJ1563

Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(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

STATEMENT OF CONSOLIDATED PROFIT AND LOSS AS RESTATED **ANNEXURE - II**

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the Year ended March 31, 2025
A	**INCOME**		
	Revenue from Operations	XXII	19,238.70
	Other Income	XXIII	27.56
	Total Income (A)		**19,266.26**
B	**EXPENDITURE**		
	Cost of Material Consumed	XXIV	13,343.47
	Direct Expenses	XXV	1,172.67
	Changes In Inventories Of Work- In- Progress & Finished Goods	XXVI	(2,048.25)
	Employee benefits expense	XXVII	1,252.18
	Finance costs	XXVIII	1,107.03
	Depreciation and amortization expense	XXIX	253.27
	Other expenses	XXX	689.52
	Total Expenses (B)		**15,769.89**
C	**Profit before tax**		**3,496.37**
D	**Tax Expense:**		
	(i) Current tax		941.95
	(ii) Deferred tax expenses/(credit)	IX	(0.07)
	Total Expenses (D)		**941.88**
E	**Profit for the year before minority interest (C-D)**		**2,554.49**
F	**Minority Interest**	VII	**(0.27)**
G	**PROFIT / (LOSS) FOR THE PERIOD (E- F)**		**2,554.76**
H	**Earnings per share (Face value of ₹ 10/- each):**	XXXVII	
	i. Basic		**15.63**
	ii. Diluted		**15.63**

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

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZJ1563

Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(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

STATEMENT OF CONSOLIDATED CASH FLOW AS RESTATED **ANNEXURE - III**

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Cash Flow From Operating Activities:	
Net Profit before tax as per Profit And Loss A/c	3,496.37
Adjustments for:	
Interest Cost	990.93
Gratuity Provision	6.92
Interest Income	(12.59)
Unrealised Realised Forex Exchange Gain/(Loss)	3.73
Sundry balance written off	15.32
Profit on sale of Asset	(8.74)
Depreciation and Amortisation Expense	253.27
Operating Profit Before Working Capital Changes	**4,745.21**
Adjusted for (Increase)/Decrease in operating assets	
Inventories	(1,663.60)
Trade Receivables	(2,604.56)
Loans and Advances	(283.28)
Other Non Current Assets	(231.14)
Other Current Assets (Including Other Bank balances)	(13.94)
Adjusted for Increase/(Decrease) in operating liabilities:	
Trade Payables	411.80
Other Current Liabilities & Provisions	(337.88)
Cash Generated From Operations Before Extra-Ordinary Items	**22.61**
Net Income Tax (paid)/ refunded	(467.21)
Net Cash Flow from/(used in) Operating Activities: (A)	**(444.60)**
Purchase of property, plant & equipment and intangible assets	(567.32)
Sale of property, plant & equipment	11.50
Capital advances	(72.54)
Interest Income Received	12.59
Net Cash Flow from/(used in) Investing Activities: (B)	**(615.77)**
Cash Flow from Financing Activities:	
Proceeds from Long term Borrowings	144.59
Repayment of Long term Borrowings	(22.88)
Proceeds from Short term Borrowings	654.00
Repayment of Short term Borrowings	(1,158.23)
Fresh shares issued during the year	2,690.95
Interest Cost	(1,037.06)
Net Cash Flow from/(used in) Financing Activities (C)	**1,271.37**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	210.99
Cash & Cash Equivalents As At Beginning of the Year	23.81
Cash & Cash Equivalents As At End of the Year	**234.80**

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

Component of cash and cash equivalent consist of :

Cash-in-Hand	0.54
Bank Balance	234.26
Fixed Deposits (having original maturity of less than 3 months)	-
Total	**234.80**

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZJ1563

Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(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

STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS RESTATED **ANNEXURE -** I

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	EQUITY AND LIABILITIES				
1)	**Shareholders Funds**				
	a. Share Capital	V	1,746.30	499.50	499.50
	b. Reserves & Surplus	VI	9,097.51	5,098.55	3,675.27
2)	**Non - Current Liabilities**				
	a. Long-term Borrowings	VII	119.92	3.69	22.56
	b. Deferred Tax Liabilities (net)	VIII	0.72	0.79	19.92
	c. Long-term Provisions	IX	65.40	81.52	67.59
3)	**Current Liabilities**				
	a. Short Term Borrowings	X	5,877.79	6,376.55	5,999.26
	b. Trade Payables	XI			
	- Payable to Micro and Small Enterprises		35.07	35.07	35.07
	- Payable to other than Micro and Small Enterprises		6,357.63	5,942.10	5,172.37
	c. Other Current liabilities	XII	970.77	1,354.78	727.78
	d. Short Term Provisions	XIII	1,304.66	806.88	169.77
	T O T A L		**25,575.77**	**20,199.43**	**16,389.09**
	ASSETS				
1)	**Non Current Assets**				
	a. Property, Plant & Equipment and Intangible Assets	XIV			
	- Property, Plant & Equipment		3,675.22	3,363.93	3,566.88
	- Intangible Assets		0.86	0.86	0.86
	- Capital Work-in-Progress		-	-	-
	b. Non-Current Investments	XV	0.99	-	-
	c. Deferred Tax Assets (Net)	VIII	-	-	-
	d. Long-term Loans & Advances	XVI	198.35	125.81	520.00
	e. Other Non-current assets	XVII	729.81	498.67	326.03
2)	**Current Assets**				
	a. Inventories	XVIII	6,243.89	4,580.29	5,032.39
	b. Trade Receivables	XIX	12,760.04	10,170.80	4,876.74
	c. Cash and Bank Balance	XX	391.54	167.28	360.45
	d. Short term loan and advances	XXI	1,575.07	1,291.79	1,705.74
	T O T A L		**25,575.77**	**20,199.43**	**16,389.09**

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

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZI7755
Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(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

STATEMENT OF STANDALONE PROFIT AND LOSS AS RESTATED **ANNEXURE -** II

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**INCOME**				
	Revenue from Operations	XXII	19,238.70	11,930.36	9,517.39
	Other Income	XXIII	27.56	356.86	15.51
	Total Income (A)		**19,266.26**	**12,287.22**	**9,532.90**
B	**EXPENDITURE**				
	Cost of Material Consumed	XXIV	13,343.47	6,179.87	5,475.45
	Direct Expenses	XXV	1,172.67	930.45	1,655.81
	Changes In Inventories Of Work- In- Progress & Finished Goods	XXVI	(2,048.25)	288.14	(881.60)
	Employee benefits expense	XXVII	1,252.18	996.13	1,240.90
	Finance costs	XXVIII	1,107.03	1,184.85	1,121.61
	Depreciation and amortization expense	XXIX	253.27	292.84	313.43
	Other expenses	XXX	688.21	354.93	372.81
	Total Expenses (B)		**15,768.58**	**10,227.21**	**9,298.41**
C	**Profit before tax**		**3,497.68**	**2,060.01**	**234.49**
D	**Tax Expense:**				
	(i) Current tax	XXXVIII	941.95	655.85	131.18
	(ii) Deferred tax expenses/(credit)	VIII	(0.07)	(19.12)	(46.05)
	Total Expenses (D)		**941.88**	**636.73**	**85.13**
E	**Profit for the year (C-D)**		**2,555.80**	**1,423.28**	**149.36**
F	**Earnings per share (Face value of ₹ 10/- each):**	XXXVII			
	i. Basic		**15.64**	**9.50**	**1.00**
	ii. Diluted		**15.64**	**9.50**	**1.00**

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

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZI7755
Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(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

STATEMENT OF STANDALONE CASH FLOW AS RESTATED **ANNEXURE -** III

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities:			
Net Profit before tax as per Profit And Loss A/c	3,497.68	2,060.01	234.49
Adjustments for:			
Interest Cost	990.93	1,145.79	1,013.22
Gratuity Provision / (Reversal)	6.92	31.47	(1.06)
Interest Income	(12.59)	(14.22)	(13.96)
Unrealised Realised Forex Exchange Gain/(Loss)	3.73	-	0.09
Sundry balance written off	15.32	1.81	1.50
Sundry Creditors Written Back	-	(313.14)	-
Profit on sale of Asset	(8.74)	-	-
Depreciation and Amortisation Expense	253.27	292.84	313.43
Operating Profit Before Working Capital Changes	**4,746.52**	**3,204.56**	**1,547.71**
Adjusted for (Increase)/Decrease in operating assets			
Inventories	(1,663.60)	452.10	(985.85)
Trade Receivables	(2,604.56)	(5,294.07)	1,538.41
Loans and Advances	(283.28)	412.14	(668.21)
Other Non Current Assets	(231.14)	(172.64)	2.14
Other Current Assets (Including Other Bank balances)	(13.94)	109.74	43.59
Adjusted for Increase/(Decrease) in operating liabilities:			
Trade Payables	411.80	1,082.87	(367.30)
Other Current Liabilities & Provisions	(337.88)	587.90	(33.82)
Cash Generated From Operations Before Extra-Ordinary Items	**23.92**	**382.60**	**1,076.67**
Net Income Tax (paid)/ refunded	(467.21)	(36.28)	(68.75)
Net Cash Flow from/(used in) Operating Activities: (A)	**(443.29)**	**346.32**	**1,007.92**
Purchase of property, plant & equipment and intangible assets	(567.32)	(89.89)	(205.63)
Sale of property, plant & equipment	11.50		
Capital advances	(72.54)	394.19	450.00
Interest Income Received	12.59	14.22	13.96
Investment in Subsidiary company	(0.99)	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	**(616.76)**	**318.52**	**258.33**
Cash Flow from Financing Activities:			
Proceeds from Long term Borrowings	144.59	8.86	34.19
Repayment of Long term Borrowings	(22.88)	(92.49)	(229.85)
Proceeds from Short term Borrowings	654.00	494.12	98.58
Repayment of Short term Borrowings	(1,158.23)	(52.07)	(966.08)
Fresh shares issued during the year	2,689.96	-	-
Interest Cost	(1,037.06)	(1,106.69)	(1,000.86)
Net Cash Flow from/(used in) Financing Activities (C)	**1,270.38**	**(748.27)**	**(2,064.02)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**210.32**	**(83.43)**	**(797.77)**
Cash & Cash Equivalents As At Beginning of the Year	23.81	107.24	905.01
Cash & Cash Equivalents As At End of the Year	**234.13**	**23.81**	**107.24**
See accompanying annexures forming part of the restated financial statements (Refer Annexure No. IV to XLVII)			
Component of cash and cash equivalent consist of :			
Cash-in-Hand	0.54	0.97	3.44
Bank Balance	233.59	22.84	103.80
Total	**234.13**	**23.81**	**107.24**

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

sd/-

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZI7755
Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(Company Secretary)

Place : Chennai
Date : 21-08-2025

GENERAL INFORMATION

Registered Office	**AIRFLOA RAIL TECHNOLOGY LIMITED** No 9 Chelliamman Koilstreet Keelkttalai Chennai-117 Chennai-117 Tamil Nadu 600117 India **Telephone:** +91 9600621490 **E-mail:** cs@airflow.co.in **Website:** https://www.airflow.co.in/ **CIN:** U30204TN1998PLC041571

Corporate Office: NA

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, Chennai situated at the following address:

Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai - 600034

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Red Herring Prospectus:

S. No.	Name	Designation	DIN	Address
1.	Venkatesan. Dakshinamoorthy	Chairman and Managing Director	00232210	12, Thiruvalluvar Nagar Main Road, Keelkattalai, PO: Old Pallavaram, Dist. Kancheepuram, Tamil Nadu-600117
2.	Manikandan Dakshna moorthy	Joint Managing Director	00232275	5A, 3rd Floor, Residency Parikrama, No 13, 14th Cross Street, Shastri Nagar, Adyar, Chennai Tamil Nadu - 600020
3.	Sathishkumar Venkatesan	Whole-time Director	08561438	12, Thiruvalluvar Nagar Main Road, Keelkattalai, PO: Old Pallavaram, Dist. Kancheepuram, Tamil Nadu-600117
4.	Nandhini Manikandan	Non-Executive Director	08561378	5A, 3rd Floor, Residency Parikrama, No 13, 14th Cross Street, Shastri Nagar, Adyar, Chennai Tamil Nadu - 600020
5.	Sudhanshu Mani	Independent Director	10124439	Flat No. B-101, First Floor, Rohtas Presidential Tower, Vibhutikhand TC-G-4/4, Gomtinagar, Lucknow
6.	Tilak Raj Seth	Independent Director	07027068	Madan Lal Seth, Flat-131, DDA SFS Flats, Nasir Pur, Sector 6 Pocket 3- Dwarka, Nasirpur, South west Delhi-110045

For detailed profile of our Directors, please refer to the chapter titled "*Our Management*" on page 157 of the Red Herring Prospectus.

Chief Financial Officer	Company Secretary & Compliance Officer
Mr. P S Karunakaran **Airfloa Rail Technology Limited** **Address**: No 9 Chelliamman Koilstreet Keelkttalai Chennai-117 Chennai-117 Tamil Nadu 600117 India **Telephone:** +91 9600621490 **E-mail:** finance@airflow.co.in	**Mr. Thygarajan Sivakumar** **Airfloa Rail Technology Limited** **Address**: No 9 Chelliamman Koilstreet Keelkttalai Chennai-117 Chennai-117 Tamil Nadu 600117 India **Telephone:** +91 9600615940 **E-mail:** cs@airflow.co.in

Investor grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances relating to the issue other than the Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidders should give full details such as name of

the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the BRLM, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

Details of Key Intermediaries pertaining to this Issue of our Company:

<table>
<tr><th>Book Running Lead Manager to the Issue/ Syndicate Member</th><th>Registrar to the Issue</th></tr>
<tr><td>GYR Capital Advisors Private Limited
428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad-380 054, Gujarat, India.
Telephone: +91 87775 64648
Fax: N.A.
Email ID: info@gyrcapitaladvisors.com
Website: www.gyrcapitaladvisors.com
Investor Grievance ID: investors@gyrcapitaladvisors.com
Contact Person: Mohit Baid
SEBI Registration Number: INM000012810</td><td>KFin Technologies Limited
Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana
Tel: +91 40 6716 2222
Fax: N.A
Email: airfloa.ipo@kfintech.com
Website: www.kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221</td></tr>
<tr><th>Legal Advisor to the Issue</th><th>Statutory and Peer Review Auditor of our Company</th></tr>
<tr><td>M/s. Vidhigya Associates, Advocates
Address: 501, 5th Floor, Jeevan Sahakar Building,
Homi Street, Fort, Mumbai-400001
Contact Person: Rahul Pandey
Tel: +91 8424030160
Email: rahul@vidhigyaassociates.com</td><td>Varadarajan & Co
Chartered Accountants
‘Srivastava’- Basement, Door No. 4, Kamaraj Avenue, 1st Street, Adyar, Chennai-20.
Contact No.: +91 9841012729
Email: kumarjani@gmail.com
Contact Person: Mr. V Sadagopan
Membership No.: 022618
Firm Registration No.: 004515S
Peer Review Certificate No.: 015965</td></tr>
<tr><th colspan="2">Bankers to our Company</th></tr>
<tr><td>Axis Bank Limited
Club House Branch, 225, Opposite Spencers Plaza, Anna Salai, Chennai 600 002, Tamil Nadu.
Tel: +91 044-61372000
Facsimile: N.A.
Email: Cbb.chennai.branchhead@axisbank.com , cbbchennai.operationshead@axisbank.com
Website: https://www.axisbank.com/
Contact person: Mrs.Devi</td><td>Union Bank of India
Mylapore branch, 61 Sullivan Garden Road, Mylapore, Chennai, 600004.
Tel: +91 044-23460761
Facsimile: N.A.
Email: ubin0539571@unionbankonline.co.in
Website: https://www.unionbankofindia.co.in/en/home
Contact person: Mrs. Saritha Devi</td></tr>
<tr><th colspan="2">Monitoring Agency</th></tr>
<tr><td colspan="2">Name: Crisil Ratings Limited
Address: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai 400 072
Contact person: Shounak Chakravarty
Telephone number: 022 33423000
Fax number: NA
E-mail id: crisilratingdesk@crisil.com
Website: www.crisilratings.com
CIN: U67100MH2019PLC326247
SEBI Registration Number: IN/CRA/001/1999</td></tr>
<tr><th colspan="2">Banker to the Issue/ Sponsor Bank/ Refund Bank</th></tr>
</table>

Name: Axis Bank Limited
Address: Old No.2, New no. 3, Club House Road I Anna Salai, Chennai- 600002
Contact person: Vikas Mamtora
Telephone number: +91- 8980800871
Fax number: NA
E-mail id: CBBChennai.Operationshead@axisbank.com
Website: www.axisbank.com
CIN: L65110GJ1993PLC020769
SEBI Registration Number: INBI00000017

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

SCSBs enabled for UPI Mechanism

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at https://www.bseindia.com as updated from time to time.

Registrar and Share Transfer Agent

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of BSE Limited at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx as updated from time to time.

In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public offers using UPI mechanism is provided in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Collecting Depository Participants

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19 for NSDL CDPs and at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18 for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

IPO Grading

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Green Shoe Option

No Green Shoe Option is applicable for this Issue.

Brokers to the Issue

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

Debenture Trustees

As this is an Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 5,000 Lakh. As the size of the Issue exceeds ₹ 5,000 Lakh, our Company has appointed Crisil Ratings Limited as the Monitoring Agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 262 of the SEBI ICDR Regulations. For details in relation to the proposed utilisation of the Net Proceeds, see *"Objects of the Issue"* on page 85.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Peer Review Chartered Accountant:

Our Company has received written consent dated August 21, 2025 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated August 21, 2025 on our restated consolidated financial information and restated standalone financial information; and (ii) its report dated August 21, 2025 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Inter-se Allocation of Responsibilities

GYR Capital Advisors Private Limited being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

Filing

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, a copy of Red Herring Prospectus shall be furnished to the Board. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in. Further, a copy of this Red Herring Prospectus, will be filed with the SME Platform of BSE Limited, where the Equity Shares are proposed to be listed.

A copy of the Red Herring Prospectus, along with the material contracts and documents will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Changes in Auditors during the last three years

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

Name of Auditor	Date of Change	Reason for change
G. Sekar & Associates Chartered Accountants Address No.27, Akbarabad Second Street, Kodambakkam, Chennai-600 024 **Email:** sekarg.gurukripa@gmail.com **Firm Registration No.:** 005251-S **Peer Review Certificate No.:** 014989	September 30, 2024	Term Expired
Varadharajan & Co Chartered Accountants Address: 149, Kamaraj Avenue, 1st Street, Adyar, Chennai – 600 020 **Email:** varadarajan.coadyar@gmail.com	September 30, 2024	Appointment pursuant to expiration of term of previous auditor

Name of Auditor	Date of Change	Reason for change
Firm Registration No.: 004515S. **Peer Review Certificate No.:** 015965		

BOOK BUILDING PROCESS

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the Financial Express, English national newspaper, all editions of Jansatta the Hindi national daily newspaper and Tamil edition of Hindu Tamil Thisai, (a widely circulated Tamil daily newspaper, Tamil being the regional language of Tamil Nadu where our registered office is located) at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Issue Closing Date.

The process of Book Building under the SEBI (ICDR) Regulations and the Bidding Process are subject to change

from time to time and the investors are advised to make their own judgment about investment through this process

prior to submitting a Bid in the Issue.

Bidders should note that, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus

is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchange, which our Company shall

apply for after Allotment.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager, in this case being GYR Capital Advisors Private Limited;
- The Syndicate Member shall be BRLM who is an intermediary registered with SEBI and eligible to act as Underwriters.;
- The Registrar to the Issue;
- The Escrow Collection Bank/ Banker to the Issue/Sponsor Bank being Axis Bank Limited and
- The Designated Intermediaries

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the "Anchor Investor Portion"), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, The SEBI ICDR Regulation, 2018 read alongwith SEBI ICDR (Amendment) Regulations, 2025, permits the Issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non- Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of Equity Shares in the Non – Institutional investors category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) (Amendment) Regulations, 2025 not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer. In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Individual Bidders (subject to the Bid Amount being up to ₹5 Lakh) can revise their Bids during the Bid/ Offer Period and withdraw their Bids on or before the Bid/ Offer Closing Date. Except for Allocation to Individual Bidders, Non-Institutional Investors, and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and Selling Shareholders, in consultation with the BRLM, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled "*Issue Procedure*" beginning on page 240 of the Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled "*Issue Procedure*" on page 240 of this Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled "*Issue Procedure*" on page 240 of this Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

Bid/Issue Program:

Event	Indicative Dates
Anchor portion issue open/closes on	Wednesday, September 10, 2025

Bid/Issue Opening Date	Thursday, September 11, 2025
Bid/Issue Closing Date	Monday, September 15, 2025
Finalization of Basis of Allotment with the Designated Stock Exchange	Tuesday, September 16, 2025
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before Wednesday, September 17, 2025
Credit of Equity Shares to Demat accounts of Allottees	On or before Wednesday, September 17, 2025
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Thursday, September 18, 2025

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 4.00 p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for Individual and non-Individual Bidders. The time for applying for Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE Limited taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue at any time before the Bid/Issue Opening Date without assigning any reason thereof.

If our Company withdraw the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraw the Issue after the Bid/Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approval of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment;

UNDERWRITING AGREEMENT

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten.

Pursuant to the terms of the Underwriting Agreement dated August 04, 2025 entered into by Company, Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size
GYR Capital Advisors Private Limited 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad-380 054, Gujarat, India. **Telephone:** +91 +91 877 756 4648 **Facsimile:** N.A. **Email ID:** info@gyrcapitaladvisors.com **Website:**www.gyrcapitaladvisors.com **Investor Grievance ID:** investors@gyrcapitaladvisors.com **Contact Person:** Mr. Mohit Baid **SEBI Registration Number:** INM000012810 **CIN**: U67200GJ2017PTC096908	Upto 65,07,000	**[●]**	100%

**Includes Upto 3,26,000 Equity shares of ₹10.00 each for cash of ₹ [●]/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above- mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company has entered into a Market Making Agreement dated August 04, 2025 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

Name, address, telephone number and e-mail address of the Market Maker	Indicative Number of shares	Amount	% of the total Issue size
Giriraj Stock Broking Private Limited Address: 4, Fairlie Place, HMP House, 4th Floor, Suite No- 421A, Kolkata- 700001, India **Tel No.:** 033- 40054519 / 9547473969 **Email:** giririajstock@yahoo.com **Website:** www.giririajstock.com **Contact Person:** Mr. Kuntal Laha **SEBI Registration No:** INZ000212638 **Market Maker Registration No.:** 90318	Upto 3,26,000	[●]	5.01%

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with BSE Limited to fulfil the obligations of Market Making) dated August 04, 2025 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

Giriraj Stock Broking Private Limited, registered with SME Platform of BSE Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by BSE Limited and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market Making Arrangement:

1. The Market Maker 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. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the Investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker 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.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the 3,26,000 Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 3,26,000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE Limited may intimate the same to SEBI after due verification.
6. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Issue price.
8. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons 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.
10. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

    In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the 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. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.
11. **Risk containment measures and monitoring for Market Maker**: SME Platform of BSE Limited will have all margins which are applicable on the BSE Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE Limited can impose any other margins as deemed necessary from time-to-time.
12. **Punitive Action in case of default by Market Maker:** SME Platform of BSE Limited 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 (offering 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.
13. 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.
14. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:

    a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

    b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.
15. Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

S. No.	Market Price Slab (in Rs.)	Proposed Spread (in % to sale price)
1.	Up to 50	9

2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

16. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	**Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size)**	**Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size)**
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / BSE Limited from time to time.

CAPITAL STRUCTURE

Set forth below are the details of the Equity Share capital of our Company as on the date of this Red Herring Prospectus:

(in ₹, except share data)

Sr. No.	Particulars	Aggregate nominal value (in ₹)	Aggregate value at Issue Price* (in ₹)
A.	**Authorized Share Capital**		
	2,50,00,000 Equity Shares of face value of ₹ 10/- each	25,00,00,000	**[●]**
B.	**Issued, Subscribed and Paid-up share Capital before the Issue(1)**		
	1,74,62,954 Equity Shares of face value of ₹ 10/- each	17,46,29,540	**[●]**
C.	**Present Issue in terms of this Red Herring Prospectus**		
	Fresh Issue of up to 65,07,000 Equity Shares of face value of ₹ 10/- each aggregating up to ₹ [●] Lakhs (2)	[●]	**[●]**
	Which Comprises of:		
D.	**Reservation for Market Maker portion**		
	Upto 3,26,000 Equity Shares of face value of ₹ 10/- each	**[●]**	**[●]**
F.	**Issued, Subscribed and Paid-up share Capital after the Issue**		
	[●] Equity Shares of face value of ₹ 10/- each*	**[●]**	**[●]**
G.	**Securities Premium Account**		
	Before the Issue (as on date of this Red Herring Prospectus)	14,43,15,860	
	After the Issue	**[●]**	

**To be updated upon the finalization of the Issue Price.*

(1) All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

(2) The present Issue has been authorized pursuant to a resolution of our Board dated December 12, 2024 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated December 13, 2024 under Section 62(1)(c) of the Companies Act, 2013

NOTES TO THE CAPITAL STRUCTURE

1) Details of changes in Authorized Share Capital of our Company

The following changes have been made in the Authorized Share Capital of our Company since inception:

Date of Shareholder's meeting/ Incorporation	Particulars of Change		Type of Meeting
	From	To	
December 14, 1998	The initial authorized share capital of ₹ 25,00,000 consisting of 2,50,000 Equity Shares of ₹ 10 each upon Incorporation		NA
March 21, 2007	₹ 25,00,000 consisting of 2,50,000 Equity Shares of ₹ 10 each	₹ 60,00,000 consisting of 6,00,000 Equity Shares of ₹ 10 each	EGM
July 09, 2010	₹ 60,00,000 consisting of 6,00,000 Equity Shares of ₹ 10 each	₹ 5,00,00,000 consisting of 50,00,000 Equity Shares of ₹ 10 each	EGM
June 24, 2024	₹ 5,00,00,000 consisting of 50,00,000 Equity Shares of ₹ 10 each	₹ 25,00,00,000 consisting of 2,50,00,000 Equity Shares of ₹ 10 each	EGM

2) History of Paid-up Equity Share Capital of our Company:

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares	Face value	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity	Cumulative paid -up Capital
		(₹)				Shares	(₹)
Upon Incorporation	200	10	10	Cash	Subscription to MOA [1]	200	2,000
March 31, 2004	9,800	10	10	Cash	Further Allotment [2]	10,000	1,00,000
March 31, 2005	40,000	10	12.5	Cash	Further Allotment [3]	50,000	5,00,000
March 21, 2007	1,60,000	10	Nil	Other than Cash	Bonus Issue [5]	2,10,000	21,00,000
March 21, 2007	40,000	10	10	Cash	Further Allotment [4]	2,50,000	25,00,000
March 21, 2011	17,50,000	10	10	Other than Cash	Conversion of Loan from Directors to Equity [6]	20,00,000	2,00,00,000
March 21, 2011	20,00,000	10	Nil	Other than Cash	Bonus Issue [7]	40,00,000	4,00,00,000
July 18, 2014	9,95,000	10	Nil	Other than Cash	Bonus Issue [8]	49,95,000	4,99,50,000
August 1, 2024	4,99,318	10	300	Cash	Preferential Issue [9]	54,94,318	5,49,43,180
August 09, 2024	44,000	10	300	Cash	Preferential Issue [10]	55,38,318	5,53,83,180
August 31, 2024	1,10,76,636	10	Nil	Other than Cash	Bonus Issue [11]	1,66,14,954	16,61,49,540
December 04, 2024	8,48,000	10	125	Cash	Preferential Issue [12]	1,74,62,954	17,46,29,540

[1] *Initial Subscribers to Memorandum of Association held Equity Shares each of face value of ₹ 10/- fully paid up as per the details given below:*

SN	Name of Allottee	No. of Shares Allotted
1	Venkatesan Dakshinamoorthy	100
2	V. Revathi	100
Total		**200**

[2] *The details of allotment of 9,800 Fully Paid-up Equity Shares made on March 31, 2004 by way of further allotment is as follows:*

SN	Name of Allottee	No. of Shares Allotted
1	Venkatesan Dakshinamoorthy	4,900
2	V. Revathi	4,900
Total		**9,800**

[3] *The details of allotment of 40,000 Fully Paid-up Equity Shares made on March 31, 2005 by way of further allotment is as follows:*

SN	Name of Allottee	No. of Shares Allotted
1	Venkatesan Dakshinamoorthy	20,000
2	V. Revathi	20,000
Total		**40,000**

(4) *The Company thereafter made Bonus issue of 1,60,000 equity shares to shareholders in ratio of* 16:5 *as on March 21, 2007 the details of which is given below:*

SN	Name of Allottee	No. of Shares Allotted
1	Venkatesan Dakshinamoorthy	60,000
2	Manikandan Dakshna moorthy	1,00,000
Total		1,60,000

(5) *The Company thereafter made Further allotment against share application money pending allotment of* 40,000 *equity shares to shareholder as on* March 21, 2007*, the details of which is given below:*

SN	Name of Allottee	No. of Shares Allotted
1	Venkatesan Dakshinamoorthy	40,000
Total		**40,000**

(6) *The Company thereafter made further allotment w.r.t conversion of unsecured loan into equity of 17,50,000 equity shares as on March 21, 2011, the details of which is given below:*

SN	Name of Allottee	No. of Shares Allotted
1	Venkatesan Dakshinamoorthy	8,75,000
2	Manikandan Dakshna moorthy	8,75,000
Total		**17,50,000**

(7) *The Company thereafter made Bonus issue of* 20,00,000 *equity shares to shareholders in ratio of* 8:1 *as on March 21, 2011 the details of which is given below:*

SN	Name of Allottee	No. of Shares Allotted
1	Venkatesan Dakshinamoorthy	10,00,000
2	Manikandan Dakshna moorthy	10,00,000
Total		**20,00,000**

(8) *The Company thereafter made Bonus issue of* 9,95,000 *equity shares to shareholders in ratio of* 4.02:1 *as on July 18, 2014 the details of which is given below:*

SN	Name of Allottee	No. of Shares Allotted
1	Venkatesan Dakshinamoorthy	4,97,500
2	Manikandan Dakshna moorthy	4,97,500
Total		**9,95,000**

(9) *The Company thereafter made preferential allotment of 4,99,318 equity shares as on August 01, 2024, the details of which is given below:*

SN	Name of Allottee	No. of Shares Allotted
1	Aditya Rashmikant Dharia	33,330
2	Amartara Plastics Private Limited	25,000
3	Husain Asgar	8,000
4	Pranav Rakesh Kapoor	8,000
5	Vandan Vijay Agarwal	8,000
6	Rajesh Swaminathan	3,600
7	Amit Mehra	20,000
8	Moiz Mohammed Bohra	3,000
9	Harsha Talreja	8,000
10	Sunil Abar	12,000
11	Ninedot Fortune Builders LLP	6,000
12	Ninedot Ventures LLP	10,400
13	Singhvi Heritage LLP	6,400
14	Aakash Jain	4,000
15	Aman Jain	2,000
16	Tejal Pratyush Bhartiya	20,000
17	Kranti Prabhakar Shanbhag	33,000
18	Sanjay Harshadrai Mehta	9,000
19	Nandan Pravinbhai Ganatra	8,300
20	Indubai Soma Hirve	8,300
21	Kambhapu Vineeth	6,700

SN	Name of Allottee	No. of Shares Allotted
22	Chitresh Kumar Lunawat	2,750
23	Ramaiy Kapoor	8,350
24	Anupam Iyer	7,000
25	Dhawal Arvind Thakker	50,000
26	Asha Mahavirchand Mehta	66,400
27	Yogesh Namdeo Mandhare	3,333
28	Sagar Narendrabhai Gokani	8,000
29	Gaurav Sanwaldas Loungani	3,400
30	Chika Nirav Gala	8,333
31	Vipula Shailesh Bhansali	6,000
32	Anshul Sunil Mittal	1,000
33	Shah Manish Dilip Bhai	667
34	Parikh Vivek Harish Bhai	3,300
35	Dhararmchand J Surana	5,000
36	Dharamchand J Surana (Karta of D C Surana HUF)	5,000
37	Utkarsh Gupta	3,000
38	Rajive Tejraj Bafna	500
39	Priya Goel	2,340
40	Prince D Surana	5,000
41	Deepa Prince Surana	1,000
42	Kranti Dharmchand Surana	1,000
43	Sandeep Chandrakant Patel	3,000
44	Shrinivasan Jaganathan	8,000
45	Prashant Jethabhai Thakkar	3,334
46	Niagra Growth Private Limited	8,500
47	Rudhika Kawar Kamavat	2,750
48	Hemanth Thanmal	6,000
49	Rahul Hemchand Visaria	2,000
50	Jitendra Mohanlal Katarmal	3,333
51	Nirmala Jitendra Katarmal	3,333
52	Jhanvi Jitendra Katarmal	3,333
53	Nidhi Sagar Bhanushali	3,333
54	Mahesh Purushottam Bhanushali	3,333
55	Jyotsna Mahesh Bhanushali	3,333
56	Sagar Purushottam Bhanushali	3,333
57	Sachin Shrof	1,000
58	Saurabh Goswami	2,000
59	Swagata Narayan Shetkar	5,000
Total		**4,99,318**

(10) The Company thereafter made preferential allotment of 44,000 equity shares as on August 09, 2024, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Krisha Vishal Talreja	9,000
2	Pradyumna Singhania	35,000
Total		**44,000**

(11) The Company thereafter made Bonus issue of 1,10,76,636 *equity shares to shareholders in ratio of* 2:1 *as on August 31, 2024, the details of which is given below:*

SN	Name of Allottee	No. of Shares Allotted
1	Mr. Venkatesan Dakshinamoorthy	43,30,664
2	Mr. Manikandan Dakshna moorthy	43,30,666
3	Mrs. Aparna Sameer Thakkar	13,28,670
4	Asha Mahavirchand Mehta	1,32,800
5	Dhawal Arvind Thakker	1,00,000
6	Pradyumna Singhania	70,000
7	Aditya Rashmikant Dharia	66,660
8	Kranti Prabhakar Shanbhag	66,000
9	Amartara Plastics Private Limited	50,000
10	Amit Mehra	40,000

11	Tejal Pratyush Bhartiya	40,000
12	Sunil Abar	24,000
13	Ninedot Ventures LLP	20,800
14	Sanjay Harshadrai Mehta	18,000
15	Krisha Vishal Talreja	18,000
16	Niagra Growth Private Limited	17,000
17	Ramaiy Sureshchander Kapoor	16,700
18	Chika Nirav Gala	16,666
19	Nandan Pravinbhai Ganatra	16,600
20	Indubai Soma Hirve	16,600
21	Husain Asgar	16,000
22	Pranav Rakesh Kapoor	16,000
23	Vandan Vijay Agarwal	16,000
24	Harsha Talreja	16,000
25	Sagar Narendrabhai Gokani	16,000
26	Shrinivasan Jaganathan	16,000
27	Anupam Iyer	14,000
28	Kambhapu Vineeth	13,400
29	Singhvi Heritage LLP	12,800
30	Ninedot Fortune Builders LLP	12,000
31	Vipula Shailesh Bhansali	12,000
32	Hemanth Thanmal	12,000
33	Dhararmchand J Surana	10,000
34	Dharamchand J Surana (Karta of D C Surana HUF)	10,000
35	Prince D Surana	10,000
36	Swagata Narayan Shetkar	10,000
37	Aakash Jain	8,000
38	Rajesh Swaminathan	7,200
39	Gaurav Sanwaldas Loungani	6,800
40	Prashant Jethabhai Thakkar	6,668
41	Yogesh Namdeo Mandhare	6,666
42	Jitendra Mohanlal Katarmal	6,666
43	Nirmala Jitendra Katarmal	6,666
44	Jhanvi Jitendra Katarmal	6,666
45	Nidhi Sagar Bhanushali	6,666
46	Mahesh Purushottam Bhanushali	6,666
47	Jyotsna Mahesh Bhanushali	6,666
48	Sagar Purushottam Bhanushali	6,666
49	Parikh Vivek Harish Bhai	6,600
50	Moiz Mohammed Bohra	6,000
51	Utkarsh Gupta	6,000
52	Sandeep Chandrakant Patel	6,000
53	Chitresh Kumar Lunawat	5,500
54	Rudhika Kawar Kamavat	5,500
55	Priya Goel	4,680
56	Aman Jain	4,000
57	Rahul Hemchand Visaria	4,000
58	Saurabh Goswami	4,000
59	Anshul Sunil Mittal	2,000
60	Deepa Prince Surana	2,000
61	Kranti Dharmchand Surana	2,000
62	Sachin Shrof	2,000
63	Shah Manish Dilip Bhai	1,334
64	Rajive Tejraj Bafna	1,000
Total		**1,10,76,636**

(12) The Company thereafter made preferential allotment of 8,48,000 equity shares as on December 04, 2024, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Purvesh Mukeshkumar Shah	3,50,000

2	Rajkumar Kapoor	12,000
3	Anup Navalchand Gangar	20,000
4	Sheetal Hemanth	50,000
5	Singhvi Heritage Llp	29,500
6	Chitresh Kumar Lunawat	28,500
7	Vipula Shailesh Bhansali	6,000
8	Sheila Bhaskar Mudbidri	80,000
9	Rohan Gupta	1,50,000
10	Daksha Mukeshkumar Shah	50,000
11	Mona Jayesh Sheth	18,000
12	Ninedot Fortune Builders Llp	34,000
13	Suresh Punamchand Varaiya	20,000
Total		**8,48,000**

3) Preference Share capital history of our Company: NA

4) Issue of equity shares for consideration other than cash or through Bonus Issue:

- Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment
March 21, 2007	1,60,000	10	Nil	Bonus Issue of Equity Shares out of Free reserves and Securities Premium Account in the ratio of 16:5[(1)]
March 21, 2011	17,50,000	10	Nil	Allotment made pursuant to conversion of unsecured loan into equity [(2)]
March 21, 2011	20,00,000	10	Nil	Bonus Issue in the ratio of 8:1 (08 Equity Shares for every 01 Equity Shares held as on March 21, 2011) out of Free reserves [(3)]
July 18, 2014	9,95,000	10	Nil	Bonus Issue in the ratio of 4.02:1 (4.02 Equity Shares for every 01 Equity Shares held as on July 18, 2014) out of Free reserves [(4)]
August 08, 2024	1,10,76,636	10	Nil	Bonus Issue in the ratio of 2:1 (02 Equity Shares for every 01 Equity Shares held as on August 08, 2024) out of Free reserves [(5)]

[(1)] For list of allottees see note (04) of paragraph titled "History of Equity Share capital of our Company" mentioned above.

[(2)] For list of allottees see note (06) of paragraph titled "History of Equity Share capital of our Company" mentioned above.

[(3)] For list of allottees see note (07) of paragraph titled "History of Equity Share capital of our Company" mentioned above

[(4)] For list of allottees see note (08) of paragraph titled "History of Equity Share capital of our Company" mentioned above

[(5)] For list of allottees see note (11) of paragraph titled "History of Equity Share capital of our Company" mentioned above

5) As of date of this Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.

6) As on date of this Red Herring Prospectus, our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.

7) Except as disclosed below, we have not issued any Equity Shares at price that may be below Issue price within last one year from the date of this Red Herring Prospectus:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment
August 08, 2024	1,10,76,636	10	Nil	Bonus Issue in the ratio of 2:1 (02 Equity Shares for every 01 Equity Shares held as on August 08, 2024) out of Free reserves [(1)]

[(1)] For list of allottees see note (05) of paragraph titled "History of Equity Share capital of our Company" mentioned above.

8) Shareholding Pattern of our Company

The Shareholding Pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

Sr. No.	Particular	Yes/No	Promoters and Promoters Group	Public shareholder	Non-Promoters – Non-Public
1.	Whether the Company has issued any partly paid-up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in locked-in?*	No	No	No	No
6.	Whether any shares held by Promoters are pledge or otherwise encumbered?	No	No	NA	NA
7.	Whether company has equity shares with differential voting rights?	No	No	No	No
8.	Whether the listed entity has any significant beneficial owner?	No	No	NA	NA

* All Pre-IPO Equity Shares of our Company will be locked-in prior to listing of shares on SME Platform of BSE.

The table below represents the shareholding pattern of our Company as on the date of this Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (++VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoters and Promoter Group	2	1,29,91,995	-	-	1,29,91,995	74.40	1,29,91,995	1,29,91,995	74.40	-	-	-	-	-	-	1,29,91,995
(B)	Public	93	44,70,959	-	-	44,70,959	25.60	44,70,959	44,70,959	25.60	-	-	-	-	-	-	44,70,959
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		95	1,74,62,954	-	-	1,74,62,954	100	1,74,62,954	1,74,62,954	100	-	-	-	-	-	-	1,74,62,954

9) Other details of shareholding of our Company:

a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company and the number of shares held by them as on the date of filing of this Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1	Manikandan Dakshna moorthy	64,95,999	37.20%
2	Venkatesan Dakshinamoorthy	64,95,996	37.20%
3	Aparna Samir Thakker	19,93,005	11.41%
4	Purvesh Mukeshkumar Shah	4,00,000	2.29%
5	Asha M Mehta	1,99,200	1.14%
Total		**1,55,84,200**	**89.24%**

b) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1	Manikandan Dakshna moorthy	64,95,999	37.20%
2	Venkatesan Dakshinamoorthy	64,95,996	37.20%
3	Aparna Samir Thakker	19,93,005	11.41%
4	Purvesh Mukeshkumar Shah	4,00,000	2.29%
5	Asha M Mehta	1,99,200	1.14%
Total		**1,55,84,200**	**89.96%**

c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year from the date of filing of this Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1	Manikandan Dakshna moorthy	21,65,333	12.40%
2	Venkatesan Dakshinamoorthy	21,65,332	12.40%
3	Aparna Samir Thakker	6,64,335	3.80%
Total		**49,95,000**	**28.60%**

d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Manikandan Dakshna moorthy	21,65,333	12.40%
2.	Venkatesan Dakshinamoorthy	21,65,332	12.40%
3.	Revathi Venkatesan	3,32,168	1.90%
4.	Nandhini Manikandan	3,32,167	1.90%
Total		**49,95,000**	**28.60%**

e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Red Herring Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Red Herring Prospectus.

10) Our Company does not have intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or

any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

11) Shareholding of our Promoters

As on the date of this Red Herring Prospectus, our Promoters hold 74.40 % of the pre- Issued, subscribed and paid-up Equity Share capital of our Company.

Set forth below are the details of the build-up of shareholding of our Promoter:

Date of Allotment and made fully paid up/Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	Cumulative no. of Equity Shares	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital	No. of Shares Pledged	% of shares pledged
1. Manikandan Dakshna moorthy										
November 01, 2006	Transfer from V. Revathi	Cash	25,000	10	10	25,000	0.14	[●]	[●]	[●]
March 21, 2007	Bonus Issue	Other than cash	1,00,000	10	Nil	1,25,000	0.57	[●]	[●]	[●]
March 21, 2011	Conversion of loan into equity	Other than cash	8,75,000	10	10	10,00,000	5.01	[●]	[●]	[●]
March 21, 2011	Bonus Issue	Other than Cash	10,00,000	10	Nil	20,00,000	5.73	[●]	[●]	[●]
July 18, 2014	Bonus Issue	Other than Cash	4,97,500	10	Nil	24,97,500	2.85	[●]	[●]	[●]
April 20, 2023	Transfer to M. Nandini	Other than Cash-Gift	(3,32,167)	10	Nil	21,65,333	-1.90	[●]	[●]	[●]
August 31, 2024	Bonus Issue	Other than Cash	43,30,666	10	Nil	64,95,999	24.80	[●]	[●]	[●]
		Total	**64,95,999**				**37.20**			
2. Venkatesan Dakshinamoorthy										
On Incorporation	Subscription to MOA	Cash	100	10	10	100	0.001	[●]	[●]	[●]
March 31,2004	Further Allotment	Cash	4,900	10	10	5,000	0.03	[●]	[●]	[●]
March 31, 2005	Further Allotment	Cash	20,000	10	12.50	25,000	0.11	[●]	[●]	[●]
March 21, 2007	Allotment pursuant to share application money	Cash	40,000	10	10	65,000	0.23	[●]	[●]	[●]
March 21, 2007	Bonus Issue	Other than cash	60,000	10	Nil	1,25,000	0.34	[●]	[●]	[●]

March 21, 2011	Conversion of loan into equity	Other than cash	8,75,000	10	10	10,00,000	5.01	[●]	[●]	[●]
March 21, 2011	Bonus Issue	Other than Cash	10,00,000	10	Nil	20,00,000	5.73	[●]	[●]	[●]
July 18, 2014	Bonus Issue	Other than Cash	4,97,500	10	Nil	24,97,500	2.85	[●]	[●]	[●]
April 20, 2023	Transfer to V.Revathi	Other than Cash-Gift	(3,32,168)	10	Nil	21,65,332	-1.90	[●]	[●]	[●]
August 31, 2024	Bonus Issue	Other than Cash	43,30,664	10	Nil	64,95,996	24.80	[●]	[●]	[●]
		Total	**64,95,996**	-	-	-	**37.20**	[●]	[●]	[●]
3. Nandhini Manikandan										
April 20, 2023	Transfer from Manikandan Dakshnamoorthy	Other than Cash-Gift	3,32,167	10	Nil	3,32,167	1.90	[●]	[●]	[●]
September 11, 2023	Transfer to Aparna Sameer Thakkar	Cash	(3,32,167)	10	94.38	Nil	Nil	[●]	[●]	[●]
		Total	Nil	-	-	-	Nil	[●]	[●]	[●]
4. ***Sathishkumar Venkatesan***										
Nil										

Except as mentioned above, all the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

12) As on the date of the Red Herring Prospectus, the Company has 95 (Ninety-Five) shareholders.

13) Pre- Issue and Post- Issue Shareholding of our Promoters and Promoter Group

Sr. No.	Name of the Shareholders	Pre-Issue		Post Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
A. Promoters					
1.	Manikandan Dakshna moorthy	64,95,999	37.20%	[●]	[●]
2.	Venkatesan Dakshinamoorthy	64,95,996	37.20%	[●]	[●]
3.	Nandhini Manikandan	Nil	Nil	[●]	[●]
4.	Sathishkumar Venkatesan	Nil	Nil	[●]	[●]
Total (A)		**1,29,91,995**	**74.40%**	[●]	[●]
B. Promoter Group					
	NA*	NA*	NA*	[●]	[●]
Total (B)		NA*	NA*	[●]	[●]
Total (A+B)		**1,29,91,995**	**74.40%**	[●]	[●]

**None of the promoter group member hold any equity shares in the company*

14) Except as mentioned below, there were no shares purchased/sold by the Promoter(s) and Promoter Group, directors of our Company and their relatives during last six months:

Date of Allotment/ transfer	Name of Allot tee/ Transferee	Party Category	Number of Shares Allotted/ Transferred	Face Value	Issue Price/ Transfer Price	Reason of Allotment/ Transfer
Nil						

15) There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Red Herring Prospectus.

16) Promoter's Contribution and other Lock-In details:

In accordance with Regulations 236 and 238 of the SEBI (ICDR) Regulations, the Promoters of our Company shall be subject to the following lock-in restrictions on their shareholding:

Minimum Promoters' Contribution: An aggregate of 20.00% of the fully diluted post-Issue share capital of the Company, held by the Promoters, shall be locked in for a period of three years from the date of allotment (the "Minimum Promoters' Contribution").

Excess Promoter Shareholding over Minimum Promoters' Contribution to the exent of 50%: The Promoters' shareholding in excess of the Minimum Promoters' Contribution, i.e., 10.00% of the fully diluted post-Issue capital (equivalent to 40,98,900 Equity Shares), shall be locked in for a period of two years from the date of allotment in the Issue.

Further Excess Promoter Shareholding: The remaining 50% of the Promoters' holding in excess of the Minimum Promoters' Contribution, i.e., 10.00% of the fully diluted post-Issue capital (equivalent to 40,98,595 Equity Shares), shall be locked in for a period of one year from the date of allotment in the Issue.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoter's Contribution:

Number of Equity Shares locked-in*(1)(2)(3)	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Issue paid-up capital	Period of lock-in
Manikandan Dakshna moorthy							
23,97,250	Bonus	August 31, 2024	10.00	Nil	Other than Cash	[●]	3 years
Venkatesan Dakshinamoorthy							
23,97,250	Bonus	August 31, 2024	10.00	Nil	Other than Cash	[●]	3 years

** Subject to finalisation of Basis of Allotment.*

(1)For a period of three years from the date of allotment.

(2)All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoters are in dematerialized form.

For details of the build-up of the Equity Share capital held by our Promoters, see chapter titled **"*Capital Structure - Details of the Build-up of our Promoters' shareholding*"** on Page No. 69.

The Promoter's Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as 'promoter' under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter' Contribution under Regulation 237 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets
- Equity Shares resulting from bonus issue by utilization of revaluations reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters' contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares issued to the Promoters upon conversion of a partnership firm;
- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoters and the members of the Promoter Group are held in dematerialized form.

In terms of undertaking executed by our Promoters, Equity Shares forming part of Promoters' Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of the Draft Red Herring Prospectus till the date of commencement of lock in period as stated in this Red Herring Prospectus.

Details of Equity Shares held by Promoters in excess of minimum promoters' contribution

Lock in of Equity Shares held by Promoters in excess of minimum promoters' contribution as per Regulation 238 of the SEBI ICDR Regulations, 2018 read with SEBI (ICDR) (Amendment) Regulations, 2025. Pursuant to Regulation 238(b) of the SEBI ICDR Regulations, 2018 read with SEBI (ICDR) (Amendment) Regulations, 2025, the Equity Shares held by our Promoters and promoters' holding in excess of minimum promoters' contribution shall be locked as follows:

a. Fifty percent of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of two years from the date of allotment in the initial public offer i.e. pre-Issue of 40,98,900 Equity Shares shall be subject to lock-in; and

b. Remaining fifty percent of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of one year from the date of allotment in the initial public offer i.e. pre- Issue of 40,98,595 Equity Shares shall be subject to lock-in.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoter's Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible**
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible**

237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible**
237(1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible**
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible**

Details of Equity Shares held by persons other than the Promoters

Lock in of Equity Shares held by persons other than promoters as per Regulation 239 of the SEBI ICDR Regulations and amendment thereto. The entire pre-issue capital held by persons other than the promoters shall be locked-in for a period of one year from the date of allotment in the initial public offer, i.e. pre-Issue of 44,70,959 Equity Shares shall be subject to lock-in.

Other requirements in respect of 'lock-in'

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 242(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

17) Our Company, our Promoters, our Directors and the Book Running Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

18) The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.

19) There have been no financing arrangements whereby our directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Red Herring Prospectus.

20) No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.

21) There neither have been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.

22) Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Red Herring Prospectus.

23) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

24) Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing the Draft Red Herring Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.

25) All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

26) As on the date of this Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

27) Our Promoters and the members of our Promoter Group will not participate in the Issue.

28) Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel:

Sr. No.	Name	Designation	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Venkatesan Dakshinamoorthy	Managing Director	64,95,996	37.20%
2.	Manikandan Dakshna moorthy	Joint Managing Director	64,95,999	37.20%

29) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.

30) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled **"*Issue Procedure*"** beginning on Page No. 240 of this Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (1) of SEBI (ICDR) Regulations, as amended from time to time.

31) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

32) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

33) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines

34) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.

35) As on date of this Red Herring Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

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OBJECTS OF THE ISSUE

The Issue comprises of entirely a fresh Issue of up to 65,07,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

Fresh Issue

The details of the Net Proceeds are set forth below:

(₹ in Lakhs)

Particulars		**Estimated Amount***
Gross Proceeds of the Issue		Upto [●]**
Less:	Estimated Issue related Expenses[#]	[●]
Net Proceeds of the Issue		[●]

**To be finalised upon determination of the Issue Price and updated in the Prospectus at the time of filing with the RoC.*
***Subject to full subscription to the Fresh Issue component.*
 # For details, see "- Issue expenses" on page 93.

Requirement of Funds:

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(₹ in Lakhs)

Sr.No.	**Particulars**	**Estimated Amount***
1.	Capital expenditure towards purchase of machinery and equipment	Upto 1,367.78
2.	Repayment of a portion of certain outstanding borrowing availed by our company	Upto 600.00
3.	Funding working capital requirements	Upto 5,927.02
4.	General corporate purposes*#	[●]
	Total[#]	[●]

**To be determined upon finalisation of the Issue Price and updated in the Prospectus prior to filing with the RoC.*
#The amount to be utilized for general corporate purposes shall not exceed 15% of the gross proceeds or 10 crores whichever is lower.
(collectively, referred to herein as the "**Objects**")

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake its existing business activities and the activities for which funds are being raised through the Fresh Issue. In addition, our Company expects to receive the benefits of listing its Equity Shares on the Stock Exchanges, including enhancing its visibility and brand image, and creating a public market for our Equity Shares.

Utilization of Net Proceeds and Proposed Schedule of Implementation and Deployment of Net Proceeds

The Net Proceeds are proposed to be utilised in the manner set out in the following table:

(₹ in Lakhs)

Sr. No.	**Particulars**	**Estimated Amount***	**Estimated Utilization of Net Proceeds in F.Y. 2025 – 2026**	**Estimated Utilization of Net Proceeds in F.Y. 2026– 2027**
1.	Capital expenditure towards purchase of Machinery and equipment**	Upto 1,367.78	Upto 1,367.78	-
2.	Repayment of a portion of certain outstanding borrowing availed by our company	Upto 600.00	Upto 600.00	-
3.	Funding working capital requirements	Upto 5,927.02	Upto 5,927.02	-
4.	General corporate purposes*#	[●]	[●]	[●]
	Total[#]	[●]	[●]	[●]

**To be determined upon finalisation of the Issue Price and updated in the Prospectus prior to filing with the RoC.*
 # The amount to be utilised for general corporate purposes shall not exceed 15% of the gross proceeds of the Fresh Issue or 10 crore whichever is lower, in accordance with the SEBI ICDR Regulations.
***These Quotations are Valid till September 30, 2025*

The deployment of funds indicated above will be based on management estimates, existing circumstances of our business and prevailing market conditions, which may subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See *"Risk Factors-Object of the issue for which the funds are*

being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval." on page 33

Given the nature of our business, and since the amount of the Net Proceeds proposed to be utilized towards the Objects are not towards implementing any specific project, we may have to revise our funding requirements and deployment from time to time, on account of a variety of factors such as our financial condition, business strategies and external factors such as market conditions, any epidemic, competitive environment and other external factors, which would not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements.

Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes, to extent that the total amount to be utilized will not exceed 25% of the gross proceeds of the Fresh Issue.

The fund requirements set out for the aforesaid Objects are proposed to be met entirely from the Net Proceeds, internal accruals, and existing debt financing. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

We propose to deploy the entire Net Proceeds towards the Objects in the Financial Year 2025-26 and 2026-27. However, if the Net Proceeds are not completely utilised for the Objects in the stated period, such amounts will be utilised (in part or full) in Financial Year 2027-28, in accordance with applicable law.

Details of the Objects of the Fresh Issue

1. Capital expenditure towards purchase of machinery and equipment

Our Board in its meeting dated August 21, 2025 took note that an amount of ₹ Upto 1,367.78 Lakhs is proposed to be utilised for Funding of capital expenditure requirements of our company towards purchase of machinery and equipment from the Net Proceeds. Our 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 PGME-2030 for enhancing our in-house manufacturing capabilities, increasing production efficiency, and supporting upcoming project-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. Our Company has received quotation from supplier and is yet to place any orders or enter into definitive agreements for purchase and installation of such machines. The break-down of such estimated costs are set forth below: -

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Our Company has received quotation from supplier and is yet to place any orders or enter into definitive agreements for purchase and installation of such machinery. The break-down of such estimated costs are set forth below***:-

(₹ in Lakhs)

S. No.	Supplier/ Vendor Name	Item Type^	Description^^	Quantity	USD ($)	USD-INR (31/07/2025)	Price per quantity in Rs.	Amount in Rs*^	Date of Quotation	Validity of quotation
1.	Nanjing Harsle Machine Tool Co., Ltd	Customized Four Column Hydraulic Press	Y32-500T, Table size: 3200*2000mm, daylight: 1000mm, stroke: 800mm, Servo pump station	1	95,000	87.55	83.17	83.17	February 20, 2025	September 30, 2025
2.	Nanjing Harsle Machine Tool Co., Ltd	Customized Four Column Hydraulic Press	Y32-1000T, Table size: 3200*2000mm, daylight: 1000mm, stroke: 800mm, Servo pump station	1	1,48,000	87.55	129.57	129.57	February 20, 2025	September 30, 2025
3.	Nanjing Harsle Machine Tool Co., Ltd	Customized Four Column Hydraulic Press	Y32-500T, Table size: 3800*2000mm, daylight: 1000mm, stroke: 800mm, Servo pump station	1	1,05,000	87.55	91.93	91.93	February 20, 2025	September 30, 2025
4.	Nanjing Harsle Machine Tool Co., Ltd	Customized Four Column Hydraulic Press	Y32-1000T, Table size: 3800*2000mm, daylight: 1000mm, stroke: 800mm, Servo pump station	1	1,60,000	87.55	140.08	140.08	February 20, 2025	September 30, 2025
5.	Nanjing Harsle Machine Tool Co., Ltd	Moulds	window panel	1	12,600	87.55	11.03	11.03	February 20, 2025	September 30, 2025
6.	Nanjing Harsle Machine Tool Co., Ltd	Moulds	lscn-pp2-5-4-002	1	11,700	87.55	10.24	10.24	February 20, 2025	September 30, 2025

7.	Nanjing Harsle Machine Tool Co., Ltd	Moulds	sidewall TYPE 3	1	11,700	87.55	10.24	10.24	February 20, 2025	September 30, 2025
8.	Nanjing Harsle Machine Tool Co., Ltd	Moulds	sidewall TYPE 2	1	12,600	87.55	11.03	11.03	February 20, 2025	September 30, 2025
9.	Nanjing Harsle Machine Tool Co., Ltd	Moulds	sidewall TYPE 1	1	14,400	87.55	12.61	12.61	February 20, 2025	September 30, 2025
10.	Nanjing Harsle Machine Tool Co., Ltd	Full-Electric Servo Press Brake	EP-35T1250, DA-53T Controller, 4 axis (Y1+Y2+X+R), YASKAWA servo motors, back light curtain, one set of Punch and Die	1	24,000	87.55	21.01	21.01	February 20, 2025	September 30, 2025
11.	Nanjing Harsle Machine Tool Co., Ltd	Full-Electric Servo Press Brake	EP-100T3200, DA-53T Controller, 4+1 axis (Y1+Y2+X+R+V crowning), YASKAWA servo motors, back light curtain, one set of Punch and Die	1	50,000	87.55	43.78	43.78	February 20, 2025	September 30, 2025
12.	Cosmos Impex (India) Pvt. Ltd	Cosmos Maximus CNC Double Column Machining Center	Cosmos Maximus CNC Double Column Machining Center Model: M-4223.	1	-	-	281.37[$]	281.37[$]	March 03, 2025	September 30, 2025
13.	Jiangsu PONC CNC Science Technology Co., Ltd.	CNC Machine	PCD-CNC4008B	1	1,10,600	87.55	96.83	96.83	February 20, 2025	September 30, 2025
14.	Jiangsu PONC CNC Science Technology Co., Ltd.	CNC Machine	PCD-CNC4008B	1	1,38,200	87.55	120.99	120.99	February 20, 2025	September 30, 2025

15.	Jiangsu PONC CNC Science Technology Co., Ltd.	CNC Machine	PCD-CNC8008B	1	1,49,300	87.55	130.71	130.71	February 20, 2025	September 30, 2025
16.	Jiangsu PONC CNC Science Technology Co., Ltd	PGME-2030	PGME is a Bridge-Type Machining Center It is suitable for the worldwide market, especially for shipbuilding, power generation, military industry, heavy machinery manufacturing, railway, machine tools building, textile machinery, printing machinery, mold manufacturing, etc. The machine tool can perform all milling functions required by a milling tool.	1	1,97,800	87.55	173.17	173.17	February 20, 2025	September 30, 2025
Total								**1,367.78**		

$*including the GST and any other applicable taxes*

**GST or any other applicable tax shall be paid from internal accrual. The quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, duties and other government levies, applicable and shall be paid out of internal accruals.*

^Source – 1 USD = 87.55 INR, www.rbi.org.in/scripts/ReferenceRateArchive.aspx dated July 31, 2025)

 # Issuer, Our Promoters, Our Promoter Group, Our Directors, Our Key Managerial Personnel and Merchant Banker do not have any personal interest in the proposed acquisition of the machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the equipment.

^ ^The equipment that will be acquired shall be new and shall not be previously owned or utilized by any party.

**** As certified by Er. Yuvraj S. Chartered Engineer, by way of their certificate dated May 22, 2025*

We have considered the above quotation for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary. Quotation received from the vendor mentioned above is valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the equipment or at the same costs. The Equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 15% of the amount raised by our Company through this Issue or 10 crore whichever is lower.

The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of Equipments proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost.

2. Repayment of a portion of certain outstanding borrowing availed by our company

Our Board in its meeting dated August 21, 2025, took note that an amount of ₹ 600.00 Lakhs is proposed to be utilised for repayment/ prepayment of certain borrowings availed by our Company from the Net Proceeds. Our Company has entered into financial arrangements from time to time with various banks and financial institutions. The outstanding loan facilities entered into by our Company include secured and unsecured borrowing in the form of Loan against property of our Company and personal guarantees of the Directors and Promoters. For further details, please refer *"Financial Indebtedness"* on page 184 of this Red Herring Prospectus. As on March 31, 2025, the aggregate outstanding secured borrowings of our Company is ₹ 5,738.71 Lakhs. Our Company proposes to utilise an estimated amount of ₹ 600.00 Lakhs from the Net Proceeds towards part or full repayment and/or pre-payment of borrowings availed by us.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary after payment of due instalments. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loan as the case may be which have been availed by us. If at the time of filing of Red Herring Prospectus, any of the below mentioned loans are repaid or refinanced or if any additional credit facilities are availed or drawn down or further disbursements under the existing facilities are availed by our Company, then our Company may utilise the Net Proceeds for prepayment and/or repayment of any such refinanced facilities or additional facilities / disbursements obtained by our Company. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by our Company. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid by our Company in the subsequent Fiscal.

For the purposes of the Issue, our Company has obtained necessary consent from its lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Issue and for the deployment of the Net Proceeds towards the objects of this Issue.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed is and will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The amounts proposed to be prepaid and/or repaid against each borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and/or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and/or repayment. For details of our indebtedness, see *"Financial Indebtedness"* on page 184. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Payment of additional interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the internal accruals of our Company or out of the Net Proceeds as may be decided by our Company.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness, debt servicing costs assist us in maintaining a favourable debt-to-equity ratio and enable utilization of some additional amount from our internal accruals for further investment in our business growth and expansion. Additionally, we believe that since our debt-equity ratio will improve, it will enable us to raise at competitive rates in the future to fund potential business development opportunities and plans to grow and expand our business in the future. The following table provides the details of outstanding borrowings availed of by our Company which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

The details of the outstanding loans of our Company, as on July 31, 2025, which are proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below. The loan facilities are listed below in no particular order of priority.

(₹ in Lakhs)

Name of Lender	Nature of borrowing	Rate of Interest*	Tenure (In months)	Date of Sanction	Date of Disbursement of Loan	Amt Sanctioned	Amount outstanding as on July 31, 2025	Purpose	Actual Utilisation of loan proceeds	Prepayment Penalty/Condition
Share India Fincap Private Limited	Term Loan	16%	12	28-12-2024	17-03-2025	600	600	For working capital	For working capital	-

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purpose availed, our Statutory Auditors have confirmed that the loans have been utilised for the purpose of working capital, pursuant to their certificate dated August 21, 2025.

Except as disclosed above, our Promoters, Directors and Key Managerial Personnel and Senior Management do not have any interest in the above-mentioned repayment/pre-payment of loan.

3. Funding working capital requirements:

We propose to utilize ₹ Upto 5,927.02 Lakhs from the Net Proceeds towards funding our Company's working capital requirements. We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals and financing facilities from various banks and financial institutions.

Our 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. In light of the above, our Company will require incremental working capital.

The incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated August 21, 2025 and key assumptions with respect to the determination of the same are mentioned below. Our Company's composition of working capital as at March 31, 2025, March 31, 2024 and March 31, 2023 on the basis of restated financial statements and expected working capital requirements for Fiscal 2026 are as set out in the table below: *

(₹ in Lakhs)

Particulars	Fiscal 2023 (Restated)	Fiscal 2024 (Restated)	Fiscal 2025 (Restated)	Fiscal 2026 (Estimated)
Current Assets				
Inventories	5,032.39	4,580.29	6,243.89	10,038.24
Trade Receivables	4,876.74	10,170.80	12,760.04	19,233.78
Short term loan and advances	1,705.74	1,291.79	1,575.07	2,441.55
Total (A)	**11614.87**	**16042.88**	**20,579.00**	**31,713.57**
Current Liabilities				
Trade Payables	5,207.44	5,977.17	6,392.70	10,685.09
Other Current Liabilities & Short Term Provision	897.55	2,161.66	2,275.43	1,966.50
Total (B)	**6,104.99**	**8,138.83**	**8,668.13**	**12,651.59**
Total Working Capital (A)-(B)	**5,509.88**	**7,904.05**	**11,910.87**	**19,061.98**

Funding Pattern				
I) Borrowings for meeting working capital requirements	5,509.88	6,370.84	5,853.65	4,900.00
II) Networth / Internal Accruals	-	1,533.21	6,057.22	8,234.96
III) Proceeds from IPO	-	-	-	5,927.02

**As Certified by the M/s Vardarajan & Co., Chartered Accountants pursuant to their certificate dated August 22, 2025*

Assumption for working capital requirements:

The table below sets forth the details of holding levels (in days) for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 on the basis of restated financial statements and the holding levels (in days) Fiscal 2026 are on estimated basis:

Particulars	**Holding levels**			
	Fiscal 2023 (Restated)	**Fiscal 2024 (Restated)**	**Fiscal 2025 (Restated)**	**Fiscal 2026 (Estimated)**
	(in Days)	**(in Days)**	**(in Days)**	**(in Days)**
Inventories	265	237	158	156
Trade Receivables	217	230	218	195
Trade Payables	260	281	154	149

**As Certified by the M/s Vardarajan & Co., Chartered Accountants pursuant to their certificate dated August 22, 2025*

Justification for "Holding Period" levels

The justifications for the holding levels mentioned in the table above are provided below:

S. No.	**Particulars**	**Details**
1.	Inventories	The nature of manufacturing railway rolling stock, passenger coaches, wagons, and locomotives inherently involves high lead time and significant inventory holding due to custom fabrication, batch processing, and complex assembly. The inventory days stood at 265 in Fiscal 2023 primarily due to buildup for projected deliveries and longer production cycles amid supply chain constraints. Subsequently, in Fiscal 2024, inventory days declined to 237, with further normalization to 158 to 156 days in Fiscal 2025 and Fiscal 2026(estimated) . This decreasing trend is expected in coming years due to streamlined procurement, leaner production, and improved material planning aligned with contract execution cycles. Considering the technical complexity and dependence on customized components, a holding level of 150–170 days is reasonable for such a sector. Moreover, the relatively higher inventory days historically were driven by the company's strategy to maintain buffer stock for uninterrupted assembly lines and to accommodate long supplier lead times. Going forward, inventory days are estimated to stabilize as operations scale and procurement systems mature. The levels are consistent with industry norms for capital-intensive, long-cycle manufacturing sectors with integrated fabrication and assembly operations.
2.	Trade receivables	Trade receivable days are typically elevated in large-scale, government and PSU-oriented industrial manufacturing businesses due to the milestone-based billing and clearance cycles. The company's trade receivable days ranged from 200 to 230 in between Fiscal 2023 to Fiscal 2025, is due to the extended credit terms common in the rolling stock and railways sector. Payments are often tied to physical inspection, certification, and departmental clearances, especially when dealing with government undertakings. Although receivable days stood at 200 to 230 in prior years, a gradual improvement is expected with receivable days at 195 in Fiscal 2026. For companies engaged in manufacturing high-value capital goods like rail coaches and locomotives, a receivable cycle of 180 to 220 days remains standard due to the nature of buyer organizations (typically PSUs or government bodies) and large-ticket sales. The projected receivable days are reflective of realistic expectations for credit periods extended in B2G (business-to-government) environments and support the company's conservative yet practical financial planning.
3.	Trade payables	Trade payable days stood at 260 days in Fiscal 2023 and increased to 281 days in Fiscal 2024, Such increase is largely due to the complex procurement process. In several cases,

S. No.	Particulars	Details
		particularly for government orders or projects, materials procured by suppliers must undergo inspection and meet stringent quality standards. When received materials do not meet the required specifications, invoices are held back until necessary compliance is achieved. This practice is well understood and mutually agreed upon with the suppliers. The payables period realigned is estimated to remain in the range of 140 –150 days during Fiscal 2026. Ensuring timely supplier payments to maintain quality and delivery timelines while also managing liquidity prudently. Given the company's integrated manufacturing model and complex vendor base, maintaining payables at 160 to 170 days approx. is considered industry-appropriate. The reduction in payable days proposed with improving cash flows and the company's preparation for expanded operations and compliance with vendor expectations.

**As Certified by the M/s Vardarajan & Co., Chartered Accountants pursuant to their certificate dated August 22, 2025*

Justification for increase in amount of Utilisation of Working Capital from IPO Proceeds

The Company's Utilisation of fund for working capital has been revised from ₹5,246.18 lakhs in the DRHP to ₹5,927.02 lakhs in the RHP, i.e. increase of ₹680.84 lakhs (12.98%). This change has arisen due to reassessment of business projections and operational needs closer to the filing of the RHP. A key reason for the increase is the growth in the Company's order book, which has moved from ₹30,635.67 lakhs as disclosed in the DRHP to ₹37,588.65 lakhs in the RHP. The larger order pipeline requires higher allocation of funds for procurement of raw materials, execution of contracts, and maintaining adequate liquidity across the operating cycle. Further, the Company expects that internal accruals may not be sufficient to fully meet this enhanced requirement and, therefore, a higher portion of IPO proceeds has been allocated towards meeting the working capital needs.

4. General corporate purposes:

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for General corporate purposes, subject to such utilization not exceeding 15% of the gross proceeds of the Fresh Issue or 10 crore whichever is lower, in accordance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

a. strategic initiatives, partnerships, joint ventures and acquisitions;
b. brand building and strengthening of promotional & marketing activities;
c. On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions and
d. 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 our Board of Directors based on the permissible amount actually available under the head "Utilization of Net proceeds" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

5. ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●] lakh, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount	% of total expenses**	% of total issue size**
1.	Book Running Lead Manager Fees.	[●]	[●]	[●]
2.	Underwriting Fees	[●]	[●]	[●]
3.	Fees payable to the Market maker to the Issue	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Issue	[●]	[●]	[●]
5.	Fees payable for Advertising and Publishing Expense	[●]	[●]	[●]
6.	Fees payable to Regulators including Stock Exchange & Depositories	[●]	[●]	[●]

7.	Payment for Printing & Stationary, Potsage etc.	[●]	[●]	[●]
8.	Fees payable to statutory auditors, Legal Advisors & other Professionals	[●]	[●]	[●]
9.	Other Expense	[●]	[●]	[●]
Total Estimated Offer Expense		[●]	[●]	[●]

***Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus with the RoC. Offer expenses are estimates and are subject to change.*

Notes:

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs:

1. *ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Issue is made as per Phase I of UPI Circular) - Rs 5/- per application on wherein shares are allotted.*
2. *Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them) - Rs 10/- per application on wherein shares are allotted*
3. *Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - Rs 5/- per application on wherein shares are allotted*
4. *Sponsor Bank shall be payable processing fees on UPI application processed by them - Rs 5/- per application on wherein shares are allotted*
5. *No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.*
6. *The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.*
7. *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

Issue Expenses other than the listing fees shall be shared among our Company on a pro rata basis, in proportion to the Equity Shares Allotted.

APPRAISING AGENCY

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any agency.

BRIDGE LOANS

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus which are proposed to be repaid from the Net Proceeds of the Issue.

MONITORING OF UTILIZATION OF FUNDS

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the monitoring agency ("Monitoring Agency") to monitor the utilisation of the Net Proceeds. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay and in accordance with the applicable laws. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such financial year/periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable financial year, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilized Net Proceeds.

The reports of the monitoring agency on the utilization of the Net Proceeds shall indicate the deployment of the Net Proceeds under the following heads:

1. Capital expenditure towards purchase of Machinery and equipment
2. Repayment of a portion of certain outstanding borrowing availed by our company
3. Funding of the working capital requirement of our Company
4. General corporate purposes.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statutory auditor of our Company will also provide report/ certificate on the utilization of the Net Proceeds to the monitoring agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our directors' report, after placing the same before the Audit Committee.

INTERIM USE OF FUNDS

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

VARIATION IN OBJECTS

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholder who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS / PAYMENT TO PROMOTERS AND PROMOTER'S GROUP FROM THE IPO PROCEEDS

There is no proposal whereby any portion of the Net Proceeds will be paid to Our Promoters, Promoter Group, Directors and Key Managerial Personnel, Group Companies, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with Our Promoters, Promoter Group, Directors Group Companies, and/or Key Managerial Personnel.

BASIS FOR ISSUE PRICE

*Investors should read the following summary with the section titled **"Risk Factors",** the details about our Company under the section titled **"Our Business"** and its financial statements under the section titled **"Financial Information of the Company"** beginning on page 33,* 116 *and 180 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.*

Price Band/Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is Rs. 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

For the purpose of making an informed investment decision, the investors should also refer **"*Risk Factors*", "*Our Business*"** and **"*Restated Financial Information as*"** beginning on Page no. 33, 116 and 180 respectively of this Red Herring Prospectus.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

- Experienced Promoters having deep domain knowledge to scale up the business
- In house manufacturing capabilities
- Long-standing customer base leading to stability in our business operations
- Management team having established track record
- Established track record of successfully completed projects
- Strong order books

For further details, please refer chapters titled ***"Risk Factors"*** and ***"Our Business"*** beginning on Page Nos. 33 and 116, respectively.

Quantitative Factors

The information presented in this section for the restated audited financial statements of the Company for the financial year ended March 31, 2025, 2024 and 2023 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled ***"Restated Financial Information"*** beginning on Page No. 180 of this Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings per Share (EPS), (Face Value of ₹ 10/- each) (Post Bonus)

(in ₹)

Particulars	Basic & Diluted	
	EPS (in ₹)	Weights
Financial year ending on March 31, 2025 (Consolidated)	15.63	3
Financial year ending on March 31, 2024 (Standalone)	9.50	2
Financial year ending on March 31, 2023 (Standalone)	1.00	1
Weighted Average (of the above three financial years)	11.15	

** Not Annualised*

#EPS is calculated post adjustment of Bonus Issue vide the Board resolution dated August 31, 2024

Note:

i. Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/ year.
ii. Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.
iii. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.
iv. The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
v. The EPS has been calculated in accordance with AS 20 Earnings Per Share {EPS) issued by Institute of Chartered Accountants of India.

2. Price Earning (P/E) Ratio in relation to the Price Band of Rs. [●] to Rs. [●] per Equity Share of Face Value of Rs. 10/- each fully paid up

Particulars	(P/E) Ratio at the Floor Price (number of times)	(P/E) Ratio at the Cap Price (number of times)
a) Based on basic EPS for the financial year ended March 31, 2025	[●]*	[●]*
b) Based on diluted EPS for the financial year ended March 31, 2025	[●]*	[●]*

**To be computed after finalisation of the Price Band.*

3. Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	41.94
Lowest	37.80
Average	39.87

Notes:

a) The industry high and low has been considered from the industry peers set out in Part 6 of this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed.

b) P/E Ratio has been computed based on the closing market price of equity shares on NSE on August 21, 2025 divided by the diluted earnings per share.

c) All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the stock exchanges.

4. Return on Net Worth (RoNW):

Year ended	RoNW(%)	Weight
Financial Year ended on March 31, 2025 (Consolidated)	23.06%	3
Financial Year ended on March 31, 2024 (Standalone)	25.42%	2
Financial Year ended on March 31, 2023 (Standalone)	3.58%	1
Weighted Average	**20.60%**	

Note:

a) RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholders' funds for that year. Shareholders' funds = Share capital + reserves & surplus - revaluation reserves

b) Networth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Networth of the Company.

c) *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e (RoNW x Weight) for each* year/Total of weights.

5. Net Asset Value (NAV) per Equity Share (Post Bonus)

Particulars	NAV per Share (₹)
As on March 31, 2023 (Standalone)	27.86
As on March 31, 2024 (Standalone)	37.36
As on March 31, 2025 (Consolidated)	63.81
Net Asset Value per Equity Share after the Issue	[●]
Issue price per equity shares	[●]

Note:

a) NAV (book value per share)= Total shareholders' funds divided by number of shares outstanding at the end of the year.

b) The figures disclosed above are based on the Restated Financial Statements of the company.

c) Net worth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.

d) Issue Price per Equity Share will be determined by our company in consultation with the BRLM.

6. Comparison of Accounting Ratios with Industry Peers

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile

is comparable to our businesses:

Name of the Company	CMP*	EPS (₹)	Face Value (₹)	P/E Ratio*	RoNW (%)	NAV Per Share	Total Income (₹ in Lakhs)
Peer Group							
	Financial Year March 31, 2025 (Consolidated)						
Jupiter Wagons Limited	343.25	9.08	10	37.80	13.81%	64.88	4,00,763.60
Titagarh Rail Systems Ltd	855.10	20.39	2	41.94	11.07%	184.40	3,94,310.00
Our Company**	[●]	15.63	10	[●]	23.06%	63.81	19,266.26

**Source: All the financial information for listed industry peers mentioned above is sourced from the Annual Reports of the aforesaid companies for the year ended March 31, 2025 and stock exchange data dated* August 21, *2025 to compute the corresponding financial ratios for the financial year ended* March 31, *2025. The current market price and related figures are as on* August 21, 2025.

1. P/E figures for the peers are based on closing market prices of equity shares on NSE on August 21, 2025 divided by the Diluted EPS as at March 31, 2025.
2. Basic and Diluted EPS refers to the Basic and Diluted EPS sourced from the Annual Reports for FY 24-25 of the listed peer companies.
3. Return on Net Worth (%) for listed industry peers has been computed based on the Net Profit After Tax for the year ended March 31, 2025 divided by Total Equity as on March 31, 2025.
4. NAV per share for listed peers is computed as the Total Equity as on March 31, 2025 divided by the outstanding number of equity shares as on March 31, 2025.

**The details shall be provided post the fixing of the price band by our Company at the stage of the red herring prospectus or the filing of the price band advertisement.

7. Key Performance Indicators

(Amount in Lakhs, except EPS, % and ratios)

Particulars	Airfloa Rail Technology Limited		
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
	Consolidated	Standalone	Standalone
Revenue from Operations	19,238.70	11,930.36	9,517.39
Growth in Revenue from Operations (%)	61.26%	25.35%	-30.78%
Total Income	19,266.26	12,287.22	9,532.90
EBITDA	4,740.84	3,457.92	1,468.46
EBITDA Margin (%)*	24.61%	28.14%	15.40%
Net Profit for the Year/Period	2,554.76	1,423.28	149.36
PAT Margin (%)	13.28%	11.93%	1.57%
Return on Equity (%)	30.64%	29.13%	3.64%
Return on Capital Employed (%)	26.28%	26.42%	11.31%
Debt-Equity ratio	0.54	1.14	1.44

*notes

1.Revenue from Operations: This represents the income generated by the Company from its core operating operation. This gives information regarding the scale of operations.

2.EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax for the year and adding back interest cost, depreciation, and amortization expense.

3.EBITDA margin is calculated as EBITDA as a percentage of Total Income.

4.Profit for the year/period represents the restated profits of the Company after deducting all expenses.

5.PAT Margin (%) is calculated as Profit for the year as a percentage of Revenue from Operations.

6.Return on Equity is calculated as Profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by average equity. Average equity is calculated as average of opening and closing balance of total equity (Shareholders' funds) for the year.

7.Return on capital employed calculated as Earnings before interest and taxes divided by capital employed as at the end of respective period/year. (Capital employed calculated as the aggregate value of tangible net worth, total debt and deferred tax liability)

8.Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long-term and short-term borrowings. Total equity is the sum of share capital and reserves & surplus.

Explanation for the Key Performance Indicators:

KPIs	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Income	Total Income is used by our management to obtain a comprehensive view of all income including revenue from operations and other income
EBITDA	EBITDA provides information regarding the operational efficiency of our business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Net Profit for the Year / Period	Net Profit for the year/period provides information regarding the overall profitability of our business
Restated Profit for the Period /Year Margin	Restated profit for the period / year Margin is the ratio of Restated profit for the period / year to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.
Return on Equity (in %)	Return on Equity provides how efficiently our Company generates profits from shareholders' funds.
Return on Capital Employed (in %)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in our business.
Debt-Equity Ratio (in times)	Debt- equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability.

Set forth the description of historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.

For evaluation our business, we consider that the KPIs, as presented above, as additional measures to review and assess our financial and operating performance. These KPIs have limitations as analytical tools and presentation of these KPIs should not be considered in isolation or as a substitute for the Restated Financial Information.

Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use our operating results and trends and in comparing our financial results with other companies in our industry as it provides consistency and comparability with past financial performance.

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Comparison of our key performance indicators with listed industry peers for the Financial Years/ periods included in the Restated Financial Information:

(Amount in Lakhs, except EPS, % and ratios)

Particulars	Airfloa Rail Technology Limited			Jupiter Wagons Limited			Titagarh Rail Systems Ltd		
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
	Consolidated	Standalone	Standalone	Consolidated			Consolidated		
Revenue from Operations	19,238.70	11,930.36	9,517.39	3,96,327.95	3,64,373.33	2,06,824.74	3,86,775.00	3,85,330.04	2,77,959.04
Growth in Revenue from Operations (%)	61.26%	25.35%	-30.78%	8.77%	76.17%	75.52%	0.37%	38.63%	89.41%
Total Income	19,266.26	12,287.22	9,532.90	4,00,763.60	3,66,827.91	2,07,333.45	3,94,310.00	3,89,310.75	2,82,217.34
EBITDA	4,740.84	3,457.92	1,468.46	62,188.27	48,930.00	25,210.00	50,839.00	49,173.76	30,607.35
EBITDA Margin (%)*	24.61%	28.14%	15.40%	15.52%	13.39%	12.19%	12.89%	12.76%	11.01%
Net Profit for the Year/Period	2,554.76	1,423.28	149.36	38,027.06	33,101.74	12,067.51	27,492.00	28,614.16	12,571.63
PAT Margin (%)	13.28%	11.93%	1.57%	9.59%	9.08%	5.83%	7.11%	7.43%	4.52%
Return on Equity (%)	30.64%	29.13%	3.64%	17.40%	20.50%	15.40%	11.70%	17.99%	13.92%
Return on Capital Employed (%)	26.28%	26.42%	11.31%	18.65%	24.90%	21.60%	15.65%	19.42%	16.96%
Debt-Equity ratio	0.54	1.14	1.44	0.18	0.21	0.37	0.25	0.07	0.37

Source: All the information for listed industry peers mentioned above is on a consolidated basis unless standalone provided available on the website of the stock exchange.

Note:

1. *Revenue from Operations: This represents the income generated by the Company from its core operating operation. This gives information regarding the scale of operations. Other Income is the income generated by the Company from its non core operations.*
2. *EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax for the year and adding back interest cost, depreciation, and amortization expense.*
3. *EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.*
4. *Profit for the year represents the profits of the Company after deducting all expenses.*
5. *PAT Margin (%) is calculated as Profit for the year as a percentage of Revenue.*
6. *Net Worth is computed as Equity Share Capital plus Other Equity.*
7. *Return on Equity is calculated as Profit after tax, attributable to the owners of the Company for the year divided by average equity. Average equity is calculated as average of opening and closing balance of total equity (Shareholders funds) for the year.*
8. *Return on capital employed calculated as Earnings before interest and taxes divided by capital employed as at the end of respective year. (Capital employed calculated as the aggregate value of total equity, total debt and deferred tax liability).*
9. *Net Asset Value per Share is calculated as Net Worth divided by the total number of outstanding equity shares as at the respective date, adjusted for the effects of bonus issue.*
10. *Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long-term and short-term borrowings. Total equity is the sum of share capital and reserves & surplus.*

8. Weighted Average Cost of Acquisition (WACA), Floor Price and Cap Price

a) Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Plans and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

The Company has not issued any Equity Shares or convertible securities, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Total Consideration (₹) in lakhs	Nature of consideration	Adjusted no. of equity shares	Nature of Allotment
01/08/2024	4,99,318	10	300	1,497.95	Cash	14,97,954	Private Placement / Preferential Issue
09/08/2024	44,000	10	300	132.00	Cash	1,32,000	Private Placement / Preferential Issue
04/12/2024	8,48,000	10	125	1,060.00	Cash	8,48,000	Private Placement / Preferential Issue
Total	13,91,318			2,689.95		24,77,954	
Weighted Average cost of acquisition per share					108.55		

b) Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) or Promoters or members of the Promoter Group or other shareholders with rights to nominate directors during the 18 months preceding the date of filing of the Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this red herring prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Price per share based on the last five primary or secondary transactions.

Since there are primary transactions of equity shares of our Company during the 18 months to report (a) , hence reporting under Clause "C" shall not be applicable

d) Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price	Cap Price
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme/ Stock Appreciation Right Scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted	108.55	[●]	[●]

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price	Cap Price
paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options/ Stock Appreciation Right Scheme), in a single transaction or multiple transactions combined together over a span of rolling 30 days.			
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.**	**NA**	[●]	[●]
Since there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Red Herring Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five secondary transactions where promoter /promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction.	NA	[●]	[●]

9. The Issue Price is [●] times of the Face Value of the Equity Shares.

The Company in consultation with the Book Running Lead Manager believes that the Issue price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the Company including important profitability and return ratios, as set out in the Financial Statements included in this Red Herring Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times of the face value i.e. ₹ [●] per share.

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STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Airfloa Rail Technology Limited
Formerly known as – Airflow Equipments India Private Limited
9, Chelliamman Koil Street,
Keelkattalai
Chennai – 600 117

Sub: Proposed initial public offering of equity shares of ₹ 10 each (the "Equity Shares") of Airfloa Rail Technology Limited (Formerly known as Airfloa Rail Technology Private Limited and Airflow Equipments India Private Limited (the "Company" and such offering, the "Issue")

We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 ('Act'), as amended by the Finance Act, 2025 i.e. applicable for AY 2025-26, and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in the Prospectus and submission of this certificate as may be necessary, to the SME Platform of BSE Limited where the Equity Shares are proposed to be listed ("Stock Exchange") and the Registrar of Companies, ("RoC"), SEBI or any regulatory authority and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Prospectus.

Your sincerely,

For Varadarajan & Co
Chartered Accountants
ICAI Firm Registration No.: 004515S

Sd/-
Partner: V. SADAGOPAN
Membership No: 022618
Place: Chennai
Date: 21/08/2025
UDIN- 25022618BMIPZM7983

Enclosed as above

Annexure – A

CC:
Lead Manager to the Issue
GYR Capital Advisors Private Limited
428, Gala Empire, Near JB Tower,
Drive in Road, Thaltej,
Ahemdabad-380 054,
Gujarat, India.

ANNEXURE A TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

A. SPECIAL TAX BENEFITS TO THE COMPANY

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has opted for section 115BAA for the assessment year 2025-26.

Apart from this, the Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Act.
Note:
All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION V – ABOUT THE COMPANY

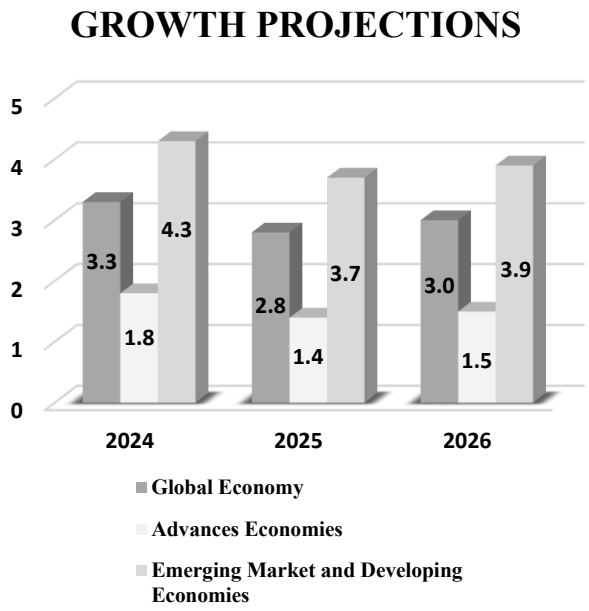
INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

Global Economy

Macroeconomic Environment

The global GDP is estimated to grow from USD 110.5 trillion in 2024 to USD 137.8 trillion in 2029. Notably, there is a forecasted global GDP growth rate of 4.5% from 2024 to 2029 due to factors such as easing inflationary pressures and less restrictive monetary policies, and an increase in household income, private consumption and private investments. The global economy continues to display clear signs of resilience with moderate GDP growth despite persistent inflation, trade tensions and geopolitical uncertainties.



https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025

Growth in the euro area is expected to decline slightly to 0.8 percent in 2025, before picking up modestly to 1.2 percent in 2026. Rising uncertainty and tariffs are key drivers of the subdued growth in 2025. Offsetting forces that support the modest pickup in 2026 include stronger consumption on the back of rising real wages and a projected fiscal easing in Germany following major changes to its fiscal rule (the "debt brake"). Within the region, Spain's momentum contrasts with the sluggish dynamics elsewhere. The growth projection for 2025 for Spain is 2.5 percent, an upward revision of 0.2 percentage point from that in the January 2025 WEO Update. This reflects a large carryover from better-than-expected outturns in 2024 and reconstruction activity following floods.

The Middle East and Central Asia is projected to come out of several years of subdued growth, with the rate accelerating from an estimated 2.4 percent in 2024 to 3.0 percent in 2025 and to 3.5 percent in 2026 as the effects of disruptions to oil pro duction and shipping dissipate and the impact of ongoing conflicts lessens. Compared with that in January, the projection is revised downward, reflecting a more gradual resumption of oil production, persistent spillovers from conflicts, and slower than-expected progress on structural reforms.

(Source: https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025)

World Economic Outlook Growth Projection

(Real GDP, annual percent change)	ESTIMATE	PROJECTION	
	2024	2025	2026
World Output	3.3	2.8	3.0
Advanced Economies	1.8	1.4	1.5
United States	2.8	1.8	1.7
Euro Area	0.9	0.8	1.2
Germany	-0.2	0,0	0.9
France	1.1	0,6	1.0
Italy	0.7	0.4	0.8
Spain	3.2	2.5	1.8
Japan	0.1	0.6	0.6

United Kingdom	1.1	1.1	1.4
Canada	1.5	1.4	1.6
Other Advanced Economies	2.2	1.8	2,0
Emerging Market and Developing Economies	4.3	3.7	3.9
Emerging and Developing Asia	5.3	4.5	4.6
China	5.0	4.0	4.0
India	6.5	6.2	6.3
Emerging and Developing Europe	3.4	2.1	2.1
Russia	4.1	1.5	0.9
Latin America and The Caribbean	2.4	2.0	2.4
Brazil	3.4	2.0	2.0
Mexico	1.5	-0.3	1.4
Middle East and Central Asia	2.4	3.0	3.5
Saudi Arabia	1.3	3.0	3.7
Sub-Saharam Africa	4.0	3.8	4.2
Nigeria	3.4	3.0	2.7
South Africa	0.6	1.0	1.3
Memorandum			
Emerging Market and Middle-Income Economies	4.3	3.7	3.8
Low-Income Developing Countries	4.0	4.2	5.2

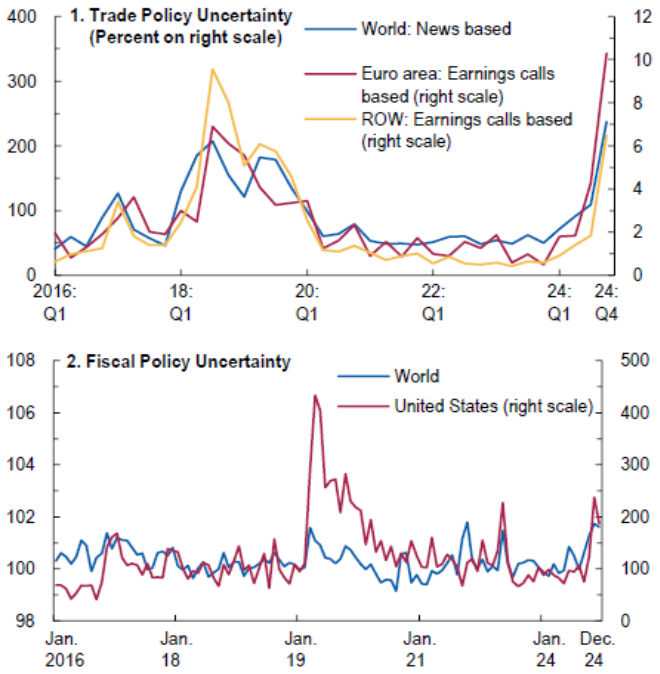
WORLD ECONOMIC OUTLOOK

Where inflation is proving more sticky, central banks are moving more cautiously in the easing cycle while keeping a close eye on activity and labour market indicators as well as exchange rate movements. A few central banks are raising rates, marking a point of divergence in monetary policy.

Global financial conditions remain largely accommodative, again with some differentiation across jurisdictions.

Equities in advanced economies have rallied on expectations of more business-friendly policies in the United States. In emerging market and developing economies, equity valuations have been more subdued, and a broad-based strengthening of the US dollar, driven primarily by expectations of new tariffs and higher interest rates in the United States, has kept financial conditions tighter.

Economic policy uncertainty has increased sharply, especially on the trade and fiscal fronts, with some differentiation across countries. Expectations of policy shifts under newly elected governments in 2024 have shaped financial market pricing in recent months. Bouts of political instability in some Asian and European countries have rattled markets and injected additional uncertainty regarding stalled progress on fiscal and structural policies. Geopolitical tensions, including those in the Middle East, and global trade frictions remain elevated.



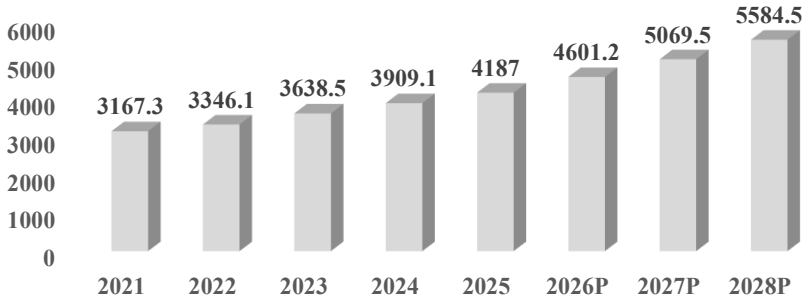
Source:https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

In the Middle East and Central Asia, growth is projected to pick up, but less than expected in October. This mainly reflects a 1.3%-point downward revision to 2025 growth in Saudi Arabia, mostly driven by the extension of OPEC+ production cuts. In Latin America and Caribbean, overall growth is projected to accelerate slightly in 2025 to 2.5%, despite an expected slowdown in the largest economies of the region. Growth in sub-Saharan Africa is expected to pick up in 2025, while it is forecast to slow down in emerging and developing Europe.

INDIAN ECONOMY

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP for FY25 is estimated at Rs. 33.10 lakh crore (US$ 3.8 trillion) with growth rate of 9.9%, compared to Rs. 30.12 lakh crore (US$ 3.5 trillion) in FY24. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY25. In FY25, India's exports stood at Rs. 37.31 lakh crore (US$ 433.56 billion), with Engineering Goods (26.88%), Petroleum Products (13.86%) and electronic goods (8.89%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

India's Gross Domestic Production
(in Us billion)



According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs from 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. The Current Account Deficit (CAD) stood at Rs. 98,095 crore (US$ 11.5 billion) for Q3 of FY25 as compared to Rs. 88,712 crore (US$ 10.4 billion) in Q3 of FY24. This was largely due to increase in merchandise trade deficit.

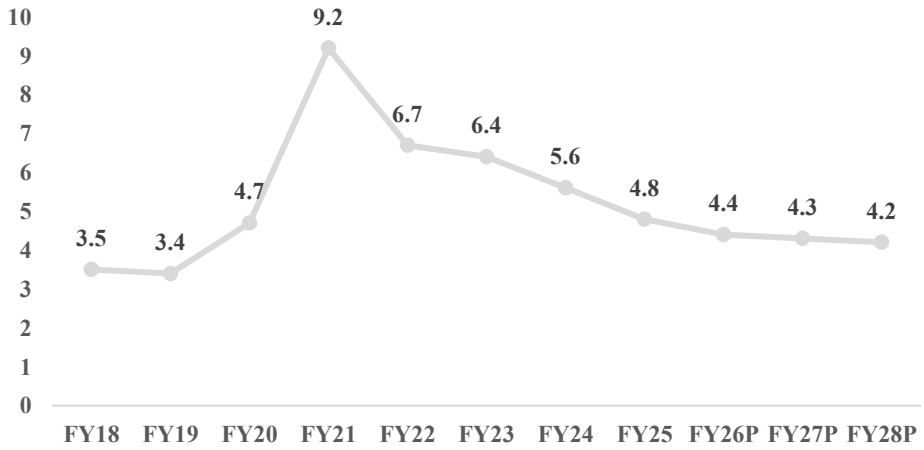
Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US$ 1 trillion by 2030.

(Source: https://www.ibef.org/economy/indian-economy-overview& https://www.imf.org/external/datamapper/profile/IND)

With the announcement of the implementation of the recommendations of the Eighth Pay Commission, which will be in effect from FY27, there is a possibility that the momentum towards achieving fiscal consolidation targets may be delayed. The fiscal deficit and debt targets, as per the GOI's 2018 amended FRBMA, are 3% and 40% of GDP, respectively. However, achievement of both of these targets is likely to be delayed because of the additional pressure on revenue expenditures due to revised salaries and pensions of government employees. A similar impact would also be felt by the states.

In FY26, the main fiscal policy intervention required would be an attempt to restore infrastructure expansion momentum to support real GDP growth. There would be some positive movement on fiscal consolidation both in FY25 and FY26. Some other changes in

FISCAL DEFICIT IN RELATION TO GDP(%)



the FY26 budget may relate to the revision of import tariffs and some rationalization of personal income tax rate and its deduction structure.

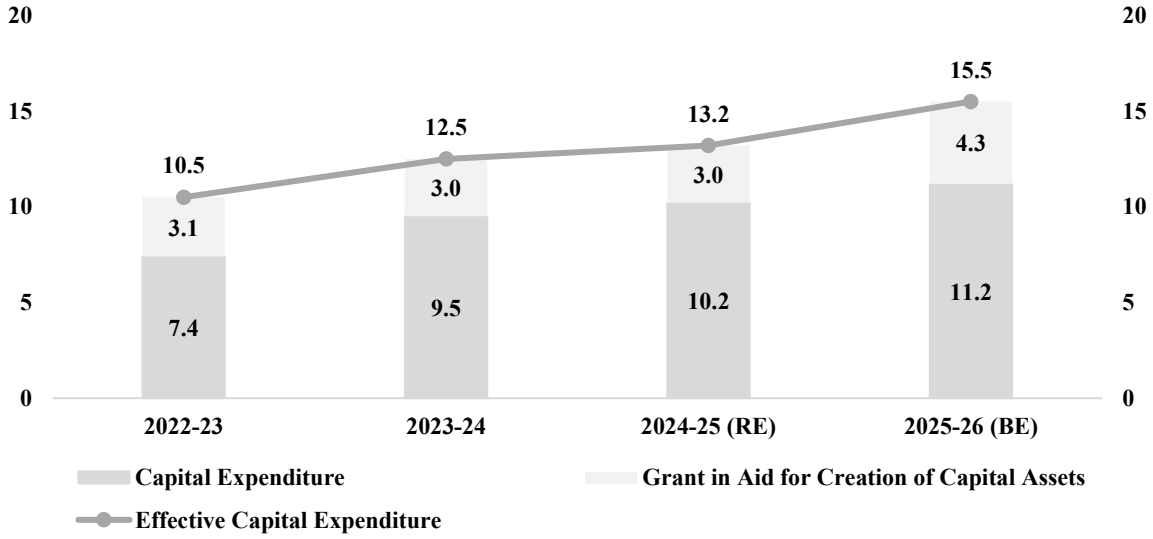
In the medium-term, in view of the impact of Eighth Pay Commission recommendations, the path of fiscal consolidation would lose momentum. We consider that, in the medium-term, real GDP growth can still be maintained at 6.5% and nominal GDP growth at 10.5% with some inter-year variations. A combination of slower nominal GDP growth in FY24 and FY25 and pressure on the INR may push the US$5 trillion Indian economy milestone from FY28 to FY30. To address this, nominal GDP growth must recover to at least 10.5% beyond FY25, and INR depreciation against the US$ must be moderated.

(Source:https://www.ey.com/en_in/insights/tax/economy-watch/why-budget-2025-should-focus-on-restoring-india-s-capex-growth-momentum)

Trend in Capital Expenditure

Capital expenditure is the money spent by the government on the development of machinery, equipment, building, health facilities, education, etc. It also includes the expenditure incurred on acquiring fixed assets like land and investment by the government that gives profits or dividend in future.

Capital expenditure, which leads to the creation of assets are long-term in nature and allow the economy to generate revenue for many years by adding or improving production facilities and boosting operational efficiency. It also increases labour participation, takes stock of the economy and raises its capacity to produce more in future.



(Source: https://www.indiabudget.gov.in/doc/bh1.pdf)

Foreign Exchange Reserves

India's total foreign exchange reserves stood at USD 688.13 billion as on April 25, 2025, reflecting a stable and healthy external sector position. The reserves almost rose by $11.83 billion in a month. As of April 4, 2025, India's foreign exchange reserves stood at $676.3 billion, per the PIB press release.

As of April 25, 2025, India's forex reserves of USD 688.13 billion reflect sound macroeconomic fundamentals and robust reserve management on the part of the RBI. The position of having such elevated reserves indicates the health of India's external sector, reflected in the presence of a controllable current account register, capital inflows that are unaffected and a recovering export performance. It is also a sign of India's greater monetary resilience, that is, a substantial buffer for the central bank to use for interventions in the currency market, if necessary. This serves to stabilize the rupee under conditions of global volatility.

A strong forex reserve position provides better trade resilience as forex reserves stand above 10 months of imports and help to protect against external shocks. "It attracts foreign investment as it lends confidence and is a hedge against sovereign risk premiums. It supports inflation management as the Reserve Bank of India can intervene in the forex market to limit imported inflation, especially from spikes in oil prices as well as commodity prices.

Road ahead for the Indian Economy

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US$ 120.12 billion) over Rs. 7.28 lakh crore (US$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

Source: https://www.ibef.org/economy/indian-economy-overview

Indian Railway Industry

Overview

The Indian railway system is regarded as the foundation and lifeblood of the economy. Indian railways span thousands of kilometres practically covering the entire nation, making it the fourth largest in the world after the US, China, and Russia. The Railways Board, which has a monopoly over the provision of rail services in India, oversees overseeing the whole infrastructure. Due to its low cost and effective operations, railways continue to be the most popular means of transportation for most Indians when travelling long distances. India's railway network is recognised as one of the largest railway systems in the world under single management. The railway network is also ideal for long-distance travel and movement of bulk commodities, apart from being an energy-efficient and economic mode of conveyance and transport. Indian Railways is the preferred carrier of automobiles in the country.

The government of India has focused on investing in railway infrastructure by making investor-friendly policies. It has moved quickly to enable Foreign Direct Investment (FDI) in railways to improve infrastructure for freight and high-speed trains. At present, several domestic and foreign companies are also looking to invest in Indian rail projects. Indian railways launched Semi-high-speed self-propelled trains that have ultra-modern features like quick acceleration, a substantial reduction in travel time, a maximum speed of 160 kmph, on-board infotainment and GPS-based passenger information system, automatic sliding doors, retractable footsteps and Zero discharge vacuum bio-toilets, CCTV cameras etc. and other contemporary features as per global standards. According to Indian Railways 2023 book, Indian railways plan to market semi-high-speed 'Vande Bharat' trains by 2025-26 to European, South American, and East Asian markets for exporting 'Made in India' trains.

1. World's 4th largest rail network

Indian Railways runs 13,523 passenger trains and 9,146 freight trains daily on its network with passenger trains running at an average speed of 50.6 kmph and freight trains at 24 kmph.

2. Growing Public-Private Partnership (PPP)

Indian Railways is exploring a new public-private partnership (PPP) model to attract private investment to re-develop railway stations. Under this model, investors would receive up to 40% of the total project cost as viability-gap funding (VGF) and be allowed to use the space above platforms and tracks commercially.

Under the hybrid PPP model, bids will be chosen based on the quantum of VGF support required by the private investor. The private developer will be allowed to develop air space to generate additional revenue through commercial activities, including the lease of office space, development of entertainment and recreational facilities, hospitality services, malls and even healthcare facilities.

3. Growth Initiatives

Under the Interim Budget 2024-25, the government allocated US$ 30.3 billion (Rs. 2.52 lakh crore) to the Ministry of Railways. In 2024-25 Indian railways is planning to Create three important railway routes for moving energy, minerals, and cement efficiently; connecting ports better; and improving busy traffic routes.

The Bairabi-Sairang project aims to create an additional 51.38 km of railway track in northeast India. ▪ Indian Railways launched a new tourism product i.e. theme-based tourist circuit train – 'Bharat Gaurav' to showcase India's rich cultural heritage and magnificent historical places. In March 2024, Prime Minister Mr. Narendra Modi inaugurated infrastructure projects worth Rs. 15,400 crore (US$ 1.84 billion) in Kolkata, including India's first underwater metro system, to improve connectivity in West Bengal.

4. Modernisation/Technology Upgradation

Prime Minister, Mr. Narendra Modi inaugurated a significant expansion of India's rail network by introducing 10 new Vande Bharat trains, bringing the total count to over 50 trains covering 45 routes nationwide. Ultra-modern Tejas trains have been introduced on the LHB platform with sleeper coaches over Indian Railways.

Factors affecting the growth in the Indian Railways

1. Growing Demand

The government announced 5,000 km of Metro rail network by 2047 in 100 cities. In 2024-2025, the goal is to upgrade 40,000 conventional rail bogies to meet the 'Vande Bharat' standards. In 2023-24, traffic revenue is estimated to be Rs. 2,64,600 crore (US$ 32.18 billion), comprising 99.8% of the total revenue.

2. Opportunities

In FY23, One Station One Product scheme was launched to provide opportunities for enhanced livelihood through skill development through provision of sale outlets at railway stations across India. Indian Railways witnessed surge in summer travel demand by operating a record-breaking 9,111 trips during the 2024 season, a significant increase from the 6,369 trips in 2022-23, marking a 43% rise.

3. Policy support

Taking cognizance of its significance in overall infrastructural development, the NIP envisages an investment in Indian Railways worth Rs. 11.43 lakh crore (US$ 138 billion) till 2024-25. Railway Development Authority is spreading the redevelopment of 60 railway stations across India on a PPP Model.

4. Higher investment

Foreign Direct Investment (FDI) inflows in railway-related components stood at US$ 1.40 billion from April -December 2023. The government has laid an ambitious target to allocate US$ 1.4 trillion between 2019 and 2023, including investment to the tune of US$ 750 billion on the railway infrastructure by 2030.

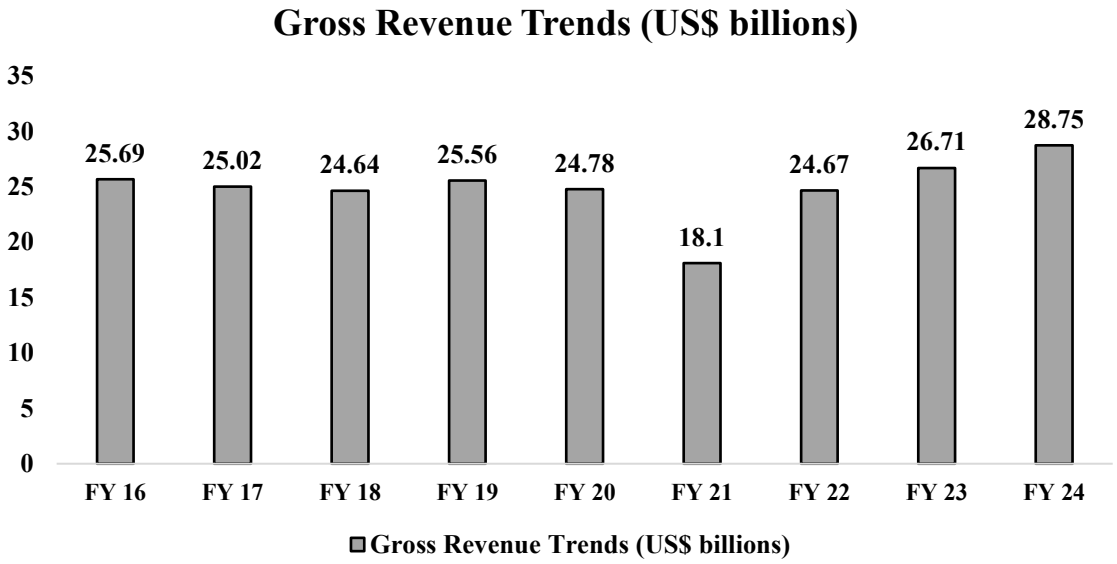
Strong revenue growth for Indian railways

The Indian Railways completed total revenue of Rs. 2.40 lakh crore (US$ 28.75 billion) by the end of FY24. Indian railways achieved track laying of 5100 Km in FY24.

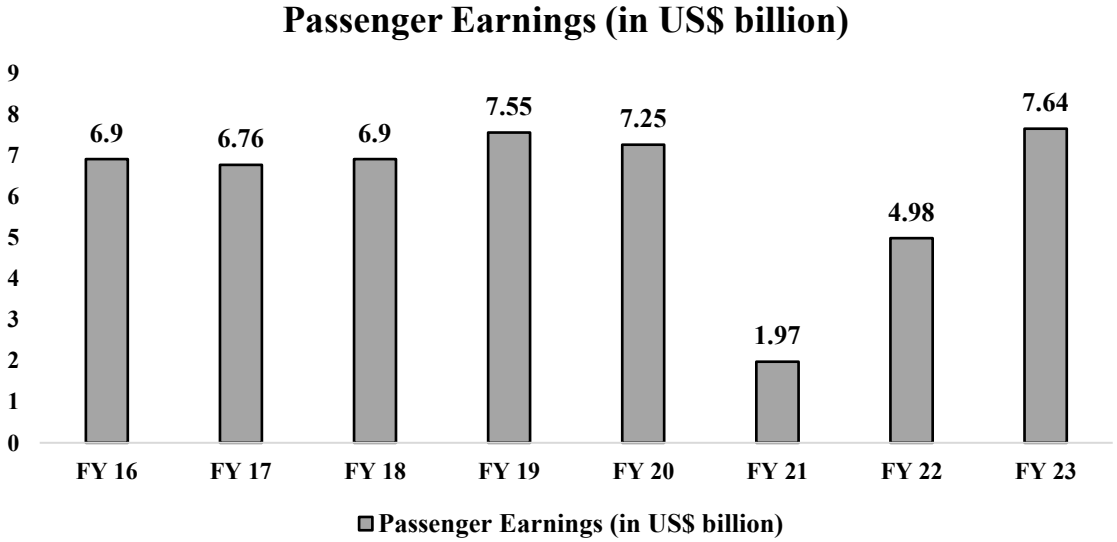
For FY24:

- Freight revenue is estimated to be Rs. 1,79,500 crore (US$ 21.83 billion) which is 68% of the traffic revenue.
- The passenger revenue is estimated to be Rs. 70,000 crore (US$ 8.51 billion), an increase of 9% in 2022-23.

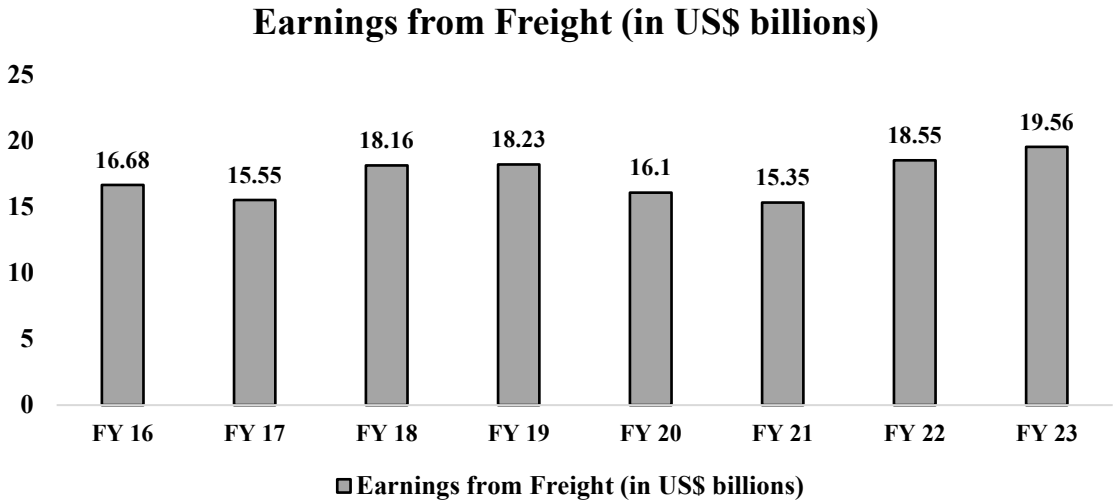
Vision 2024 has been envisaged to achieve targets of 2024 MT freight loading by 2024. Indian Railways has planned to install 1000 MW of solar power plants and about 200 MW of wind plants by 2022-23. Out of this, about 204.82 MW (101.42 MW solar and 103.4MW wind power) of renewable power has already been set up. Indian Railways electrified 6,577 Route Kilometres (RKMs) in CY 2023, bringing the total broad-gauge network electrification to 93.83% of the total (65,556 RKMs).



Segment-wise revenue growth for Indian Railways



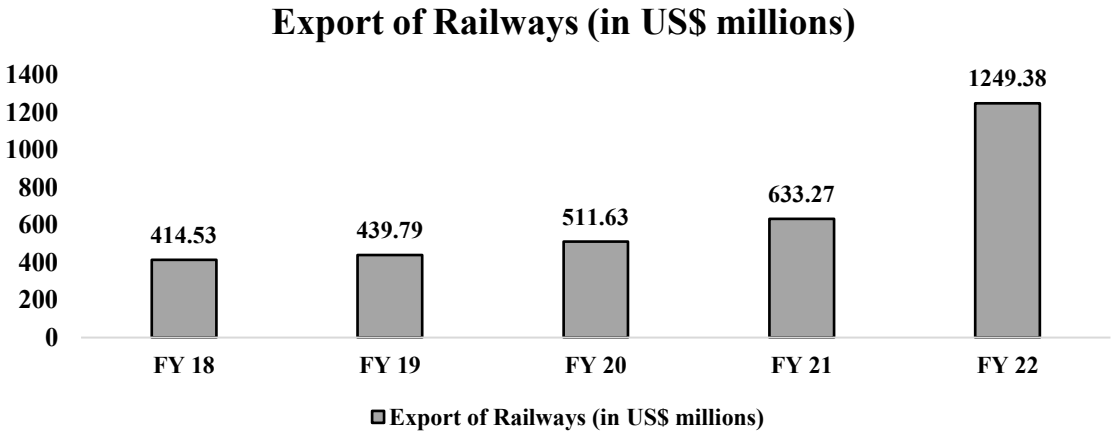
During FY23, the total passenger revenue stood at US$ 7.64 billion, compared to US$ 4.98 billion achieved during the same period last year. During the period April 1- January 31, 2023, the revenue generated from the reserved passenger segment stood at US$ 5.1 billion and revenue from the unreserved passenger segment stood at US$ 1.4 billion. On a cumulative basis from April-January 2024, railways freight earnings stood at US$ 16.9 billion against US$ 16.3 billion over last year, an improvement of 4% compared to last year.



"Hungry For Cargo", IR has made sustained efforts to improve the ease of doing business and improve the service delivery at competitive prices, resulting in new traffic coming to railways from both conventional and non-conventional commodity streams. The customer-centric approach and work of Business Development Units backed up by agile policymaking helped Railways towards this landmark achievement.

Rising export of railway sector

Indian Railways plans to market semi-high-speed 'Vande Bharat' trains by 2025-26, aiming to cover 10-12 lakh kilometres on 75 trains in three years. Indian Railways will target European, South American, and East Asian markets for exporting 'Made in India' trains. India's export of railways grew at and reached US$ 1,249.38 million in FY22 as compared to US$ 633.27 million in FY21.



ICF (Integrated Coach Factory) of Indian Railways has exported more than 650 rail coaches, shells, and other components manufactured in Chennai based unit during the last few years (till 2022) to 14 countries, including Thailand, Burma, Taiwan, Philippines, Tanzania, Uganda, Vietnam, Nigeria, Bangladesh, Mozambique, Malaysia, Angola and Sri Lanka. ICF has also exported one rake of 1600HP DEMU against the order of two rakes of 1600HP DEMU to neighbouring Nepal railways. 2 DEMU rakes and 160 mainline coaches are also likely to be exported by the ICF to Sri Lanka apart from manufacturing coaches for various high-sped trains on the LHB technology.

Investments/Developments

Following is some of the major investments and developments in India's railways sector:

- Prime Minister, Mr. Narendra Modi lays the foundation stone and dedicates to the nation multiple developmental projects worth over Rs. 1.06 lakh crore (US$ 12.8 billion) in Ahmedabad, Gujarat.
- Prime Minister, Mr. Narendra Modi, rides the underwater metro and launches Rs. 15,400 crore (US$ 1.8 billion) projects in Kolkata for better connectivity.
- In 2024-25, railways' capital expenditure is targeted at US$ 30.33 billion (Rs. 2.52 lakh crore).

- As of January 31,2024, 41 trains of the Vande Bharat service are running on the Indian Railways, linking states with a Broad Gauge (B.G.) electrified network.
- In October 2023, it was reported that, India's investments in infrastructure will rise to Rs. 143 trillion (US$ 1.71 trillion) between the financial years 2024 and 2030, as per analytics firm CRISIL.
- With a view to improve rail connectivity and ease travel for commuters, the Union Cabinet approved seven projects for the Ministry of Railways in August 2023 at a cost of around Rs. 32,500 crore (US$ 3.93 billion). Spanning 35 districts in nine States - Uttar Pradesh, Bihar, Telangana, Andhra Pradesh, Maharashtra, Gujarat, Odisha, Jharkhand, and West Bengal, the projects will add 2,339 km to the existing network.
- In June 2023, IRCON (formerly Indian Railways Construction Company Limited) signed a memorandum of understanding (MoU) with the National Investment and Infrastructure Fund Limited and Ayana Renewable Power Limited. This partnership will consider suitable opportunities for solar energy production for the Indian Railways as they intend to increase the share of renewables in their overall energy mix.
- In FY23, Northwestern Railway registered the highest growth in freight earnings at Rs. 6,839.93 crore (US$ 832.39 million), which is 30.82% higher than last year's earnings of Rs. 5,228.13 crore (US$ 636.3 million). Freight loading also increased to 32.69 million tonnes, which is 10.07% higher than last year's loading of 29.70 million tonnes.
- One major development is the launch of the "Vande Bharat Express ", India's first semi-high-speed train. This train, which can reach speeds of up to 160 km/h, has been manufactured indigenously by the Indian Railways' Integral Coach Factory. It features several modern amenities such as onboard Wi-Fi, GPS-based passenger information system, and CCTV cameras.
- The focus on increasing the use of technology to improve safety and efficiency. This includes the use of CCTV cameras in trains and at stations, the implementation of an Automatic Train Protection (ATP) system to prevent collisions, and the use of GPS-based systems for real-time tracking of trains.
- Indian Railways is also working on upgrading its infrastructure, with a focus on electrification of lines, the construction of new lines, and the redevelopment of existing stations. The government has also announced plans to invest in high-speed trains, such as the Mumbai-Ahmedabad High-Speed Rail project, which is being implemented with the assistance of Japan.
- Revenue growth has been strong over the years. Indian Railways' revenue reached US$ 5.21 billion in the third quarter of FY23.
- The total passenger revenue stood at US$ 8.51 billion during 2022-23.
- In FY24 (until July) passenger traffic stood at 8.51 billion.
- In FY24 total revenue from traffic is estimated to be Rs. 2,64,600 crore (US$ 32.18 billion), which comprises 99.8% of the total revenue.
- Foreign Direct Investment (FDI) inflows in railway-related components stood at US$ 1.40 billion from April -December 2023.
- In the case of freight earnings, it experienced a year-on-year growth of 20.84%. It stood at US$ 18.55 billion in FY22 as compared to FY21 which was at US$ 15.35 billion.
- Freight remains the key revenue-earning segment for Indian Railways, accounting for 75.2% of the total revenue in FY22, followed by the passenger segment.
- Indian Railways aims to achieve 100% electrification of all broad-gauge routes by 2023.
- In July 2021, the South-Central Railway zone announced infrastructure development by doubling the maximum permissible speed to 100 km per hour on the Godavari Bridge. The initiative gave a major boost to the Indian Railways on infrastructure modernisation.
- Since the launch of first 'Kisan Rail' service on August 7, 2020, the Indian Railways have operated a total of 1,040 Kisan Rail services by transporting ~3.38 lakh tonnes of consignment across 72 routes in the country until July 30, 2021.
- The Indian Railways is likely to deliver 58 supercritical as well as 68 critical projects worth more than Rs.1,15,000 crore (US$ 15.44 billion) in the next few years. 29 supercritical projects—spanning 1,044 km and costing Rs. 11,588 crore (US$ 1.5 billion)—have been commissioned. Four projects worth Rs. 1,408 crore (US$ 189.05 million) have been completed and the remaining projects are targeted for completion by March 2024.
- On July 25, 2021, the Indian Railways Station Development Corporation (IRSDC), a nodal agency of the Ministry of Railways spearheading the re-development of railway stations across the country, claimed that the two railway stations will be redeveloped at an indicative cost of Rs. 1,285 crore (US$ 172.54 million) in four years.
- The Indian Railways has decided to undertake electrification of Broad Gauge (BG) rail lines in a mission mode and is likely to complete the process by 2023-24. Indian Railways electrified 58,812 Route Kilometres (RKMs) till March 31, 2023, which is about 90% of the total broad-gauge network (65,300 RKMs) of Indian Railways. About Rs. 21,000 crore (US$ 2.8 billion) is estimated to be spent on electrification of the remaining BG routes.
- In January 2021, Hyundai Motor India Ltd. (HMIL) announced that it has exported 125 cars to Nepal via the Indian Railways. The export is claimed to be eco-friendly and the first-ever by the company. With this step, the company is aiming to reduce its carbon footprint by 20,260 tonnes.
- The Indian Railways completed eight major capacity enhancement projects by taking advantage of the coronavirus lockdown. These projects included three supercritical projects with a combined length of 68km, three critical projects with a combined length of 45km, upgradation of the entire 389km railway line from Jhajha in Bihar to Pandit Deen Dayal Upadhyaya Junction in Uttar Pradesh and a new 82km port connectivity line to Paradip.
- As a part of the Railways' plans to upgrade its network, the Ministry announced that all non-AC sleeper coaches will be replaced by AC coaches for trains running >130 kmph. This move has been taken as a technical necessity for high-speed trains with the bonus of improving the passenger experience.

Road Ahead

Indian Railway network is growing at a healthy rate. In the next five years, the Indian railway market is expected to be the third largest, accounting for 10% of the global market. The government has announced two key initiatives for seeking private investments- running passenger trains by private operators across the railways network and redevelopment of railway stations across the country. According to Indian Railways, these projects have the potential of bringing an investment of over US$ 7.5 billion in the next five years. Introducing 3,000 new trains over the next four to five years to increase the current passenger capacity of the railways from 800 crore to 1,000 crore, with a focus on meeting the needs of the expanding population.

'Adarsh' Station Scheme has been started in 2009-10 and presently, railway stations are upgraded/modernised based on identified need of providing better-enhanced passenger amenities at stations. Under the scheme, 1253 stations have been identified for development, out of which 1215 stations so far have been developed. Indian Railways is also looking at other areas of revenue generation such as the following: a) Change in composition of coaches so that it can push the more profitable AC coach travel; b) Additional revenue streams by monetising traffic on its digital booking IRCTC; and c) Disinvesting IRCTC. The Indian Railway launched the National Rail Plan, Vision 2024, to accelerate implementation of critical projects, such as multitrack congested routes, achieve 100% electrification, upgrade the speed to 160 kmph on Delhi-Howrah and Delhi-Mumbai routes, upgrade the speed to 130 kmph on all other golden quadrilateral-golden diagonal (GQ/GD) routes and eliminate all level crossings on the GQ/GD route, by 2024.

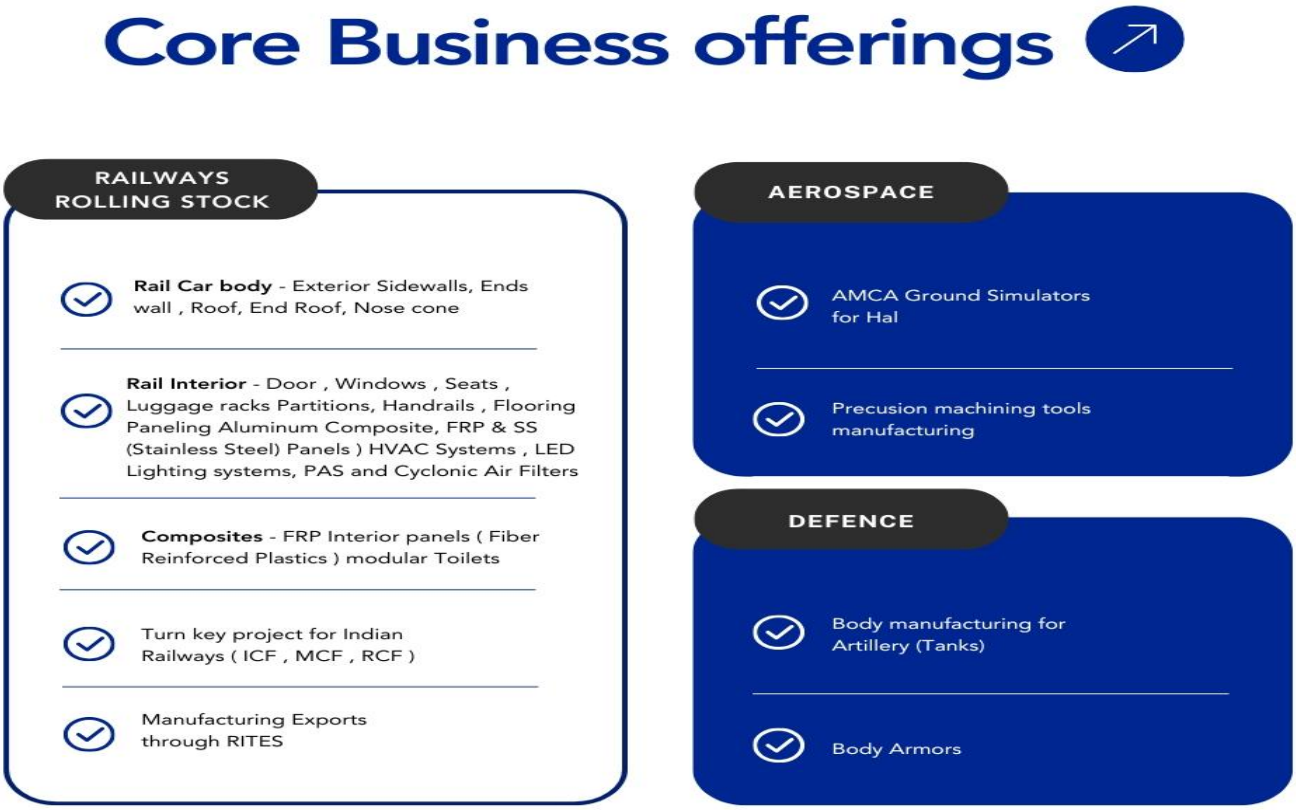
(Source: https://www.ibef.org/industry/indian-railways)

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read ***"Forward Looking Statements"*** *on page 22 of this Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's strength and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in* ***"Risk Factors"*** *on page 33. This section should be read in conjunction with such risk factors.*

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our ***"Restated Financial Information"****, included in this Red Herring Prospectus on Page 180.*

Overview

We are 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"**), other coach factories. 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 and other coach factories, we also serve other Rails factories, and global rolling stock OEMs.



We 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 has been in operation for over 20 years, and we 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.

The Company has demonstrated consistent financial performance over the last three financial years, reflecting operational stability and growth. For the Financial Year 2025, the Company reported a consolidated revenue from operations of ₹ 19,238.70 lakhs and total income of ₹19,266.26 lakhs, indicating a significant growth trajectory compared to ₹11,930.36 lakhs in revenue and income, respectively, in FY 2023-24. The Company recorded an EBITDA of ₹4,740.84 lakhs in FY 2024-25, with an EBITDA margin of 24.61%, compared to ₹3,457.92 lakhs and an EBITDA margin of 28.14% in FY 2023-24. The restated profit after tax stood at ₹2,554.76 lakhs in FY 2024-25, representing a PAT margin of 13.28%.

Our in-house competencies include engineering, design, tooling, material development, finishing, and assembly, with the focus on continuously improving production and quality processes. We believe that our process design abilities and several years of manufacturing high-precision forged and machined components enable us to develop high-quality and cost-effective solutions for the demanding applications of Indian Railways, global railways OEMS and OEMs in aerospace and defence sector which makes us a strategic and reliable partner.

The qualification procedure imposed by Indian Railways through ICF, other coach factories, global railway OEMs, and PSUs has a considerable entry barrier due to its lengthy and stringent qualification process. The vendor must complete distinct qualification procedures for every component they provide. New vendors go through a rigorous qualifying procedure that involves technical assessments, registration, and product evaluations. With an extensive experience as an approved supplier of highly complex forged and machined rolling stock components as well as critical components in the aerospace and defence industries, we are a qualified and established supplier to ICF, PSUs and other global railway OEMs operating in a highly regulated market. Consistent and repeated contracts from our customers shows that we are a reliable and preferred supplier.

As a reliable manufacturer and supplier to railways, aerospace and defence which are highly regulated industries, we enjoy repeated business, which gives us a stable customer base and strong visibility on long-term revenue. As on August 28, 2025, our work order is worth at ₹ 37,588.65 lakhs. Further, we believe that our long-term relationships with our clients and a deep understanding of their requirements will assist us in expanding our product offerings in rolling stocks and its components. We have two advanced manufacturing facilities in Chennai, India capable of producing high precision forged and machined components.

With a strong promoter and management team boasting over more than two decades of experience in the Railway OEM industry, our Company benefits from deep industry knowledge and strategic leadership, enhancing our ability to innovate, navigate market dynamics, and build strong client relationships. Our Promoters i.e., Mr. Venkatesan Dakshinamoorthy and Mr. Manikandan Dakshna Moorthy helped in expanding our product lines and our operations within our industry. We believe our qualified and committed management team also empowers us to seize market prospects, originate and implement business plans, manage customer prospects, and evolve to changing market conditions.

Financial and Operational Metrics

Financial Metrics

Set our below are some of our key financial and operational metrics which we use to analyse our business:

(in ₹ lakhs, unless stated otherwise)

Performance	Fiscal 2025	Fiscal 2024	Fiscal 2023
	Consolidated	Standalone	Standalone
Revenue from operations	19,238.70	11,930.36	9,517.39
Growth in revenue from operations (%)	61.26%	25.35%	-30.78
Total Income	19,266.26	12,287.22	9,532.90
EBITDA	4,740.84	3,457.92	1,468.46
EBITDA Margin (%)	24.61%	28.14%	15.40%
Profit for the year	2,554.76	1,423.28	149.36
PAT Margin (%)	13.28%	11.93%	1.57%
*Return on Equity (*RoE) (%)	30.64%	29.13%	3.64%
*Return on capital employed (*RoCE) (%)	26.28%	26.42%	11.31%
Debt- Equity Ratio	0.54	1.14	1.44

**** Notes***

1. Revenue from Operations: This represents the income generated by the Company from its core operating operation. This gives information regarding the scale of operations. Other Income is the income generated by the Company from its non-core operations.

2. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax for the year and adding back interest cost, depreciation, and amortization expense.

3. EBITDA margin is calculated as EBITDA as a percentage of Total Income.

4. Profit for the year represents the restated profits of the Company after deducting all expenses.

5. PAT Margin (%) is calculated as Profit for the year as a percentage of Revenue from Operations.

6. Return on Equity is calculated as Profit after tax, as restated, attributable to the owners of the Company for the year divided by average equity. Average equity is calculated as average of opening and closing balance of total equity (Shareholders' funds) for the year.

7. Return on capital employed calculated as Earnings before interest (excluding lease liabilities and other borrowing cost) and taxes divided by capital employed as at the end of respective year. (Capital employed calculated as the aggregate value of tangible net worth, total debt and deferred tax liability)

8. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long-term and short-term borrowings. Total equity is the sum of share capital and reserves & surplus.

Operating Metrics

The following table sets forth certain of our operating metrics for the periods indicated:

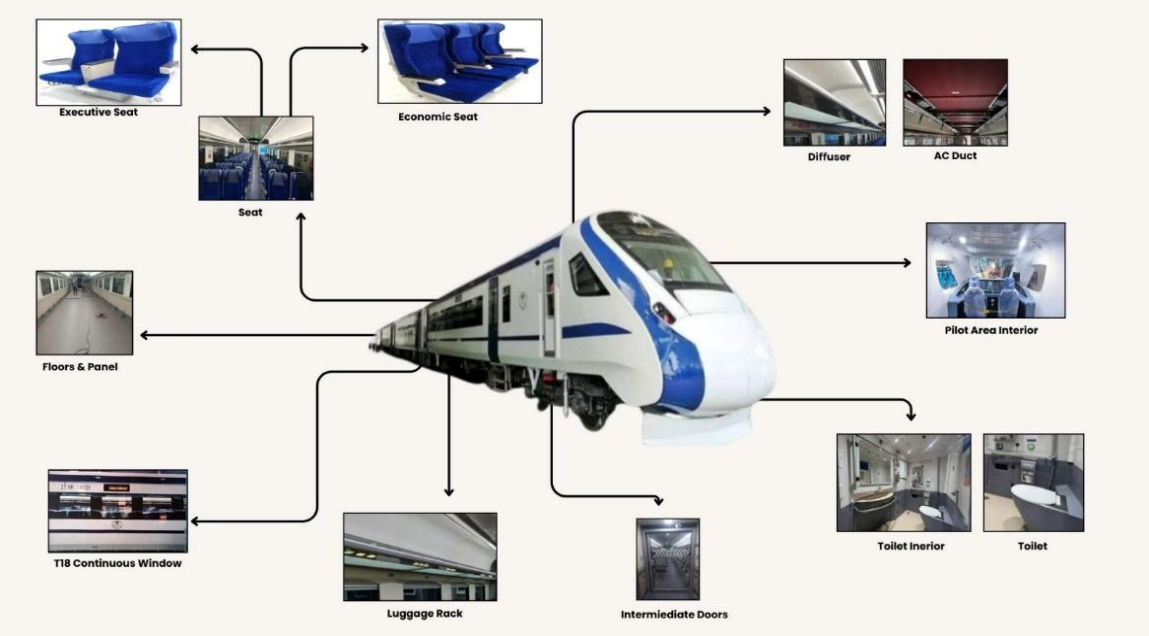
Particulars	As at and for the Financial Year ended March 31, 2025	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023
Customer concentration (Top 5) [(1)]* (in %)	82.48%	77.52%	86.21%
Customer concentration (Top 10) [(2)]* (in %)	92.53%	91.94%	95.06%
Trade Receivable Days [(3)] (in days)	218	230	217
Trade Payable Days [(4)] (in days)	154	281	260
Inventory Days [(5)] (in days)	158	237	265
Cash Conversion cycle [(6)] (in days)	222	186	222

Notes:
[(1)] Customer concentration (Top5) % indicates total revenue from top five customers in terms of descending order of revenue generation for a year shown as percent of revenue from operations for that year.
[(2)] Customer concentration (Top 10) % indicates total revenue from top ten customers in terms of descending order of revenue generation for a year shown as percent of revenue from operations for that year.
[(3)] Trade Payable Days is calculated as Average Trade Payables divided by Total Credit Purchases (Purchases, Direct Expenses, and Other Expenses) multiplied by 365 for fiscal years.
[(4)] Trade Payable Days is calculated as average trade payables divided by revenue from operations multiplied by 365 for Fiscal years.
[(5)] Inventory Days is calculated as average inventory divided by COGS (Cost of goods sold) multiplied by 365 for Fiscal years.
[(6)] Cash conversion cycle is calculated Days of inventory outstanding plus days of receivables outstanding minus days payables outstanding.

Product Categories

Our diversified product ranges across Indian Railways, aerospace and defence. Details of key products manufactured by us are set out below:

1. Vanda Bharat - T18



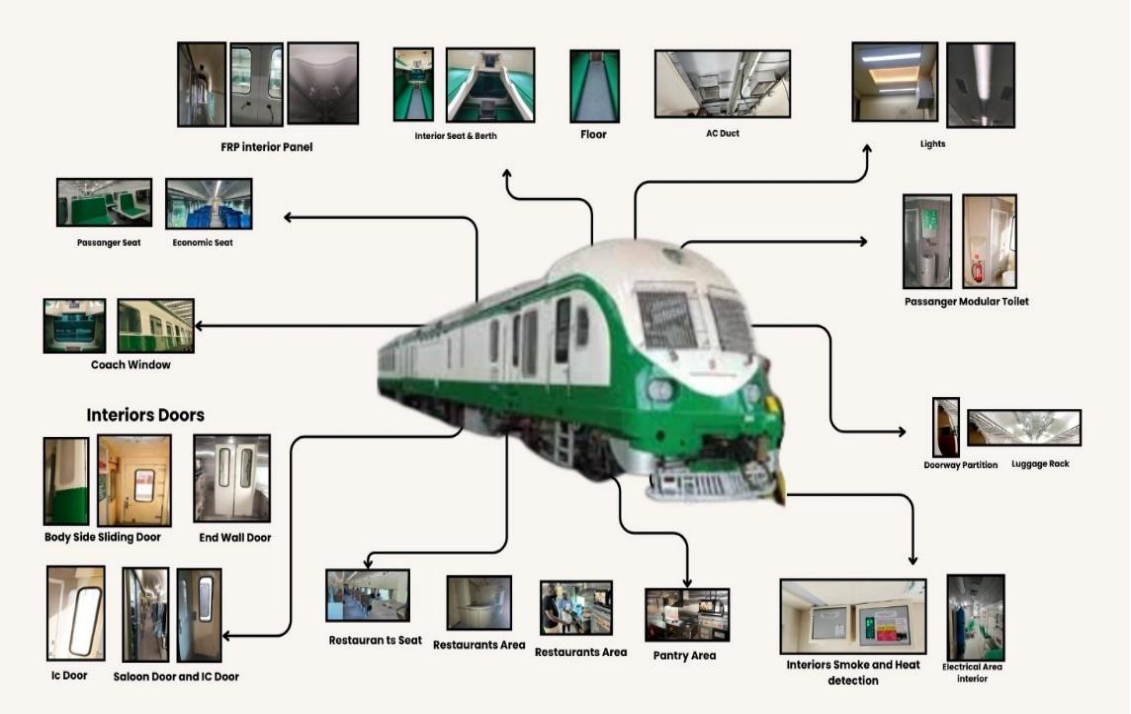
We play a vital role in its success by supplying the following essential components:

- **Seating Options**: Premium executive seats and ergonomic economic seats, designed for luxury and comfort.
- **Climate Control**: Advanced air conditioning systems ensuring a pleasant journey in any weather.
- **Safety Features**: Cutting-edge operational systems for precision and passenger security.
- **Passenger Amenities**: Automated doors, hygienic restrooms, and spacious luggage storage for convenience.
- **Interior Design**: Robust materials paired with large windows to maximize durability and natural light.

Through these contributions, we enhance the Vande Bharat train's performance and passenger experience, cementing its status as a benchmark in modern railway travel.

2. Cape Gauge Passenger Coaches (Mozambique)

The Cape Gauge Passenger Coaches, designed for Mozambique's railway system, prioritize reliability, safety, and passenger comfort.



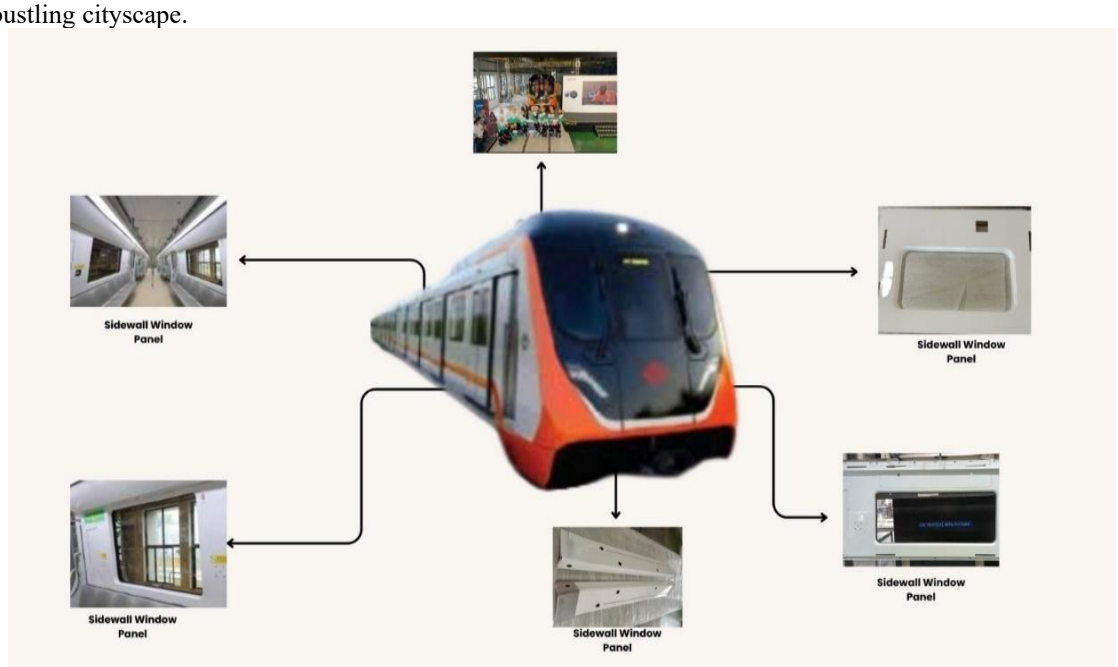
We contribute to these coaches by supplying the following key components:

- **Seating Options**: Comfortable passenger seats, including economic and restaurant seats, tailored for long journeys.
- **Climate Control**: Efficient air conditioning systems with ducts to ensure a comfortable environment.
- **Safety Features**: Smoke and heat detection systems, along with modular toilets, enhancing passenger security.
- **Passenger Amenities**: Interior doors, end wall doors, and spacious luggage racks for ease of travel.
- **Interior Design**: Durable FRP panels, modern lighting, and large coach windows for a bright and welcoming atmosphere.

Our components enhance the functionality and passenger experience of these coaches, making them a reliable choice for Mozambique's rail network.

3. Agar Kanpur Metro

The Agar Kanpur Metro is a contemporary urban transit system designed for efficiency, safety, and passenger convenience in Kanpur's bustling cityscape.



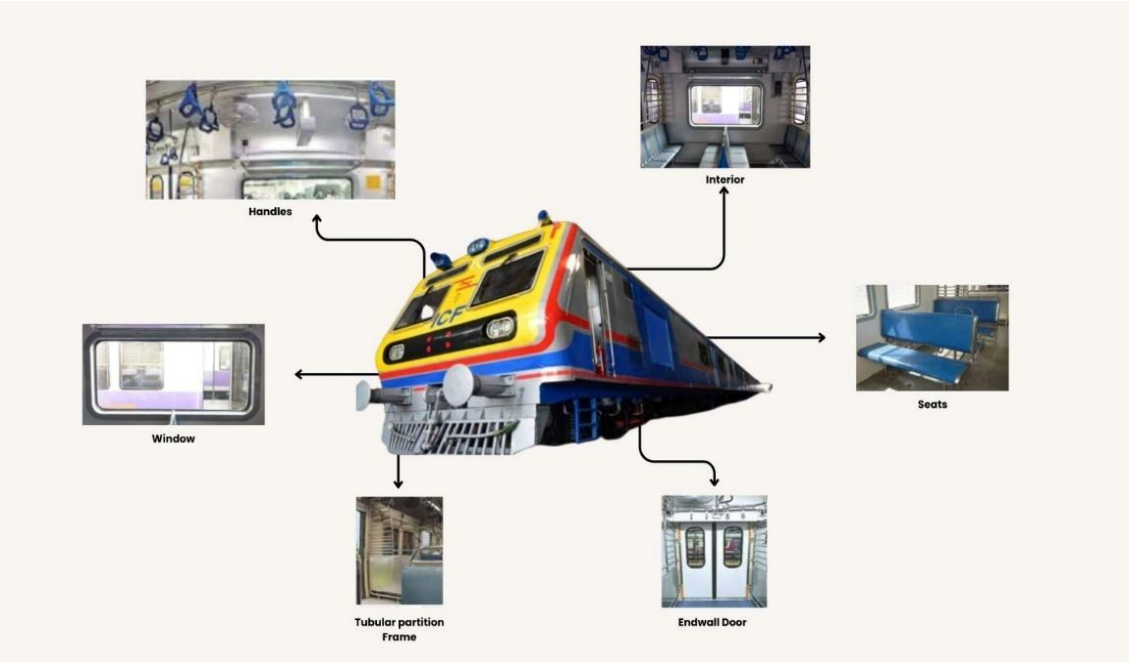
We contribute to its functionality by supplying the following key components:

- **Interior Design**: Durable sidewall panels and windows, ensuring a bright and spacious environment for commuters.
- **Passenger Accessibility**: Well-designed sidewall panels and windows that enhance visibility and ease of movement.
- **Structural Integrity**: Robust sidewall panels that provide structural support while maintaining a sleek aesthetic.

Our components ensure the Agar Kanpur Metro delivers a reliable and comfortable travel experience, supporting the city's urban mobility needs.

4. AC EMU

The AC EMU, designed for efficient urban commuting, ensures safety, comfort, and reliability for daily passengers.



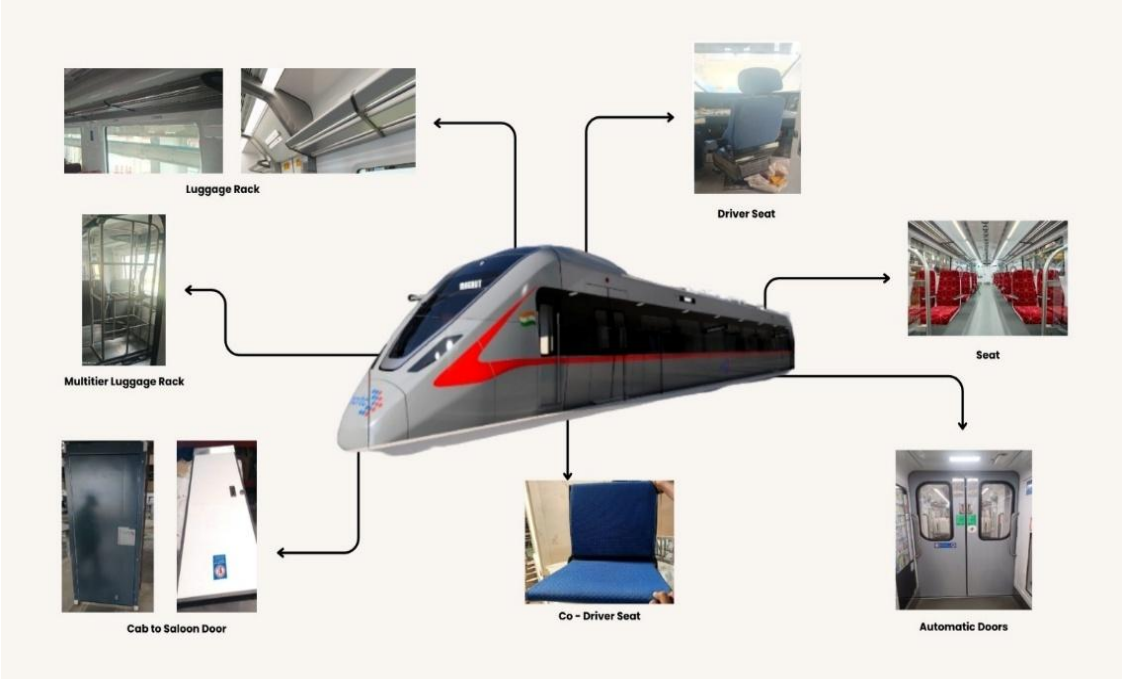
We contribute to its performance by supplying the following key components:

- **Seating Options**: Ergonomic seats designed for comfort during short and medium-length journeys.
- **Passenger Accessibility**: Sturdy handles and endwall doors, facilitating safe and easy movement within the train.
- **Interior Design**: Durable windows and tubular partition frames, enhancing visibility and structural integrity.

Our components ensure the AC EMU provides a dependable and comfortable travel experience, meeting the demands of urban transit systems.

5. RRTS Metro

The RRTS Metro, designed for rapid regional connectivity, ensures efficiency, safety, and passenger comfort across urban corridors.



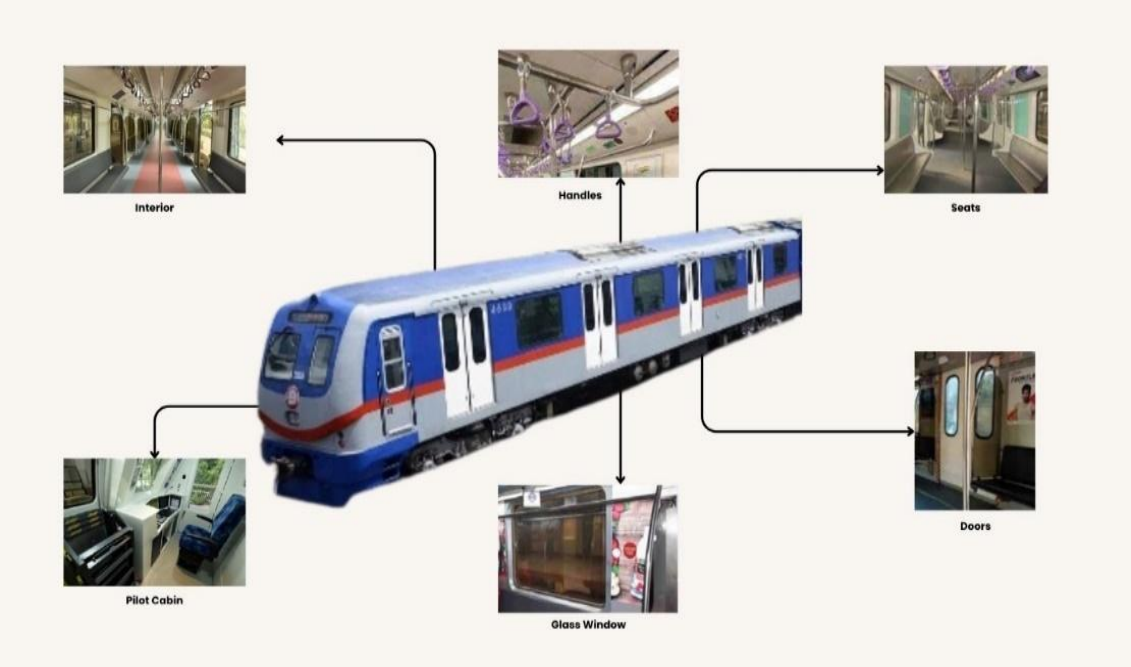
We contribute to its functionality by supplying the following key components:

- **Seating Options**: Comfortable seats, including driver and co-driver seats, designed for ergonomic support.
- **Passenger Accessibility**: Automatic doors and cab-to-saloon doors, facilitating seamless movement within the train.
- **Storage Solutions**: Spacious luggage racks and multi-tier luggage racks for convenient baggage storage.

Our components enhance the RRTS Metro's performance and passenger experience, making it an ideal solution for high-speed regional travel.

6. Kolkata Metro

The Kolkata Metro, a vital part of the city's transit system, ensures efficiency, safety, and passenger comfort for daily commuters.



We contribute to its functionality by supplying the following key components:

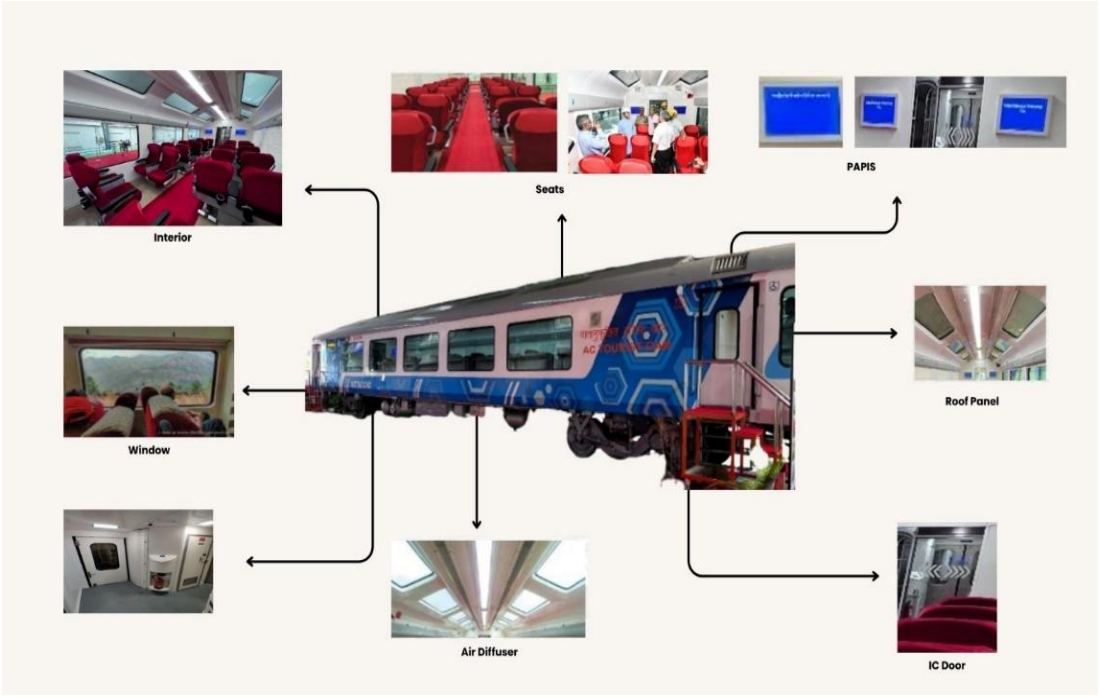
- **Seating Options**: Ergonomic seats designed for comfort during urban commutes.

- **Passenger Accessibility**: Sturdy handles and doors, facilitating safe and easy movement within the train.
- **Operational Efficiency**: A well-equipped pilot cabin for precise and secure operations.
- **Interior Design**: Durable glass windows and a spacious interior, enhancing visibility and passenger experience.

Our components ensure the Kolkata Metro delivers a reliable and comfortable travel experience, supporting the city's urban mobility needs.

7. Vistadome Coach

The Vistadome Coach, designed for immersive and scenic journeys, offers safety, comfort, and panoramic views for passengers.



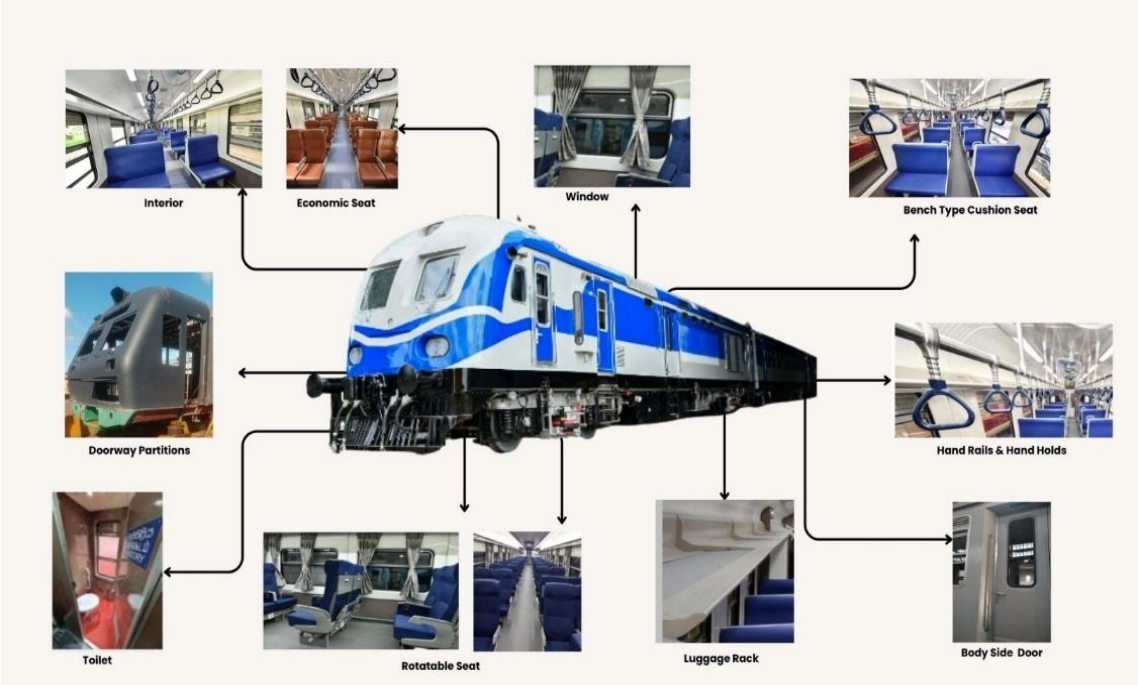
We contribute to its appeal by supplying the following key components:

- **Seating Options**: Comfortable seats designed for long, scenic trips with optimal viewing angles.
- **Passenger Accessibility**: IC doors for smooth and safe movement within the coach.
- **Climate Control**: Air diffusers ensuring a pleasant environment during travel.
- **Interior Design**: Large windows, roof panels, and PAPIS displays, enhancing visibility and the overall travel experience.

Our components ensure the Vistadome Coach delivers a memorable and comfortable journey, perfect for scenic rail travel.

8. Sri Lankan DEMU Frontline

The Sri Lankan DEMU Frontline, designed for efficient rail travel in Sri Lanka, ensures safety, comfort, and reliability for passengers.



We contribute to its functionality by supplying the following key components:

- **Seating Options**: Ergonomic economic seats, rotatable seats, and bench-type cushion seats for varied passenger comfort.
- **Passenger Accessibility**: Body side doors, doorway partitions, and handrails/holds for safe and easy movement.
- **Storage Solutions**: Spacious luggage racks for convenient baggage storage.
- **Interior Design**: Durable windows, a clean toilet, and a well-designed interior for an enhanced travel experience.

Our components ensure the Sri Lankan DEMU Frontline delivers a dependable and comfortable journey, meeting the needs of Sri Lanka's rail network.

9. Aviation Training Centers Simulator

The Aviation Training Centers Simulator, designed for aerospace defense and pilot training, provides a realistic and immersive environment for aircraft pilot training.

We contribute to its effectiveness by supplying the following key components:

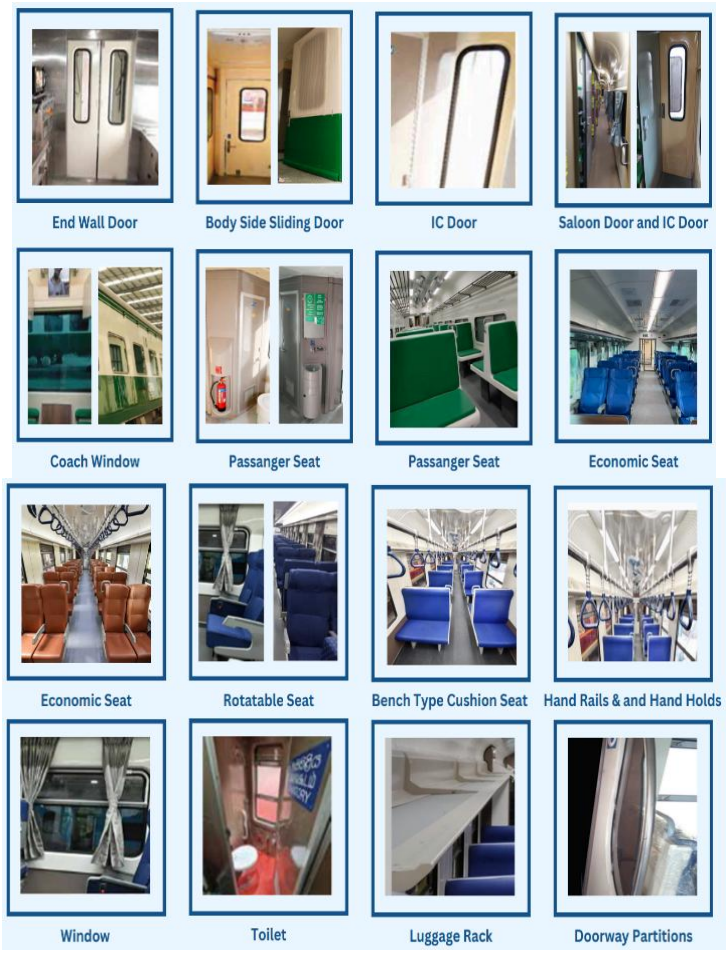
- **Simulated Environment**: A high-fidelity cockpit setup that replicates real-world aircraft conditions for comprehensive training.
- **Structural Design**: A robust simulator body, ensuring durability and stability during intensive training sessions.

Our components ensure the Aviation Training Centers Simulator delivers a safe and effective training experience, preparing pilots for real-world challenges in aerospace defense.

Our Competitive Strengths

Our manufacturing capabilities deliver high-quality components, making us a reliable partner for clients in railway, aerospace, and defence sectors.

Our Company offers a comprehensive product range that includes both exterior and interior components of rail coaches, such as car bodies, windows, doors, seats, panels and many more, allowing it to meet the varied demands of the railway sector. Moreover, our Company has expanded into high-value industries, such as Aerospace and Defence, where it manufactures critical components like ground simulators and exteriors. This multi-industry focus reduces dependency on a single market, providing resilience and additional growth revenues.



By evolving from a rolling stock manufacturer to a turnkey solutions provider, we can manage entire project lifecycles, making it a preferred partner for clients for looking for integrated services. Additionally, our proven ability to handle complex projects, including major undertakings for Indian Railways, Metro Rail and for international OEM clients, further solidifies our position as an established player in the industry.

As a turnkey provider in railway, we offer seamless end-to-end solutions, simplifying project execution and boosting efficiency

Our Company's turnkey solution capability is a major competitive strength, allowing us to offer end-to-end services that go beyond mere manufacturing. As a turnkey solutions provider, the company manages the entire project lifecycle, from design, engineering, and manufacturing to assembly, installation, and commissioning. This comprehensive approach enables clients, such as Indian Railways and global railway coach OEMs, to streamline procurement processes by relying on a single partner for multiple project

phases. Our Company's ability to deliver turkey solutions has been demonstrated through its successful execution of high-profile projects like *Sri Lankan Diesel Electric Multiple Unit* ("**DEMU**"), and various metro rail systems in India.

This expertise not only enhances operational efficiency for our clients but also builds long-term relationships and trust, as client benefit from consistent quality, on-time delivery, and reduced complexity. By offering integrated solutions sets itself apart in a competitive market, ensuring it can capture larger projects and maintain a leadership position within the railway.

Our advanced manufacturing, with modern machinery and equipment ensures efficiency and precision, making us a trusted partner for quality components in the railway and aerospace sectors

The advanced manufacturing infrastructure of our Company is a critical competitive strength encompassing two (2) strategically located manufacturing units across Chennai, and Kancheepuram. Equipped with modern machinery, and tools, these facilities enable high-efficiency production and innovative manufacturing processes. The investment in advanced technology allows for precision engineering and the ability to handle complex projects, ensuring that the company meets stringent quality and safety standards demanded in the railway and aerospace sector.

This robust infrastructure supports a flexible manufacturing environment, accommodating various production scales and enabling rapid response to market demands. Overall, this advanced manufacturing infrastructure not only enhances operational capabilities but also reinforces our company's reputation for reliability and excellence in producing high-quality components and turnkey solutions.

Led by seasoned promoters with extensive industry experience, we effectively navigate market dynamics, drive innovation, and strengthen client relationships in the railway and aerospace sectors.

The extensive experience and strategic foresight of our Promoters and senior management team enable the Company to anticipate industry trends, respond to evolving customer needs, and senior management team enable the Company to anticipate industry trends, respond to evolving customer needs, and strengthen long-term client relationships. With over two decades in the of railway OEM sector, our Promoters- Mr. Venkatesan Dakshnamoorthy (Chairman & Managing Director) and Mr. Manikandan Dakshna moorthy (Joint Managing Director) have been instrumental in driving the Company's growth across railway and aerospace verticals. Their deep domain expertise and proven track record support the Company in driving operational excellence, expanding into new product verticals, and securing long-term business opportunities with ICF, various rail coach factories in India, as well as reputed railway component and coach manufacturers both in domestic and international markets

In further strengthening our innovation capabilities, we have appointed Mr. Sudhanshu Mani, the former General Manager of Integral Coach Factory (ICF) and the key visionary behind India's flagship Vande Bharat Express, as our Technology Advisor. His

deep understanding of rolling stock design, coach manufacturing, and project execution serves as a critical enabler for our transition into a full-fledged rolling stock solutions provider.

A robust work order book, coupled with proven financial performance and scalable business model, positions us for sustained growth and the ability to meet rising market demands.

Our Company's strong work order book, bolstered by a demonstrated history of financial performance and a scalable business model, serves as a key competitive advantage. With work orders exceedingly more than ₹ 37,588.65 lakhs as on August 28, 2025, our company enjoys a robust backlog that ensures consistent revenue streams and financial stability. This strong pipeline reflects the trust and confidence that major clients, including Indian Railways and other significant OEMs, place in the company's capabilities and reliability.

S. No.	Segment	Total Value of the Work Order including GST *(in ₹ lakhs)*	In % compared to the Total Order Book
1.	Railways - Government	27,127.73	72.17%
2.	Railways - non-government	8,959.41	23.84%
3.	Aerospace & Defense	1,501.51	3.99%
Total		**37,588.65**	**100.00%**

As certified by Varadarajan & co. (Chartered Accountants) as on dated August 29, 2025

Moreover, the company's demonstrated history of financial performance showcases its ability to effectively manage projects, maintain cost efficiencies, and deliver quality products on time. This track record not only reinforces client trust but also positions the company favourably in securing future contracts. The scalable business model further enhances this advantage, allowing the company to adapt to changing market conditions and expand its operations as demand increases. By leveraging our advanced manufacturing infrastructure and diverse capabilities, the company can efficiently scale production to meet growing needs without compromising quality. This combination of a strong work order book, proven financial performance, and a flexible, scalable business model ensures that the company is well-equipped to capitalize on emerging opportunities and sustain long-term growth in the competitive landscape.

Our Strategies

Leverage our industry-leading capabilities to diversify our customer base further and enhance our penetration and wallet with existing clients by introducing new component lines

We want to grow our customer base by utilizing current customer relationships in India and abroad, while also exploring new prospects. We intend to retain our good track record of repeat orders from existing customers while also expanding and strengthening our partnerships as part of our organic growth efforts. We want to leverage our client relationships to improve our present products while also increasing the number of products we currently manufacture for each customer.

We will take advantage of the present client base's consolidation of supplier bases to capture more total value content in particular initiatives. In order to accomplish this, we want to actively manage our major client accounts to boost customer interaction, work with our customers in the early stages of product development, and assist them in optimizing their supply chains by managing their lower-tier suppliers. We want to continue developing our backward integration capabilities in order to provide our customers with more material possibilities, as well as focusing on being a holistic engineering solutions supplier. We will continue to invest in innovation, automation, contemporary technology, and equipment in order to improve our products and respond to changing client preferences.

Expand our manufacturing capabilities to Enhance Client Servicing, Achieve Scale and Deliver Execution Excellence

Expanding our manufacturing capabilities is a key strategic initiative designed to improve our ability to serve clients more effectively while achieving the scale required to compete in dynamic and evolving markets. To this end, the Company intends to utilize ₹1,367.78 lakhs of the net proceeds of the issue towards the purchase of new machinery and equipment, which will augment our existing production infrastructure and support capacity expansion.

These investments will enable us to increase output, enhance precision, and cater to the growing and diverse requirements of our clientele across sectors such as railways, aerospace and defence. The addition of technologically advanced machinery will also help us streamline operations, reduce lead times, and maintain stringent quality benchmarks.

Furthermore, by integrating superior execution practices and advanced production capabilities, we aim to improve operational efficiency and ensure the timely delivery of high-quality products. This strategic move will not only elevate customer satisfaction

but also reinforce our positioning as a trusted and execution-driven industry player. Ultimately, our manufacturing expansion supports our long-term objective of driving sustainable growth, improving margins, and securing a competitive advantage in both domestic and international markets.

Optimize Costs, Enhance Efficiency, Advance Technology and Strengthen Financial Position

To maintain strong, long-term client relationships, we are committed to delivering high-quality products at competitive prices. Our proven execution capabilities, combined with continuous focus on innovation, research and development, and efficient supply chain management, differentiate us from competitors both in India and globally.

We continue to adopt process engineering, automation, and lean manufacturing practices to enhance operational efficiency, maximize capacity utilization, and optimize production processes. Our focus on improving execution, leveraging economies of scale, and reducing operating costs strengthens our market position and supports sustainable growth.

As a technology-driven and execution-focused organization in the railway rolling stocks and its components, aerospace and defence, and precision components sectors, we are well-positioned to scale up production volumes across our current and future facilities while maintaining cost efficiency and driving long-term value creation.

Strategic investments in manufacturing infrastructure, advanced machinery, and modern equipment allow us to maintain a diverse product portfolio while keeping production costs low. As part of the objects of the issue, we also plan to repay our Company's certain borrowings, which will reduce our debt burden, lower interest costs, and improve our financial stability and for this purpose, we intend to utilize ₹ 600.00 lakhs from the Net Proceeds. For further details, see *"Object of the Offer"* on page 85.

Transitioning to a Full-Fledged Rolling Stock Solutions Provider

To align with our strategic vision of becoming a comprehensive railway solutions provider akin to industry leaders like ICF, and rolling-stock manufacturer, we recognize the need to strengthen our presence in both coach building and interiors. While we have established expertise in manufacturing critical components and executing turnkey interior furnishing projects, we are now intensifying our focus on Aluminium and FRP interior solutions — areas that are pivotal to next-generation rail coach manufacturing.

To drive future technological progress, we have appointed a dedicated technology advisor to lead our innovation roadmap and guide strategic business development. In parallel, we are investing in advanced machinery, with advance payments already made to suppliers, marking our commitment to capacity enhancement and process excellence. These enhancements will not only expand our product capabilities but also reinforce our positioning as a full-fledged integrated rolling stock player.

Our Business Operations

The process and step involved in our business operations are as follows: -

1. Work Order

This is the initial step where our Company receives a formal request for products or components required for railway systems such as rolling stock and other related components and equipment. The work order outlines the specifications, quantities, and delivery timelines.

2. Create BOM (Bill of Materials)

Once the work order is in place, a Bill of Materials is created. This document lists all materials, components, and assemblies required to manufacture the product. It serves as a comprehensive guide for procurement and production teams to ensure all necessary items are sourced and available.

3. Material Requirement and Planning

In this phase, our Company assesses the materials needed based on the BOM. The procurement team plans and arranges for the purchase of raw materials, considering lead times, availability, and cost efficiency, ensuring a steady supply for production without excess inventory.

4. Production Planning as per DP (Demand Planning)

Based on demand forecasts, the production team schedules manufacturing activities to align with expected delivery dates. This ensures efficient use of resources, minimizing idle time, and aligning production with customer needs.

5. Production and Control

Here, the actual manufacturing process begins. Production control is implemented to monitor each step, ensuring adherence to quality standards and timelines. This stage involves managing workflow, resource allocation, and supervision to deliver products that meet stringent railway industry standards.

6. Performance and Cost Analysis

After production, our team analyses the performance of the production process. This includes comparing planned vs actual metrics, such as production time, resource utilization, and costs incurred. By identifying inefficiencies and variances, the company gains insights to improve processes and optimize future operations, ensuring cost-effectiveness and operational excellence.

7. Update UR/GL (User Requirements/General Ledger

Once the production phase is completed, updates are made to the User Requirements (UR) and General Ledger (GL) systems. This step ensures that inventory, financials, and other operational data are accurately recorded. It provides the company with real-time insights for decision-making and ensures compliance with accounting and reporting standards.

8. Billing and Invoice

Following production, the billing and invoicing process is initiated. Accurate invoices are generated based on the completed work or delivered products. This ensures timely payment collection, maintains healthy cash flow, and strengthens customer relationships by providing clear and transparent financial documentation.

9. Package and Ship

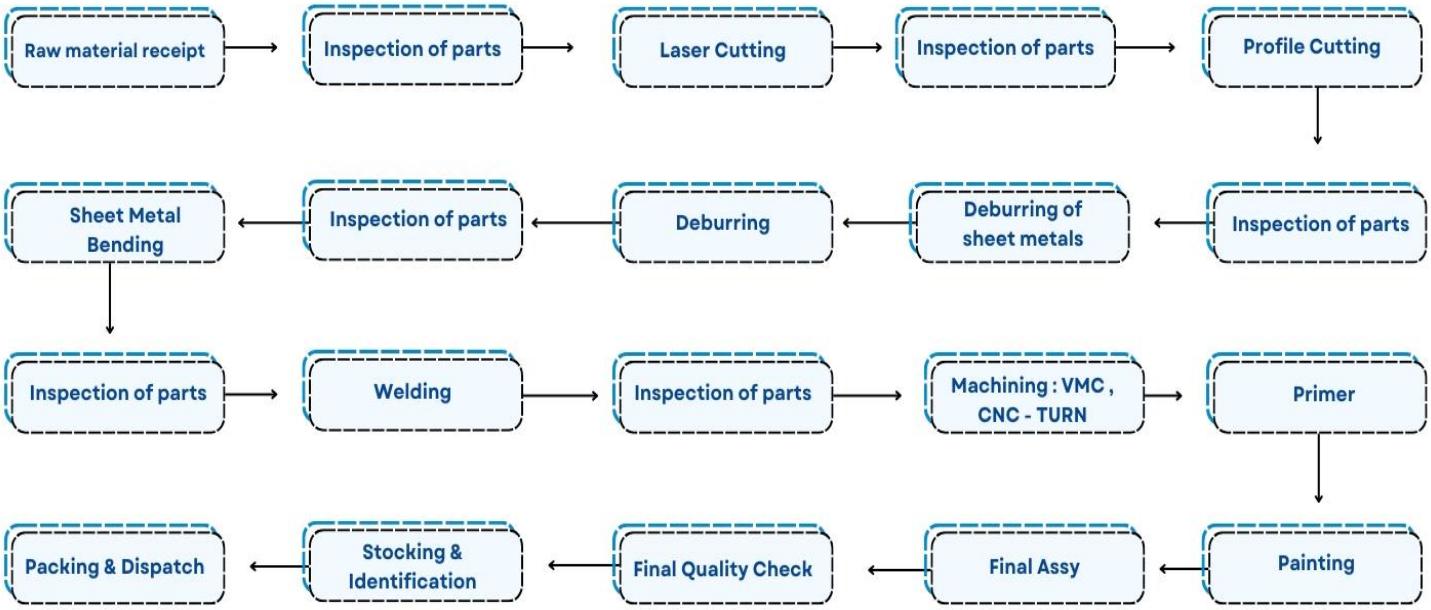
The completed products are then packaged securely to prevent damage during transit. Special attention is given to packaging materials and methods to ensure compliance with industry standards. Once packaged, the products are shipped to clients or designated locations, ensuring timely and safe delivery while enhancing customer satisfaction.

10. Quality Assurance

The final step in the process is quality assurance. This involves rigorous testing and inspection of the manufactured products to ensure they meet or exceed predefined quality standards and customer expectations. Quality assurance is integral to maintaining the company's reputation and ensuring that the delivered products are reliable, durable, and compliant with industry regulations.

Manufacturing Process

Railways



A detail explanation of each step in the production process for the railway components are as follows: -

- ***Raw Material Receipt***

The process begins with the receipt of raw materials, such as sheet metal, profiles, or other base components. These materials are inspected for quality and compliance with predefined standards. Proper documentation is done, and the materials are sorted for further processing.

- ***Inspection of Parts***

Before any processing, the raw materials and initial parts undergo a thorough inspection. This ensures that they meet the required specifications, such as dimensions, surface finish, and material properties, preventing issues during subsequent manufacturing stages.

- ***Laser Cutting***

In this stage, the raw materials are shaped using precision laser cutting technology. Laser cutting ensures clean, accurate cuts suitable for intricate designs and railway components, minimizing waste and maximizing efficiency.

- ***Deburring of Sheet Materials***

After cutting, sheet metal parts often have sharp edges or burrs that need to be smoothed out. The deburring process eliminates these imperfections, ensuring safety, ease of assembly, and better aesthetics.

- ***Profile Cutting***

This step involves shaping materials into specific profiles required for railway equipment. Profile cutting is done with high precision to match design requirements and prepare the parts for assembly.

- ***Sheet Melting Bending***

The processed sheet metal is bent into specific shapes and angles using bending machines. This step is essential for forming parts like enclosures, frames, or panels used in railway equipment manufacturing.

- ***Welding***

The individual components are joined through welding, creating subassemblies or final structures. This process requires skilled labour and advanced welding techniques to ensure strong and durable joints.

- ***Machining (VMC, CNC, TURN)***

Certain parts require further precision through machining processes such as Vertical Machining Centers (VMC) or Computer Numerical Control (CNC) turning. This stage ensures exact dimensions and tolerances for critical components.

- ***Primer Application***

After the parts are fabricated, they undergo primer application. The primer acts as a base layer of coating, protecting the surface from rust and corrosion, and improving the adhesion of paint.

- ***Painting***

The parts are painted to enhance their durability and aesthetic appeal. Specialized paints are used to ensure they can withstand harsh conditions, like heat, moisture, and wear, commonly experienced in railway environments.

- ***CMM Inspection***

Post-machining and finishing, a Coordinate Measuring Machine (CMM) is used to inspect parts. This step ensures that the components meet dimensional accuracy and design specifications down to the micrometre level.

- ***Final Assembly (Final Assy)***

All the inspected and prepared components are assembled into finished products or modules. This step involves precision fitting and adherence to assembly guidelines to create functional railway components.

- ***Final Inspection***

Before dispatch, the assembled products undergo a final round of inspection to ensure compliance with all quality and design requirements. This step is crucial for maintaining customer satisfaction and safety standards.

- ***Stocking and Identification***

Once the products are approved, they are stocked in designated areas and properly labelled or identified for easy tracking. This step ensures smooth logistics and order management.

- ***Packing and Dispatch***

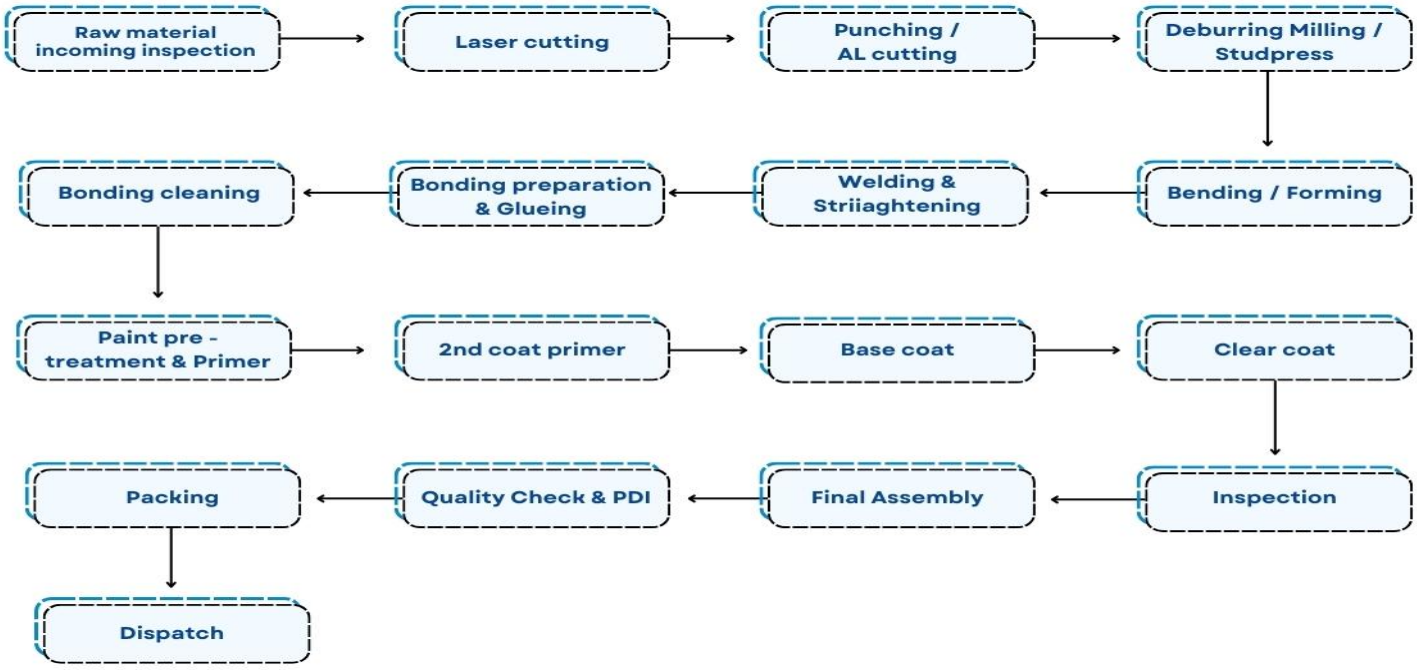
The finished products are carefully packed to prevent damage during transit. They are dispatched to clients or project sites in line with delivery schedules.

- ***Quality Check***

The final quality check is conducted before shipping to ensure that the products meet all regulatory and industry standards. This last step reinforces our Company's commitment to delivering high-quality railway solutions.

This systematic workflow ensures the production of high-quality, durable, and precise railway components while maintaining efficiency and compliance with industry standards.

Aerospace



A detail explanation of each step in the production process for the aerospace components are as follows: -

- ***Raw Material Incoming Inspection***

  The aerospace manufacturing process starts with the receipt of certified raw materials such as aluminium alloys, titanium, or composite materials. These materials undergo strict quality checks to meet aerospace-grade specifications for strength, weight, and disability.

- ***Laser Cutting***

  Using advanced laser cutting technology, the raw materials are shaped with high precision. This step is critical in aerospace to achieve intricate designs for components like wing panels, fuselage parts, or brackets while minimizing material wastage.

- ***Punching/AL cutting***

  Punching or specialized aluminium cutting is employed to create holes or patterns in lightweight metal sheets. This step is commonly used to produce components for aircraft interiors or structural assemblies, ensuring accuracy and consistency.

- ***Deburring, Milling, and Stud Pressing***

  After cutting, the parts are deburred to remove sharp edges, ensuring safety and proper assembly. Milling is used to achieve high precision and intricate geometries in parts like turbine blades or engine housings. Stud pressing involves embedding fasteners or threaded inserts into components for easy assembly, which is common in aerospace structures.

- ***Bending/Forming***

  Sheet metals or composite materials are bent or formed into specific aerodynamic shapes required for parts such as wing flaps, engine cowlings, or structural reinforcements. This step is carried out with tight tolerances to ensure structural integrity.

- ***Welding and Straightening***

  Components like fuel tanks, structural panels, or engine parts are welded together using aerospace-grade welding techniques (e.g., TIG or laser welding). Post-welding straightening ensures the parts remain within required tolerances and maintain alignment.

- ***Bonding Preparation & Glueing***

  Aerospace components, especially composite materials, often require adhesive bonding. In this step, surfaces are treated (e.g., sanded, primed) for optimal adhesive performance. Glueing is done to assemble parts like composite panels, interior assemblies, or structural joints.

- ***Bonding Cleaning***

  Bonded components are cleaned to remove excess adhesives, ensuring a smooth finish and preventing defects in subsequent stages.

- ***Paint Pretreatment & Primer***

  Parts are prepared for painting through chemical treatments or anodizing to enhance corrosion resistance. A primer layer is applied to improve paint adhesion and protect surfaces from environmental exposure, which is critical for aerospace components exposed to high-altitude conditions.

- ***2nd Coat Primer***

  A second primer coat ensures complete surface coverage and additional protection against oxidation, critical for maintaining the longevity of components like aircraft fuselage panels or landing gear parts.

- ***Base Coat***

  The base coat provides the primary protective and aesthetic layer. For aerospace, special coatings are used that are lightweight, resistant to extreme temperatures, and durable under high-speed airflow or chemical exposure.

- ***Clear Coat***

  A clear coat is applied to enhance the finish, providing UV protection and additional durability. This step is particularly important for exposed components like engine nacelles or aircraft exteriors.

- ***Inspection***

  All parts undergo thorough inspections using advanced techniques like ultrasonic testing, X-ray, or Coordinate Measuring Machines (CMM). This ensures that the components meet aerospace standards and are free from defects that could compromise safety.

- ***Final Assembly***

  The processed components are assembled into larger modules or systems, such as aircraft wings, engine assemblies, or avionics enclosures. This step requires precision and adherence to strict engineering drawings and specifications.

- ***Final Inspection & Pre-Delivery Inspection (PDI)***

  The final assembly undergoes rigorous inspections and testing, including non-destructive testing (NDT) and functional checks. Pre-delivery inspections ensure the systems are airworthy and compliant with regulatory standards.

- ***Packing***

  Aerospace components are packed with extreme care to prevent damage during transit. Specialized packaging materials and techniques are used to protect sensitive parts like avionics systems or turbine blades.

- ***Quality Check***

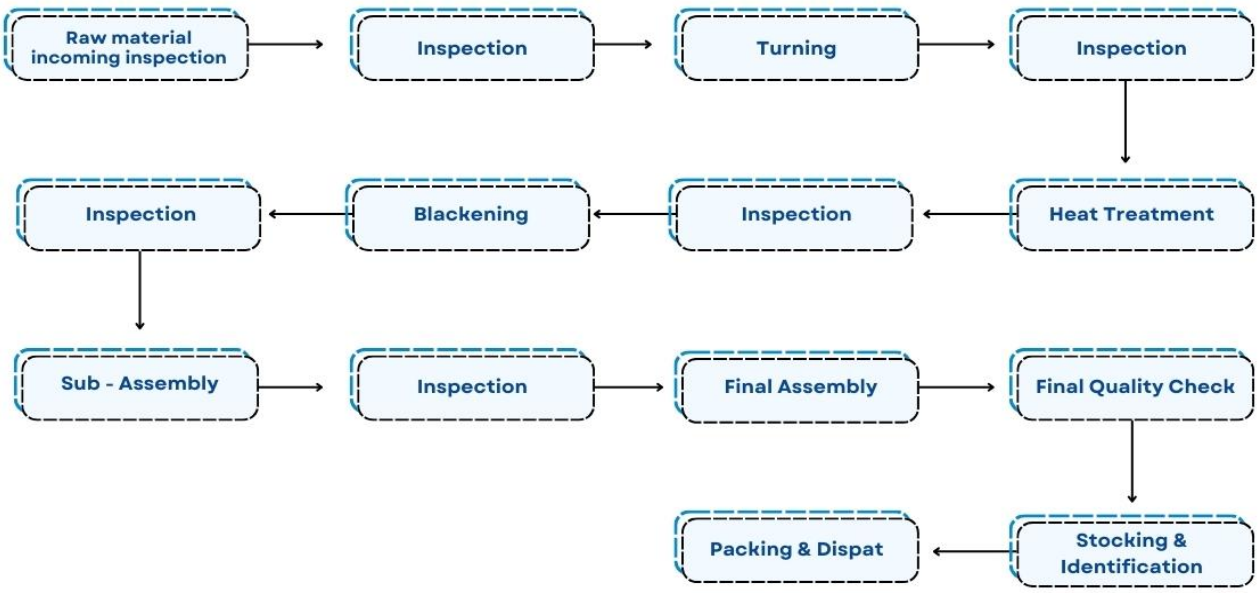
  Before dispatch, a final quality check ensures that every step of the manufacturing process has been followed and that the components meet the required certifications.

- ***Dispatch***

The completed aerospace components are dispatched to customers, which could include aircraft manufacturers or maintenance, repair, and overhaul (MRO) providers. Documentation for traceability, compliance, and certifications accompanies the shipment.

This process ensures that aerospace components meet the rigorous demands of the industry, focusing on safety, reliability, and performance under extreme operating conditions.

Defence



This following process outlines the production and quality assurance of components used in defense systems, where precision, durability, and reliability are critical.

- ***Raw Material Incoming Inspection***

The process begins with the receipt of raw materials such as high-grade steel, alloys, or composite materials. These materials undergo stringent inspection to verify mechanical properties, chemical composition, and dimensional accuracy. This ensures compliance with defence standards and prevents defects in the final product.

- ***Inspection***

After receiving the raw materials, they are subjected to a thorough inspection using techniques such as visual checks, ultrasonic testing, or spectrometry. This step ensures that only defect-free materials proceed to the next stage of production.

- ***Turning***

The raw material is machined using turning operations on CNC lathes to achieve the desired dimensions and shapes for defence components. Precision is vital at this stage to meet exact specifications for parts used in applications such as missile systems, artillery, or armoured vehicles.

- ***Inspection***

After turning, the machined components are re-inspected to ensure dimensional accuracy and surface finish. This inspection prevents any defective parts from moving further in the production process.

- ***Heat Treatment***

Heat treatment is applied to enhance the mechanical properties of the components, such as strength, hardness, and toughness. This is essential for defence applications where the parts must withstand extreme conditions like high pressure or temperatures during operations.

- ***Inspection***

Post heat treatment, the parts are inspected for hardness, microstructure, and any deformations. This ensures that the heat treatment process has achieved the required properties without compromising the integrity of the parts.

- ***Blackening***

A black oxide coating is applied to the components to improve corrosion resistance and enhance their appearance. This step is critical for components exposed to harsh environmental conditions, such as naval or field equipment.

- ***Inspection***

After blackening, the parts are inspected to ensure uniform coating and verify that the protective layer adheres to the surface as required. Any inconsistencies are addressed before moving forward.

- ***Sub-Assembly***

Multiple components are assembled into sub-assemblies. For example, small mechanical or electronic parts might be assembled into modules used in radar systems, weapon mounts, or communication devices.

- ***Inspection***

The sub-assemblies undergo rigorous inspection to ensure that all parts are properly fitted and functional. This step often involves performance testing to validate the sub-assembly under simulated conditions.

- ***Final Assembly***

The final product undergoes comprehensive inspection and testing, including dimensional checks, functional tests, and environmental simulations. This ensures that the product meets defence standards and is ready for deployment.

- ***Stocking & Identification***

Approved components and products are stored securely with proper identification for traceability. Each product is tagged with unique identifiers or serial numbers, which is critical in defence for tracking and maintenance.

- ***Quality Check***

Before dispatch, a final quality check is conducted to verify all manufacturing and assembly steps were completed as per the design and specifications. Documentation is reviewed to ensure compliance with defence certifications and standards.

- ***Packaging & Dispatch***

The finished products are packed in secure, protective packaging to prevent damage during transportation. Given the sensitive nature of defence equipment, special care is taken to ensure safe and tamper-proof delivery to the client.

This process ensures that defence components manufactured by our Company are of the highest quality, capable of meeting the rigorous demands of national security and defence operations.

SWOT (Strengths, Weaknesses, Opportunities, Threats)

Strengths

- ***Established market player with extensive experience***

  Our Company is a prominent player in the railway OEM industry, backed by over two decades of experience that enhances its competitive advantage. This longevity provides valuable insights into market dynamics, enabling the us to design and manufacture products that meet industry standards. We have built strong relationships with key stakeholders, fostering customer trust and facilitating repeat business.

- ***Early Adaptor and Strong Player in embracing new rolling stock (e.g., Vande Bharat and Metro)***

  Our Company has shown a proactive approach by adapting to modern railway needs, including manufacturing components for advanced rolling stock like Vande Bharat and Metro Trains.

- ***Proven End-to-End Integrator and Manufacturer of Entire train sets***

  Our Company has established itself as a complete solution provider, capable of manufacturing and integrating both exteriors and interiors of train sets. This capability sets apart from competitors who specialize in limited components.

- ***Consistent Growth and Proven Track Record***

  The company has demonstrated consistent growth in terms of revenue, project execution, and client satisfaction, reflecting a robust operational framework.

- ***Solid Client base:***

  Our Company boasts a solid client base that reflects its reputation as a trusted partner in the railway OEM industry. Over the years, the company has established enduring relationships with key stakeholders, including government bodies, railway operators, and other OEMs. This extensive network not only fosters customer loyalty but also facilitates repeat business and referrals. The diverse portfolio of clients enhances our market presence and provides a steady revenue stream, positioning the company for sustainable growth. By consistently delivering quality and services, we continue to strengthen our client relationships, further solidifying its standing in the industry.

- ***Dedicated Workforce:***

We benefit from a dedicated workforce that plays a crucial role in its success. We boast a team of skilled professionals with extensive experience in the railway OEM sector, ensuring high-quality product design and manufacturing. This commitment to excellence drives operational efficiency and enhances project execution, allowing us to meet tight deadlines and exceed customer expectations.

Weakness

- ***Need for Additional Working Capital***

Despite its established presence, our Company faces constraints in working capital, which may hinder its ability to scale operations or take on large, high-value projects effectively.

Opportunities

- ***Significant Opportunities through New and Extended Product Offerings for Existing Clients***

By expanding its product range, our Company can cater to evolving demands and provide value-added services, thereby depending its engagement with current clients and increasing revenue.

- ***Acquiring and Leveraging Opportunities in Domestic and Overseas Markets***

The company can capitalize on emerging opportunities by collaborating with domestic players like Alstom and Siemens. Additionally, exploring international markets allows for geographic diversification and revenue growth.

Threats

- ***Escalation of Raw Material Costs***

The rising costs of essential raw materials can impact profitability and disrupt production schedules, posing a significant risk to the company's financial health and operational efficiency.

Revenue Bifurcation

Location-wise Revenue Bi-furcation

S. No.	Location	Fiscal Year 2025		Fiscal Year 2024		Fiscal Year 2023	
		Revenue *(in ₹ lakhs)*	In %	Revenue *(in ₹ lakhs)*	In %	Revenue *(in ₹ lakhs)*	In %
1.	Tamil Nadu	17,974.59	93.43%	7,861.18	65.89%	6,341.84	66.63%
2.	Gujarat	637.12	3.31%	326.34	2.74%	691.58	7.27%
3.	Maharashtra	138.06	0.72%	3,404.17	28.53%	8.98	0.09%
4.	Karnataka	222.56	1.16%	112.86	0.95%	67.24	0.71%
5.	Telangana	72.00	0.37%	21.60	0.18%	51.76	0.54%
6.	Punjab	82.86	0.43%	70.34	0.59%	248.35	2.61%
7.	Rajasthan	12.67	0.07%	-	0.00%	-	0.00%
8.	Uttar Pradesh	86.92	0.45%	11.55	0.10%	2,032.59	21.36%
9.	West Bengal	0.33	0.00%	-	0.00%	28.00	0.29%
10.	Madhya Pradesh	-	-	-	0.00%	10.90	0.11%
11.	Delhi	-	-	81.04	0.68%	-	0.00%
12.	Haryana	-	-	28.36	0.24%	-	0.00%
13.	Goa	-	-	12.92	0.11%	-	0.00%
14.	Puducherry	0.50	0.00%	-	0.00%	-	0.00%
15.	Uttarakhand	9.03	0.05%	-	0.00%	36.15	0.38%
16.	Bihar	2.06	0.01%	-	0.00%	-	0.00%
Total		**19,238.70**	**100.00%**	**11,930.36**	**100%**	**9,517.39**	**100%**

Segment-wise Revenue Bifurcation

S. No.	Segment	Fiscal Year 2025		Fiscal Year 2024		Fiscal Year 2023	
		Revenue *(in ₹ lakhs)*	In %	Revenue *(in ₹ lakhs)*	In %	Revenue *(in ₹ lakhs)*	In %
1.	Railway Rolling Stocks	12,416.88	64.54%	11,322.24	94.90%	9,475.96	99.56%
2.	Aeronautical, Defence & Others	6,821.82	35.46%	608.12	5.10%	41.43	0.44%
Total		**19,238.70**	**100.00%**	**11,930.36**	**100.00%**	**9,517.39**	**100.00%**

Product-wise Revenue Bifurcation

S. No.	Product	Revenue generated in the Fiscal Year 2025 *(in ₹ lakhs)*	In % compared to revenue from operations
1.	Train Materials	8,813.43	45.81%
2.	Train 18 Seat	5,523.14	28.71%
3.	Roof and Sidewall	1,592.27	8.28%
4.	Automatic Sliding Door	921.96	4.79%
5.	Luggage rack	905.92	4.71%
6.	Air Filter	408.40	2.12%
7.	Improvement of Water Supply (DMA Zonation)	406.58	2.11%
8.	Nose cone	252.45	1.31%
9.	GM Coach and LRAAC	204.33	1.06%
10.	Window	112.84	0.59%
11.	Interior Panelling	34.87	0.18%
12.	Hydrogen Train Materials	32.12	0.17%
13.	Driver seat & co Driver seat	30.40	0.16%
Total		**19,238.70**	**100.00%**

S. No.	Product	Revenue generated in the Fiscal Year 2024 *(in ₹ lakhs)*	In % compared to revenue from operations
1.	Train Materials	5,403.60	45.29%
2.	Train 18 Seats	2,151.94	18.04%
3.	Roller Bed	988.26	8.28%
4.	ACP Interior panelling	783.81	6.57%
5.	Supply of Rake set	530.65	4.45%
6.	Roof & Sidewall	445.25	3.73%
7.	GM Coach LRAAC	360.56	3.02%
8.	Automatic Sliding Door	352.80	2.96%
9.	Roof & Sidewall	325.62	2.73%
10.	Nose cone	296.73	2.49%
11.	Luggage Rack	291.14	2.44%
Total		**11,930.36**	**100.00%**

S. No.	Product	Revenue generated in the Fiscal Year 2023 *(in ₹ lakhs)*	In % compared to revenue from operations
1.	Train Materials	6,730.52	70.72%
2.	Roof, Side Wall and End Wall	1,358.11	14.27%
3.	Seat	425.70	4.47%
4.	Door	265.76	2.79%
5.	Nose cone	258.56	2.72%
6.	Underframe	211.46	2.22%
7.	LACCN Roof	126.50	1.33%
8.	One coach set of Windows	49.72	0.52%
9.	LGS Roof and Sidewall	47.80	0.50%
10.	Windows	43.26	0.45%
Total		**9,517.39**	**100.00%**

Sector-wise Revenue Bifurcation

S. No.	Sector	Fiscal Year 2025		Fiscal Year 2024		Fiscal Year 2023	
		Revenue *(in ₹ lakhs)*	**In %**	**Revenue** *(in ₹ lakhs)*	**In %**	**Revenue** *(in ₹ lakhs)*	**In %**
1.	Government	12,416.88	64.54%	11,322.24	94.90%	9,475.96	99.56%
2.	Non-Government	6,821.82	35.46%	608.12	5.10%	41.43	0.44%
Total		**19,238.70**	**100%**	**11,930.36**	**100.00%**	**9,517.39**	**100.00%**

Our customers

Our customers include both government bodies like Integral Coach Factory (ICF), etc. and other private railway coach manufacturing companies. Our ability to address the various and stringent customer requirements over long periods enables us to obtain additional business from existing customers as well as new customers in an industry marked by high entry barriers. We believe our customer relationships are led primarily by our ability to develop processes, meet stringent quality and technical specification.

Year-on-Year percentage-wise repetitive customers

The details of year-on-year percentage-wise repetitive customers for 3 years and stub period are as follows:

Particulars	For the Fiscal Year 2025	For the Fiscal Year 2024	For the Fiscal Year 2023
Total Customers	45	47	41
Repeated Customers	28	18	19
Percentage (%)	62.22%	38.30%	46.34%

Top 10 customers

S.No.	Clients	Revenue generated in the Fiscal Year 2025 *(in ₹ lakhs)*	In %
1.	Integral Coach Factory	10,312.79	53.60%
2.	Customer 2	2,220.25	11.54%
3.	Customer 3	1,608.71	8.36%
4.	Customer 4	1,099.43	5.71%
5.	Customer 5	626.97	3.26%
6.	Customer 6	540.30	2.81%
7.	Customer 7	451.62	2.35%
8.	Customer 8	422.48	2.20%
9.	Customer 9	283.45	1.47%
10.	Customer 10	234.95	1.22%
Total		**17,800.95**	**92.52%**

S.No.	Customers	Revenue generated in the Fiscal Year 2024 *(in ₹ lakhs)*	In %
1.	Integral Coach Factory	7,146.83	59.90%
2.	Customer 2	665.64	5.58%
3.	Customer 3	521.23	4.37%
4.	Customer 4	469.22	3.93%
5.	Customer 5	445.87	3.74%
6.	Customer 6	408.54	3.42%
7.	Customer 7	367.47	3.08%
8.	Customer 8	354.79	2.97%
9.	Customer 9	319.27	2.68%
10.	Customer 10	269.68	2.26%
Total		**10,968.54**	**91.93%**

S.No.	Customers	Revenue generated in the Fiscal Year 2023	In %

		(in ₹ lakhs)	
1.	Integral Coach Factory	4,706.12	49.75%
2.	Customer 2	2,032.58	21.36%
3.	Customer 3	524.89	5.52%
4.	Customer 4	479.87	5.04%
5.	Customer 5	461.76	4.85%
6.	Customer 6	313.12	3.29%
7.	Customer 7	223.41	2.35%
8.	Customer 8	151.97	1.6%
9.	Customer 9	85.80	0.9%
10.	Customer 10	67.91	0.71%
Total		**9,047.48**	**95.07%**

Top 10 suppliers

S.No.	**Suppliers**	**Cost incurred in the Fiscal Year 2025** *(in ₹ lakhs)*	**In %**
1.	Supplier 1	1,867.49	14.41%
2.	Supplier 2	1,859.48	14.35%
3.	Paramount Enterprises	1,486.42	11.47%
4.	Supplier 4	830.91	6.41%
5.	Supplier 5	553.45	4.27%
6.	Supplier 6	503.84	3.89%
7.	Supplier 7	467.35	3.61%
8.	Supplier 8	358.63	2.77%
9.	Supplier 9	212.06	1.64%
10.	Supplier 10	201.01	1.55%
Total		**8,340.64**	**64.37%**

S.No.	**Suppliers**	**Cost incurred in the Fiscal Year 2024** *(in ₹ lakhs)*	**In %**
1.	Suppliers 1	1,147.39	19.07%
2.	Paramount Enterprises	886.07	14.73%
3.	Suppliers 3	474.25	7.88%
4.	Suppliers 4	455.40	7.57%
5.	Suppliers 5	275.00	4.57%
6.	Suppliers 6	174.78	2.91%
7.	Suppliers 7	162.63	2.70%
8.	Siemo Service	137.20	2.28%
9.	Suppliers 9	102.85	1.71%
10.	Suppliers 10	86.62	1.44%
Total		**3,902.19**	**64.86%**

S.No.	**Suppliers**	**Cost incurred in the Fiscal Year 2023** *(in ₹ lakhs)*	**In %**
1.	Suppliers 1	673.58	12.07%
2.	Suppliers 2	576.99	10.34%
3.	Salem Stainless Steel Suppliers Pvt. Ltd.	344.00	6.17%
4.	Suppliers 4	268.17	4.81%
5.	Suppliers 5	205.40	3.68%
6.	Suppliers 6	204.90	3.67%
7.	Alommex Profiles Pvt. Ltd.	198.19	3.55%
8.	Suppliers 8	153.90	2.76%
9.	Suppliers 9	115.23	2.07%
10.	Suppliers 10	99.30	1.78%
Total		**2,840.00**	**50.90%**

List of Equipment's & Machineries

S.No.	Name of the Equipment/Machinery	Nos.	Purpose	Owned/Rented
1.	NC cutting Machine	1	Cutting	Owned
2.	Bending Machine	1	Bending	Owned
3.	Shearing Machine	1	Sheet Cutting	Owned
4.	Punching Machine	1	Punching	Owned
5.	Bonding Machine	1	Hot Bonding	Owned
6.	Milling Machine	1	Machining	Owned
7.	Long belt Machine	1	Buffing	Owned
8.	TIG Welding Machine-1	8	Welding	Owned
9.	MIG Welding Machine	1	Welding	Owned
10.	Arc Welding Machine-1	4	Welding	Owned
11.	Spot Welding Machine-2	1	Join overlapping metals	Owned
12.	Stud Press Machine	1	Permanently fasten materials together	Owned
13.	Power press Machine	1	Metalworking machine	Owned
14.	Disel generator-1	1	External Power Source	Owned
15.	Disel generator-2	1	External Power Source	Owned
16.	UPS -200KVA-1	1	Power Storage	Owned
17.	Aluminium cutting machine	1	Cutting	Owned
18.	EOT Crane - 1	1	Material Lifting Inside Factory	Owned
19.	Pillar drilling machine	1	Drilling	Owned
20.	Stud Welding Machine	1	Permanently fasten materials together	Owned
21.	UTM Machine 5 TON	1	Material Testing	Owned
22.	Engraving Machine	1	Engraving Machine	Owned
23.	Powder Coating Booth-1	1	Booth for Powder Coating	Owned
24.	Powder Coating Oven-1	1	Oven for after Powder Coating	Owned
25.	Tank Process	1	Material Cleaning for Powder Coating	Owned
26.	Hand Pallet Truck -1	1	Material Movement	Owned
27.	Hand Pallet Truck - 2	1	Material Movement	Owned
28.	EOT Crane - 2	1	Material Movement	Owned
29.	Lift	1	Material Movement	Owned
30.	Transformer	1	Power Distribution and Transmission	Owned
31.	Bending machine	1	Bending	Owned
32.	Laser machine	1	Cutting	Owned
33.	Air compressor	2	Compressed air	Owned
34.	Ups-200KV-3	1	Power Storage	Owned
35.	Fork lift	1	Material Movement	Owned
36.	VMC-Milling Machine	1	Machining	Owned
37.	CNC-Lathe Machine	1	Machining	Owned
38.	Paint shop Booth-2	1	Painting	Owned
39.	Paint booth Oven-2	1	Painting oven for Heating	Owned
40.	Roller machine	1	compress raw metal into a thinner and more uniform shape	Owned
41.	Horizontal drilling machine	1	Machining	Owned

Notes: All machines and equipment are owned by the company itself.

Employees

We endeavour to be an employer of choice by fostering an environment of aspirational goal setting, continuous improvement, in addition to providing health and safety with corporate responsibility. As of July, 31st, 2025, set out below are details of our employees:

Department	No. of Employees
Production	183
Quality Control & Assurance	6
Maintenance	42
Administration	8
Business Development	1
Tool Store	8
Accounts	7
Purchase	4
Human Resources	1
Design Engineer	9
Planning & Development	6
Security	6
Total	**281**

As of July 31, 2025, Contributions by Employer's to EPFO and ESIC

(₹ in Lakhs)

Particulars	As on period on July 31, 2025	
	No. of Employees	Amount Paid
EPFO	265	4.01
ESIC	181	0.83

Employee and Related Costs/Expenses

The employee and related costs/expenses with percentage of revenue for 3 years are as follows:

Particulars	As at and for the Financial Year ended March 31, 2025	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023
Employee Benefit expenses	1,252.18	1,290.71	1,876.80
Total Revenue	19,266.26	12,307.87	9,531.85
% of Employee costs against the revenue	6.50%	10.49%	19.69%

The Employee Benefit expenses include Salary and Wages paid to employees including contribution to welfare funds such as provident fund, ESI, remuneration paid to directors/partners, gratuity expenses and staff welfare expenses on day-to-day basis.

Capacity and Capacity Utilization

The following table sets forth the installed capacity, actual production, and utilization of our manufacturing facilities for the periods indicated. Given that our products undergo customisation to meet specific customer requirements and have varying shapes and weights, we are unable to determine the capacity on a product-by-product basis.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Capacity Installed (in Nos.)	6,220.00	8,761.00	11,863.00
Production (in Nos.)	5,317.00	6,955.00	9,151.00
Utilization (in %)	85%	79%	77%

Note: - *As certified by, Yuvaraj S, independent chartered engineer by his certificate dated 21/08/2025*

Quality Control Procedures, Certifications & Approvals

Our quality policy is focussed on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continuous improvement of our quality management systems. Given the nature of application of our products and engineering processes to critical industries such as railways/metro/defence and aerospace, our products and engineering processes are measured against, high quality standards and stringent specifications of our customers. These specifications are provided by our customers through technical specifications and quality standards forming part of the contracts which we enter into with our customers.

Our Company has acquired the following certifications and approvals:

- IRIS Certification based on ISO/TS 22163:2017

- ISO 9001:2015-Design, Development, Manufacture, Supply and Installation of Interiors, Exteriors and FRP products for Railway Applications and FRP product for General Applications such as Wind Turbines and Automotive.
- EN Welding Certificate, Certification level CL1 according to EN 15085-2
- AS9100D & BS EN ISO 9001:2015- Manufacture of Fibre Reinforced Polymer (FRP) claddings and components, fabricated sheet metal and their assemblies for Aerospace, Défense and Industrial Applications.
- Approved Supplier for Indian Railways (IREPS)
- Registered and Approved Vendor as Manufacturer for CVRDE
- Registered and Approved Vendor as Manufacturer for HAL (Hindustan Aeronautics Limited)
- Registered and Approved Vendor for Défense Avionics Research Establishment

Logistics

We engage third-party logistics service providers to facilitate our transportation needs. The choice of transportation mode each for each shipment depends on several factors, including the urgency, size, and value of the order. The mode of transport available for a particular shipment includes road, rail or air to deliver our products to our customers based on mutually agreed terms and conditions.

Sales and Marketing

Over a period of time, we have developed cordial relationships with our customers by providing quality services and products as per their requirements within the scheduled time. Our business is conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and to ensuring timely delivery. We have a purchase team and a customer team that is dedicated to taking new orders, quoting rates, and aids in understanding the requirements of our customers.

We primarily leverage opportunities through RFP's and tenders floated that are published through dedicated portals by our customers. Our planning & development team have significant expertise in project bidding, proposal management, costing and contract management which enables us to acquire contracts.

Intellectual Property

Details of intellectual property registered by our Company have been provided below:

S.No.	Trademark/Logo	Class	Nature of Trademark/Copyright	Owner	Trademark No. and Date	Status
1.	AIRFLOA ENRICHING MOBILITY...	12	Trademark	Airfloa Rail Technology Limited	6779938	Applied

Immovable Properties

The following table sets forth the details of our Registered Office and manufacturing facilities:

S. No.	Description and Usage	Address	Ownership Status	Name of Lessor	Area	Rent	Tenure of Lease
1.	Registered Office	No:9, Chelliamman Koil Street, Keelkattalai, Chennai-600117	Rented	Venkatesan Dakshinamoorthy and Manikandan Dakshna moorthy	6,179.00 sq. ft.	1,20,000/- per month	11 Months (up to September 2025)
2.	Manufacturing Unit	4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu, 600117	Rented	Manikandan Dakshna moorthy, V. Revathy and Nandhini Manikandan	7,200 sq. ft.	1,20,000/- per month	11 Months (up to September 2025)

3.	Manufacturing Unit	No.127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram-631604, Chennai, Tamil Nadu	Owned	NA	52,258.785 sq. ft. (48.55 Ares)	NA	N/A

Utilities & Infrastructure

Power

Our manufacturing processes require an uninterrupted and constant power from TANGENCO to ensure that the products are of high quality and also to increase the productivity and lifetime of our machines and equipment. We depend on state electricity supply for our power requirements and utilize diesel generators to ensure that our facilities are operational during power failures or other emergencies.

Water

All our manufacturing units have adequate water supply provision.

Insurance

Our operations are subject to various risks inherent in the Rail Stock manufacturing and similar OEM industry. We have obtained insurance in order to manage risk of losses from potentially harmful events including insurance policy covering fire, damage to buildings, plant and machinery, electronic equipment, furniture and stocks. These insurance policies are renewed periodically to ensure that the coverage is adequate. The detail of our total insurance coverage are as follows:

S. No.	Policy No.	Name of the insurance company	Description of the insurance policy	Name Of the Person/ Entity Insured Under the Policy	Policy ends date	Sum insured/ coverage under the policy (in ₹ lakhs)	Total Premium (Amount in ₹)
1	1017/368294 842/00/000	ICICI Lombard	Stock Insurance	Air Flow Equipments India Pvt Ltd	10/11/2025	5,000.00	5,80,751.00
2	1017/368320 885/00/000	ICICI Lombard	Building, Plant and Machinery	Air Flow Equipments India Pvt Ltd	10/11/2025	1,605.12	1,69,487.00
3	1017/385957 740/00/000	ICICI Lombard	Property & Building	Air Flow Equipments India Pvt Ltd	24/03/2026	623.00	92,628.00
4	4002/368295 052/00/000	ICICI Lombard	Burglary	Air Flow Equipments India Pvt Ltd	10/11/2025	5,000.00	21,830.00
5	4002/368320 987/00/000	ICICI Lombard	Burglary	Air Flow Equipments India Pvt Ltd	10/11/2025	1,515.00	6,615.08
6	OG-25-1501-4057-00000297	BAJAJ ALLIANZ	Stock Insurance	Air Flow Equipments India Pvt Ltd	21/11/2025	1,100.00	82,354.00
7	OG-25-1501-4010-00004807	BAJAJ ALLIANZ	Burglary	Air Flow Equipments India Pvt Ltd	21/11/2025	1,100.00	22,000.00
8	2948/015651 17/000/00	CHOLA MS	Burglary	Air Flow Equipments India Pvt Ltd	14/02/2026	900.00	21,901.00
9	2162/017360 40/000/00	CHOLA MS	Property & Building	Air Flow Equipments India Pvt Ltd	14/02/2026	900.00	79,603.00

10	3001/BNI-20234644/00/000	ICICI Lombard	Vehicle Insurance	Airfloa Rail Technology Limited	12/03/2028	130.70	2,89,738.00
11	3001/394578694/00/000	ICICI Lombard	Vehicle Insurance	Airfloa Rail Technology Limited	28/05/2028	29.45	1,08,410.00

Competition

We are one of the manufacturers of our qualified product lines in the railway rolling stocks, for the Indian Railways, Metro Rail markets and other industries comprising Aerospace and Defence.

We face competition from larger domestic and global manufacturers; however, we believe that our expertise in manufacturing complex and highly engineered precision forged and machined components and our process efficiencies and long-standing customer relationships act as a competitive strength.

Corporate Social Responsibility

Our Company is wholeheartedly committed to uplifting the communities we serve, driven by integrity, innovation, and a vision for sustainable progress. Renowned for our high-quality offerings and unwavering customer focus, we aim to create meaningful impact. Under the Companies Act, 2013, and its rules, we are obligated to allocate 2% of our average net profits from the preceding three financial years to CSR initiatives. While not required for FY 2018-19, our CSR journey began in FY 2019-20 when profits in FY 2018-19 surpassed ₹5 crore.

We recognize that we fell short of our CSR obligations from FY 2019-20 to FY 2022-23. To address this, we promptly filed a application with the relevant authorities, reflecting our dedication to correcting this lapse. Subsequently, we transferred the unspent CSR funds to the Prime Minister's National Relief Fund in 2024, reinforcing our commitment to societal upliftment. Going forward, we are fully committed to ensuring compliance, with robust systems in place to meet our CSR goals effectively.

Further details with respect to the composition and terms of reference of the CSR Committee are set out under "Our Management – Corporate Social Responsibility Committee" on page 157 of this Red Herring Prospectus.

Information Technology

Our information technology systems are vital to our business and we have adopted an information technology software to assist us in our operations. The key functions of our information technology team include establishing and maintaining enterprise information management systems and accounting services to support our business requirements.

Also, our Engineering and Design team uses the softwares like *Dassault Systems-Catia, Solid Works, etc.* and other designing softwares for designing of railway components and other components, etc.

KEY INDUSTRIAL REGULATIONS AND POLICIES

*In carrying on our business as described in the section titled "**Our Business**" on page 116, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see "**Government and Other Approvals**" on page 210.*

Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our Company's businesses. Our Company is required to obtain and regularly renew certain licenses/ registrations and/or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by our Company:

A. Industry Related Laws

The Factories Act of 1948 ("Factories Act")

The term 'factory', as defined under the Factories Act, 1948 ("**Factories Act**") includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. Respective State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the 'occupier' of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the occupier" of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Industrial Disputes Act, 1947, as amended (the "ID Act")

The ID Act provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person. The Industrial Dispute (Central) Rules, 1957 inter-alia specify procedural guidelines for lock-outs, closures, layoffs and retrenchment.

Industries (Development and Regulation) Act, 1951, as amended ("IDR Act")

The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991 and all industrial undertakings are exempt from licensing except for certain industries, including, among others, all types of electronic aerospace, defence equipment, ships and other vessels drawn by power. The IDR Act is administered by the Ministry of Industries and Commerce through the Department for Promotion of Industry and Internal Trade ("**DPIIT**"). The main objectives of the IDR Act is to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities, performance and results of industrial undertakings in the public interest. The DPIIT is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

Industrial Employment (Standing Orders) Act, 1946

In order to strengthen the bargaining powers of the workers this act is enacted, it requires the employers to formally define the working conditions to the employee. As per this act, an employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. An employer failing to submit the draft standing orders as required by this act shall be liable to pay fine as per section 13 of this act.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this Code will be brought into force on a date to be notified by the GOI.

Aircraft Act, 1934 as amended ("Aircraft Act"), the Aircraft Rules, 1937 as amended ("Aircraft Rules")

The Aircraft Act and the Aircraft Rules were enacted to control the manufacture, possession, use, operation, sale, and the import and export of aircrafts. They stipulate parameters for determining airworthiness, maintenance of aircrafts, general conditions for flying and safety, registration of aircrafts and conduct of investigations. The Directorate General of Civil Aviation ("**DGCA**") is the competent authority for providing the abovementioned license and approvals. The DGCA is the regulatory body in the field of civil aviation primarily responsible for regulation of air transport services to/from/within India and for enforcement of civil air regulations, air safety and air worthiness standards. Further, the Bureau of Civil Aviation Security ("**BCAS**") is an independent authority responsible for laying down standards and measures with respect to security of civil flights at international and domestic airports in India.

Pursuant to the Aircraft (Amendment) Act, 2020, three regulatory bodies under the Ministry of Civil Aviation were accorded the status of statutory organisations. The DGCA is responsible for carrying out safety oversight and regulatory functions, the BCAS is responsible for carrying out regulatory and oversight functions in respect of matters relating to civil aviation security and the Aircraft Accidents Investigation Bureau is responsible for matters related to investigation of aircraft accidents or incidents

B. Laws Relating to Employment

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include, among others, the following: (i) Contract Labour (Regulation and Abolition) Act, 1970; (ii) Relevant state specific shops and commercial establishment legislations; (iii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (iv) Employees' State Insurance Act, 1948; (v) Minimum Wages Act, 1948; (vi) Payment of Bonus Act, 1965; (vii) Payment of Gratuity Act, 1972; (viii) Payment of Wages Act, 1936; (ix) Maternity Benefit Act, 1961; (x) Apprenticeship Act, 1961; (xi) Equal Remuneration Act, 1976; (xii) Employees' Compensation Act, 1923; and (xiii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 In order to rationalize and reform labour laws in India, the Government has enacted the following codes, which will be brought into force on a date to be notified by the Central Government:

Code on Wages, 2019

The Code on Wages regulates and amalgamates wage and bonus payments and subsumes four existing laws namely –the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employee. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the central advisory board.

Code on Social Security, 2020

The Code on Social Security amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, Building and Other Construction Worker'' Welfare Cess Act, 1996 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund Organisation and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

C. Environmental Laws

The Environment (Protection) Act, 1986 (the "EPA")

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

The Environmental Impact Assessment Notification, 2006 (the "Notification")

As per the Notification, any construction of new projects or activities or the expansion or modernization of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme 'Housing for All by 2022'and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant bye-laws of the concerned State authorities.

The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act") and Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

The Public Liability Insurance Act, 1991 ("PLI Act")

The PLI Act provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and imposes liability on the owner of hazardous substances for any damage arising out of an accident involving such hazardous substances. The government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the owner has to contribute towards the environmental relief fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

D. Intellectual Property Laws

The Trademarks Act, 1999 ("Trademarks Act")

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trademark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewals.

E. Foreign Investment Regulations

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA Rules") and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("FDI Policy"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e. direct foreign investment and indirect foreign investment) in an Indian company.

Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), the Foreign Trade (Regulation) Rules, 1993 ("FTRR") and the Foreign Trade Policy 2015-2020 ("Foreign Trade Policy")

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number ("IEC") granted by the director general or any other authorized person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organisations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes. India's current Foreign Trade Policy (2015-20) (as extended until September 30, 2022 and thereafter, extended till March 31, 2023) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India's agriculture-based exports and promoting exports from MSMEs and labour-intensive sectors.

Foreign Exchange Management Act, 1999 ("the FEMA") and Rules and Regulations thereunder

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999, read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 ("Export of Goods and Services Regulations 2015") issued by the RBI on January 12, 2016 (last amended on June 23, 2017). The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

FEMA Rules

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 by Notification No. FEMA. 395/2019-RB dated October 17, 2019 ("**FEMA Rules**") to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Rules, no prior consents and approvals are required from the RBI for Foreign Direct Investment ("**FDI**") under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

F. Taxation Laws

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its "Residential Status" and "Type of Income" involved. Under section

139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

Customs Act, 1962 ("Customs Act")

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any company intending to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance, GoI.

Professional Tax

Professional tax is a state level tax which is imposed on income earned by way of profession, trade, calling or employment. At present, professional tax is imposed only in Karnataka, Bihar, West Bengal, Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu, Gujarat, Assam, Kerala, Meghalaya, Odisha, Tripura, Madhya Pradesh, and Sikkim.

G. Other Applicable Laws

The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("**MSME**"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

Municipality Laws

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Fire Prevention Laws

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

Competition Act, 2002

The Competition Act, 2002 came into effect on June 1, 2011, and has been enacted to "prohibit anti- competitive agreements, abuse of dominant positions by enterprises" and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

The Insolvency and Bankruptcy Code, 2016 (the "Code")

The Insolvency and Bankruptcy Code, 2016 cover Insolvency of companies, Limited Liability partnerships (LLPs), unlimited liability partnerships, and individuals. The IBC 2016 has laid down a collective mechanism for resolution of insolvencies in the country by maintaining a delicate balance for all stakeholders to preserve the economic value of the process in a time bound manner. The code empowers any creditor of a Corporate Debtor (CD), irrespective of it being a Financial Creditor (FC) or Operational Creditor (OC) or secured or unsecured creditor, or the Corporate Debtor itself, to make an application before the Adjudicating Authority (AA) to initiate Corporate Insolvency Resolution Process (CIRP) against a Corporate Debtor, at their discretion, in the event of there being a default by the Corporate Debtor in payment of their dues for an amount as specified from time to time. On initiation of the Said CIRP, a resolution to be sought for the company within a time bound time period of 180 days

Companies Act 2013

The Companies Act 2013 is the law covering incorporations, dissolution and the running of companies in India. The Act came into force across India on 12th September 2013 and has a few amendments to the previous act of 1956. It has also introduced new concepts like a One Person Company.

Consumer protection Act, 2019

An Act to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement of consumers' disputes and for matters connected therewith. The Act establish a Council to be known as the Central and State Consumer Protection Council. The Act establish Consumer Disputes Redressal Agencies. The Act provide speedy and simple redressal to consumer disputes, a quasi-judicial machinery is sought to be set up at the district, State and Central level. These quasi-judicial bodies will observe the principles of natural justice and have been empowered to give relief of a specific nature and to award, wherever appropriate, compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

Indian Contract Act 1872

The Indian Contract Act 1872 is a comprehensive guide that governs contracts and agreements in India. The act was passed to provide a legal framework for contract law and has been amended several times over the years to keep up with changing economic conditions. The Indian Contract Act of 1872 is a comprehensive legal framework that controls all commercial relationships in India. The act lays down the rules and regulations that need to be followed while entering into a contract and also provides remedies for breach of contract.

Sale of Goods Act, 1930

This Act has been came into force on the 1st day of July,1930. The unrepealed provisions of the Indian Contract Act, 1872, save in so far as they are inconsistent with the express provisions of this Act, shall continue to apply to contracts for the sale of goods. The Act contains the provisions regarding the sale and agreement to sell.

Other Laws

In addition to the above, our Company is required to comply with the provisions of the Prevention of Corruption Act, 1988, Rent Control Act, Information technology act, the Arbitration and Conciliation Act, 1996 and other applicable laws and regulations imposed by the Central and State Governments and other authorities for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as 'Air Flow Equipments (India) Private Limited' a private limited company under the Companies Act, 1956 at Chennai, Tamil Nadu, pursuant to a certificate of incorporation dated December 14, 1998, issued by the Registrar of Companies, Tamil Nadu, Chennai, ("RoC"). Thereafter, name of our Company was changed from 'Air Flow Equipments (India) Private Limited' to 'Airfloa Rail Technology Private Limited', consequent to name change, pursuant to a special resolution passed by the shareholders of our Company on July 18, 2024, and a fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Central Processing Centre on August 27, 2024. Thereafter, name of our Company was changed from 'Airfloa Rail Technology Private Limited' to 'Airfloa Rail Technology Limited', consequent to conversion of our Company from private to public company, pursuant to a special resolution passed by the shareholders of our Company on September 12, 2024 and a fresh certificate of incorporation consequent to conversion of the company was issued by the Registrar of Companies, Central Processing Centre on November 15, 2024. Our Company's Corporate Identity Number is U30204TN1998PLC041571.

Change in registered office of our Company

The following changes were made in the location of our Registered Office:

From	To	With effect from	Reason for Change
No. 12, Thiruvalluvar street , Keelakattalai, Chennai-600117	No 9 Chelliamman Koilstreet Keelkttalai Chennai-117 Chennai-117 Tamil Nadu 600117 India	December 14, 2004	Administrative purpose

Main Objects of our Company

The main objects of our Company are as follows:

1. To carry on in India or Abroad the business of manufacturing, processing, assembling, developing, designing, buying, selling, importing, exporting, altering, hiring, letting on hire, maintaining, integrating, improving, and dealing with all types of Railway Rolling Stocks, Passenger Rail Coaches and their discrete components, Rail Wagons and their discrete components, Locomotives and their discrete components.

2. To carry on in India or Abroad the business of manufacturing and maintenance of all electrical, electronics, mechatronics, hardware and components related to Aerospace & defence including truck-based defence vehicles such as main battle tanks and artillery tanks. To carry on the business of acquiring, developing, improving, designing, selling, sub-contracting, importing, exporting, and licensing, software programmes and/or products of any description and type for the rail, aerospace and defence sectors.

3. To carry on in India or Abroad the business of manufacturing precision machining components for engine parts, manufacturing structural components, engineering assembly, and stimulators for the Aerospace Industry & Defence Industry including technology development and Integration activities into the above industries.

4. To carry on in India or Abroad the business of manufacturing, assembling, fabricating, buying, selling, trading, distributing, exporting, importing, exchanging and dealing in all types of electric vehicles, including but not limited to, electric cars, electric rickshaw, electric carts, electric vans, electric trucks, electric scooters, electric buses and other battery powered and electric vehicles.

5. To carry on in India or Abroad the business to crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate and prepare for market ore, metal, mineral, and mineral substances of all kinds and to carry on any other metallurgical operation including to manufacture, process, refine, buy, sell, export, import, or otherwise deal in all kinds of ferrous and non-ferrous metals & their scraps.

6. To carry on business of civil, mechanical, electrical and consulting engineers, aeronautical engineers, aviation engineers, construction engineers and engineers in all branches of work whatsoever known to engineering, erectors, mechanics, manufacturers of any other kind of machineries, tools, products, appliances and of all or any parts thereof or accessories thereto; which is used for the purpose of any other purpose whatsoever and/or any part thereof or accessories thereto; manufacturers of all other instruments used in or in connection with any of the above business; and of motors, machinery and scientific appliances, apparatus and devices of every description whatsoever; rolling stock, timber goods, iron, steel and other metal implement tools utensils and convenience of every kind.

7. To take up turnkey contracts within the country and outside involving Engineering, Consultancy, Procurement, Construction, Project management & Completion in various sectors like power, railways, on-shore oil & gas, refinery, fertilizers, chemicals, petrochemicals, sea &air ports and such other industries; engage in Process Design, Front End Engineering, Detailed Engineering, Construction Supervision and associated activities necessary for Turnkey Contracts; undertake Operations & Maintenance of such Turnkey Projects after completion and/or of projects completed by other contractors for any utility companies or other process industries or projects and to apply for, tender purchase or otherwise acquire, contract, sub-contract and concession for all or any of them and to sub-let all in contract from time to time and upon such terms and conditions as may be thought expedient.

8. To construct, Build, develop maintain, operate, own and transfer infrastructure facilities including housing, roads, highways, bridges, airports, ports, rail systems, water supply projects, irrigation projects, inland waterways and inland ports, water treatment systems, solid waste management systems, sanitations and sewerage systems, or any other public facilities of similar nature;

9. To carry on the trade or business of consultants, technicians, service contractors and engineers in any branch of industry, including mining, metallurgical, chemical, electrical, sanitary, water works, industrial, civil, mechanical and structural and to supply and furnish pursuant to such contractual or other arrangements as may be entered into professional, technical, sales and other services in and outside the union of India to any person, firm or corporation in connection with the setting up, establishment, working and operation of any industry and for all or any of the purposes aforesaid.

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Issue.

Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

Date of shareholder's resolution	Nature of amendments
June 24, 2024	*Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each to ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each.*
July 18, 2024	*Clause I of the MoA was amended to change the name of the Company from 'Air Flow Equipments (India) Private Limited' to 'Airfloa Rail Technology Private Limited', to reflect change in name clause of the company*
July 18, 2024	*Clause III of the MOA was amended to change the object clause of the company as follows:* *1. To carry on in India or Abroad the business of manufacturing, processing, assembling, developing, designing, buying, selling, importing, exporting, altering, hiring, letting on hire, maintaining, integrating, improving, and dealing with all types of Railway Rolling Stocks, Passenger Rail Coaches and their discrete components, Rail Wagons and their discrete components, Locomotives and their discrete components.* *2.To carry on in India or Abroad the business of manufacturing and maintenance of all electrical, electronics, mechatronics, hardware and components related to Aerospace & defence including truck-based defence vehicles such as main battle tanks and artillery tanks. To carry on the business of acquiring, developing, improving, designing, selling, sub-contracting, importing, exporting, and licensing, software programmes and/or products of any description and type for the rail, aerospace and defence sectors.* *3.To carry on in India or Abroad the business of manufacturing precision machining components for engine parts, manufacturing structural components, engineering assembly, and stimulators for the Aerospace Industry & Defence Industry including technology development and Integration activities into the above industries.* *4.To carry on in India or Abroad the business of manufacturing, assembling, fabricating, buying, selling, trading, distributing, exporting, importing, exchanging and dealing in all types of electric vehicles, including but not limited to, electric cars, electric rickshaw, electric carts, electric vans, electric trucks, electric scooters, electric buses and other battery powered and electric vehicles.* *5.To carry on in India or Abroad the business to crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate and prepare for market ore, metal, mineral, and mineral substances of all kinds and to carry on any other metallurgical operation including to manufacture, process, refine, buy, sell, export, import, or otherwise deal in all kinds of ferrous and non-ferrous metals & their scraps.*
September 12, 2024	*Clause I of the MoA was amended to change the name of the Company from 'Airfloa Rail Technology Private Limited' to 'Airfloa Rail Technology Limited', to reflect the conversion of our Company from a private limited company to a public limited company.*

November 21, 2024	*Clause III of the MOA was amended to add the following object clause:* *6. To carry on business of civil, mechanical, electrical and consulting engineers, aeronautical engineers, aviation engineers, construction engineers and engineers in all branches of work whatsoever known to engineering, erectors, mechanics, manufacturers of any other kind of machineries, tools, products, appliances and of all or any parts thereof or accessories thereto; which is used for the purpose of any other purpose whatsoever and/or any part thereof or accessories thereto; manufacturers of all other instruments used in or in connection with any of the above business; and of motors, machinery and scientific appliances, apparatus and devices of every description whatsoever; rolling stock, timber goods, iron, steel and other metal implement tools utensils and convenience of every kind.* *7.To take up turnkey contracts within the country and outside involving Engineering, Consultancy, Procurement, Construction, Project management & Completion in various sectors like power, railways, on-shore oil & gas, refinery, fertilizers, chemicals, petrochemicals, sea &air ports and such other industries; engage in Process Design, Front End Engineering, Detailed Engineering, Construction Supervision and associated activities necessary for Turnkey Contracts; undertake Operations & Maintenance of such Turnkey Projects after completion and/or of projects completed by other contractors for any utility companies or other process industries or projects and to apply for, tender purchase or otherwise acquire, contract, sub-contract and concession for all or any of them and to sub-let all in contract from time to time and upon such terms and conditions as may be thought expedient.* *8.To construct, Build, develop maintain, operate, own and transfer infrastructure facilities including housing, roads, highways, bridges, airports, ports, rail systems, water supply projects, irrigation projects, inland waterways and inland ports, water treatment systems, solid waste management systems, sanitations and sewerage systems, or any other public facilities of similar nature;* *9.To carry on the trade or business of consultants, technicians, service contractors and engineers in any branch of industry, including mining, metallurgical, chemical, electrical, sanitary, water works, industrial, civil, mechanical and structural and to supply and furnish pursuant to such contractual or other arrangements as may be entered into professional, technical, sales and other services in and outside the union of India to any person, firm or corporation in connection with the setting up, establishment, working and operation of any industry and for all or any of the purposes aforesaid.*

Corporate profile of our Company

For details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key products or services, entry in new geographies or exit from existing markets, major suppliers, distributors and customers, segment, capacity/facility creation, capacity built-up, marketing and competition, please refer to the chapters titled "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 116, 157 and 193 respectively, of this Red Herring Prospectus.

Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation.

Year	Events
1998	Incorporation of Company
2003-04	First Company in India to supply Aluminium with powder coating to railway coaches (Interior products).
2004-05	Company received first export coach windows order for Angola through Indian railways.
2008	Our company has started providing its own rail coach design to customers
2010	Our company started Metro Rail Segment
2014-2016	The Company ventured into coach body building
2018-19	The company bagged orders for prestigious Vande Bharat (T-18) interior & seat components.
2019	Our company started Aero space segment
2020-21	Our Company bagged an executed order for complete turnkey interior furnishing of 97 mainline passenger coaches for Srilanka through RITES
2024	The company changed its name from Airflow Equipments India Private Limited to Airfloa Rail Technology Private Limited. The company also converted into a public limited company, henceforth the name of the company changed to Airfloa Rail Technology Limited.

Awards and Accreditations

Our company has not received any awards and accreditations since incorporation

Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

As of date of this Red Herring Prospectus, there are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

Revaluation of assets

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

Holding Company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries of our Company

Sree Dakssnaa Aerospace And Defence India Private Limited is the Subsidiary of our company.

Associate or Joint ventures of our Company

As on the date of this Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

Strategic and Financial Partners

As on date of this Red Herring Prospectus our Company does not have any strategic and financial partners.

Shareholders and Other Agreements

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

Agreements with key managerial personnel or a Director or Promoters or any other employee of the Company

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by Promoters offering its shares in the Offer for Sale

This is a fresh issue of Equity Shares and our Promoters are not offering their shares in this Issue.

Material Agreements

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

Common pursuits

As on the date of this Red Herring Prospectus, our Subsidiary is authorized to engage in similar business to that of our Company, and accordingly there may be common pursuits between our Company and our Subsidiary. Our Company will adopt necessary

procedures and practices as permitted by law to address any situations of conflict of interest, if and when they arise. However, there is no conflict of interest between our Company and our Subsidiary as on the date of this Red Herring Prospectus.

Our Board of Directors

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15. As on date of this Red Herring Prospectus, we have Six (06) Directors on our Board, which includes One (01) Chairman and Managing Director, one (01) Joint Managing Director, one (01) Whole-time Director and One (01) Non-executive Director which is a woman director and Two (02) Independent Directors.

Set forth below, are details regarding our Board as on the date of this Red Herring Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Venkatesan Dakshinamoorthy **DIN:** 00232210 **Date of Birth:** June 12, 1965 **Designation:** Chairman and Managing Director **Address:** 12, Thiruvalluvar Nagar Main Road, Keelkattalai, PO: Old Pallavaram, Dist. Kancheepuram, Tamil Nadu-600117. **Occupation:** Business **Term:** For a period of 5 years from August 28, 2024. **Period of Directorship**: Director since Incorporation. **Nationality:** Indian	60	• Sree Dakssnaa Aerospace And Defence India Private Limited • Airflow Energy Solutions Private Limited • Apura Energy Private Limited • Airflow Dafeng Rail Equipments Private Limited
Manikandan Dakshna moorthy **DIN:** 00232275 **Date of Birth:** October 12, 1980 **Designation:** Joint Managing Director **Address:** 5A, 3rd Floor, Residency Parikrama, No 13, 14th Cross Street, Shastri Nagar, Adyar, Chennai Tamil Nadu - 600020 **Occupation:** Business **Term:** For a period of 5 years from August 28, 2024. **Period of Directorship**: Director since August 18, 2005 **Nationality:** Indian	44	• Sree Dakssnaa Aerospace And Defence India Private Limited • Airflow Energy Solutions Private Limited • Apura Energy Private Limited • Airflow Dafeng Rail Equipments Private Limited
Sathishkumar Venkatesan **DIN:** 08561438 **Date of Birth:** November 19, 1991	33	• Ultima Environmental Solutions Private Limited • Bharani Engineering Industries Private Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Designation: Whole-time Director **Address:** 12, Thiruvalluvar Nagar Main Road, Keelkattalai, PO: Old Pallavaram, Dist. Kancheepuram, Tamil Nadu-600117. **Occupation:** Business **Term:** For a period of 5 years from August 28, 2024. **Period of Directorship**: Director since July 24, 2024 **Nationality:** Indian		
Nandhini Manikandan **DIN:** 08561378 **Date of Birth:** April 05, 1980 **Designation:** Non-Executive Director **Address:** 5A, 3rd Floor, Residency Parikrama, No 13, 14th Cross Street, Shastri Nagar, Adyar, Chennai Tamil Nadu - 600020 **Occupation:** Business **Term:** NA. **Period of Directorship**: Director since July 24, 2024 **Nationality:** Indian	45	• Ultima Environmental Solutions Private Limited • Bharani Engineering Industries Private Limited
Sudhanshu Mani **DIN:** 10124439 **Date of Birth:** December 11, 1958 **Designation:** Independent Director **Address:** Flat No. B-101, First Floor, Rohtas Presidential Tower, Vibhutikhand TC-G-4/4, Gomtinagar, Lucknow **Occupation:** Service **Term:** For a period of 5 years from July 26, 2024 till July 25, 2029. **Period of Directorship**: Director since July 24, 2024 **Nationality:** Indian	66	• Rockwell Industries Limited • Frontier Springs Limited
Tilak Raj Seth	63	• Indian Iron And Steel Sector Skill Council

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
DIN: 07027068 **Date of Birth:** July 12, 1962 **Designation:** Independent Director **Address:** Flat 131, DDA SFS Flats, Nasir Pur, Sector 6 Pocket 3- Dwarka, Nasirpur, South West Delhi- 110045 **Occupation:** Service **Term: :** For a period of 5 years from August 30, 2024 till August 29, 2029. **Period of Directorship**: Director since August 28, 2024 **Nationality:** Indian		• Construction Skill Development Council Of India • Logistics Sector Skill Council • Aerospace And Aviation Sector Skill Council

Brief Biographies of our Directors

Mr. Venkatesan. Dakshinamoorthy is the Promoter, Chairman and Managing Director of our company. With a wealth of technical expertise and more than two decades of experience with our company he has significantly contributed in handling Operations in our company.

Mr. Manikandan Dakshna moorthy is the Promoter and Joint Managing Director of our company. He has Completed Bachelor of Engineering from University of Madras. He leads the entire management team, contributing significantly to the company's growth and exemplifies visionary leadership and innovative thinking. With a wealth of technical expertise and almost two decades of experience with our company.

Mr. Sathishkumar Venkatesan is the Promoter and Whole-time Director of our company. He has Completed Bachelor of Engineering from Sathyabama University and Master of Science from Coventry University. He is associated with our company from July 24, 2024.

Ms. Nandhini Manikandan is the Promoter and Non-Executive Director of our Company. She has Completed Bachelor of Engineering from University of Madras. She is associated with our company from July 24, 2024.

Mr. Sudhanshu Mani is the Independent Director of our Company. He has completed his Mechanical engineer from Institute of Mechanical Engineers, London. Sudhanshu Mani retired in the apex grade of GoI from the Indian Railways (IR) Service of Mechanical Engineering as General Manager, Integral Coach Factory, Chennai after serving IR for 38 years. He also served as Railway Advisor in the Embassy of India, Berlin for 3 years, interacting with railway systems of advanced countries world-wide on behalf of IR. A graduate engineer in Mechanical and Electrical engineering, he is also a Fellow of Institute of Mechanical Engineers, London (IMechE). Hindustan Institute of Technology and Science, Chennai and Sir Padampad Singhania University, Udaipur, have conferred upon him the degrees of Doctor of Science (Hon.) and Doctor of Philosophy (Hon.) respectively.

He led the Train 18/Vande Bharat project, the first ever indigenous semi high-speed train of India, from concept to delivery. His journey in leading and completing this unique project is recounted in his best-seller book, 'My Train 18 Story'. He has authored six more books, including four on a subject of his special passion, art and railways, and one each on greening of environment and collation of the works of Ghālib and Shakespeare and two more books are works in progress.

After retirement, he is engaged in advisory role in the corporate world, including technical, strategic and investment consulting.

Mr. Tilak Raj Seth is the Independent Director of our Company. He has completed his Bachelor of engineering in Electrical Engineering from Delhi college of Engineering and Bachelor of Law from university of Delhi. He has more than 35 years of experience working in Siemens Limited.

As on the date of the Red Herring Prospectus

A. None of the above-mentioned Directors are on the RBI List of willful defaulters or Fraudulent Borrowers.

B. Neither Promoters nor persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.

C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or

person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Red Herring Prospectus.

E. None of Promoters or Directors of our Company are a fugitive economic offender.

F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.

G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertakenwith regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

Relationship between our Directors

Name of Director	Designation	Relation
Venkatesan Dakshinamoorthy	Chairman and Managing Director	Brother of Manikandan Dakshna moorthy
		Brother-in-law of Nandhini Manikandan
		Father of Sathishkumar Venkatesan
Manikandan Dakshna moorthy	Joint Managing Director	Brother of Venkatesan Dakshinamoorthy
		Spouse of Nandhini Manikandan
		Uncle of Sathishkumar Venkatesan
Sathishkumar Venkatesan	Whole Time Director	Son of Venkatesan Dakshinamoorthy
		Nephew of Manikandan Dakshna moorthy
		Nephew of Nandhini Manikandan
Nandhini Manikandan	Non-Executive Director	Spouse of Manikandan Dakshna moorthy
		Sister-in-law of Venkatesan Dakshinamoorthy
		Aunt of Sathishkumar Venkatesan

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director.

Payment or Benefit to officers of our Company

Except as stated otherwise in this Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Service Contracts

Other than the statutory benefits that the Directors and the Key Managerial Personnel are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an Extra-ordinary General Meeting held on December 13, 2024, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 50,000 Lakhs.

Terms of appointment and remuneration of our Managing Director, Joint Managing Director and Whole-time Directors

Venkatesan Dakshinamoorthy

Pursuant to a resolution passed by the Board of Directors at the meeting held on August 28, 2024 and approved by the Shareholders of our Company at the EGM held on August 30, 2024, Venkatesan Dakshinamoorthy was appointed as the Managing Director of our Company for a period of five (05) years with effect from August 28, 2024 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 196, 197, 203, and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	Rs. 6.25 Lakhs per month

Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year, Mr. Venkatesan. Dakshinamoorthy shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed including any statutory modification or re-enactment thereof from time to time as prescribed by the Company.

Manikandan Dakshna moorthy

Pursuant to a resolution passed by the Board of Directors at the meeting held on August 28, 2024 and approved by the Shareholders of our Company at the EGM held on August 30, 2024, Manikandan Dakshna moorthy was appointed as the Joint Managing Director of our Company for a period of five (05) years with effect from August 28, 2024 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 196, 197, 203, and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	Rs. 6.25 Lakhs per month
Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year, Mr. Manikandan Dakshna moorthy shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed including any statutory modification or re-enactment thereof from time to time as prescribed by the Company.

Sathishkumar Venkatesan

Pursuant to a resolution passed by the Board of Directors at the meeting held on August 28, 2024 and approved by the Shareholders of our Company at the EGM held on August 30, 2024, Mr. Sathishkumar Venkatesan was appointed as the Whole Time Director of our Company for a period of five (05) years with effect from August 28, 2024 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 196, 197, 203, and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	Rs. 2.00 Lakhs per month
Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year, Mr. Sathishkumar Venkatesan shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed including any statutory modification or re-enactment thereof from time to time as prescribed by the Company.

Remuneration details of our directors

(i) Remuneration of our Executive Directors

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2025 is as follows:

S. No.	Name of the Director	Remuneration (₹ in lacs)
1.	Venkatesan Dakshinamoorthy	66.30
2.	Manikandan Dakshna moorthy	66.30
3.	Sathishkumar Venkatesan	16.00

(ii) Sitting fee details of our Independent Directors

There were no Independent Director in Fiscal 2024. Further for Fiscal 2025 Our Board of Directors in their meeting held on December 12, 2024 have fixed ₹ 50,000/- per meeting as sitting fee for Independent Director for attending meetings of the Board of Directors.

Payment or benefit to Directors of our Company

Except as disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our directors.

Remuneration paid to our Directors by our Subsidiary

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries in Fiscal 2025.

Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as on the date of this Red Herring Prospectus.

Shareholding of Directors in our Company

Except as stated below, none of our directors holds any Equity Shares of our Company as on the date of filing of this Red Herring Prospectus:

Sr. No.	Name of the Shareholders	Pre-Issue		Post - Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
1.	Venkatesan Dakshinamoorthy	64,95,996	37.20	[•]	[•]
2.	Manikandan Dakshna moorthy	64,95,999	37.20	[•]	[•]
Total		**1,29,91,995**	**74.40**	[•]	[•]

Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see "*Terms of appointment and remuneration of our Executive Directors*" above.

Venkatesan Dakshinamoorthy, Manikandan Dakshna moorthy, Sathishkumar Venkatesan and Nandhini Manikandan are the Promoters of our Company and may be deemed to be interested in the promotion of our Company to the extent they have promoted our Company. Except as stated above, our directors have no interest in the promotion of our Company other than in the ordinary course of business. Our directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading "*Shareholding of Directors in our Company*". All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in "*Financial Information*" and "*Our Promoters and Promoter Group*" beginning on Page Nos. 180 and 169, respectively of this Red Herring Prospectus, our directors are not interested in any other company, entity or firm.

Our Promoters and Managing Director, Venkatesan Dakshinamoorthy and Manikandan Dakshna moorthy have extended personal guarantees in favour of certain banks with respect to the loan facilities availed by our Company from them. For further details, please refer to the chapter titled — "*Financial Indebtedness*" on page 184 of this Red Herring Prospectus.

Further, our directors are interested in the properties of our Company, for details please see "*Our Business- Land and Property*" on page 116.

Except as stated in "*Restated Financial Information - Annexure – 4 Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements*" beginning on Page No. 180 of this Red Herring Prospectus, our directors do not have any other interest in the business of our Company.

Interest as to property

Except as disclosed in this Red Herring Prospectus, our directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

S. No.	Description and Usage	Address	Ownership Status	Name of Lessor	Area	Rent	Tenure of Lease
2.	Registered Office & Corporate Office	No:9, Chelliamman Koil Street, Keelkattalai, Chennai-600117	Rented	Manikandan Dakshna moorthy and Venkatesan Dakshinamoorthy	6179.00 sq. ft.	1,20,000/- per month	11 Months (up to September 2025)
2.	Manufacturing Unit	4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu, 600117	Rented	Manikandan Dakshna moorthy, Venkatesan Dakshinamoorthy V. Revathi, Nandhini Manikandan	7200 sq. ft.	2,80,000/- per month	up to February 2026

**Above Related Party Transaction is on arm's length basis*

Bonus or Profit-Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit-sharing plan.

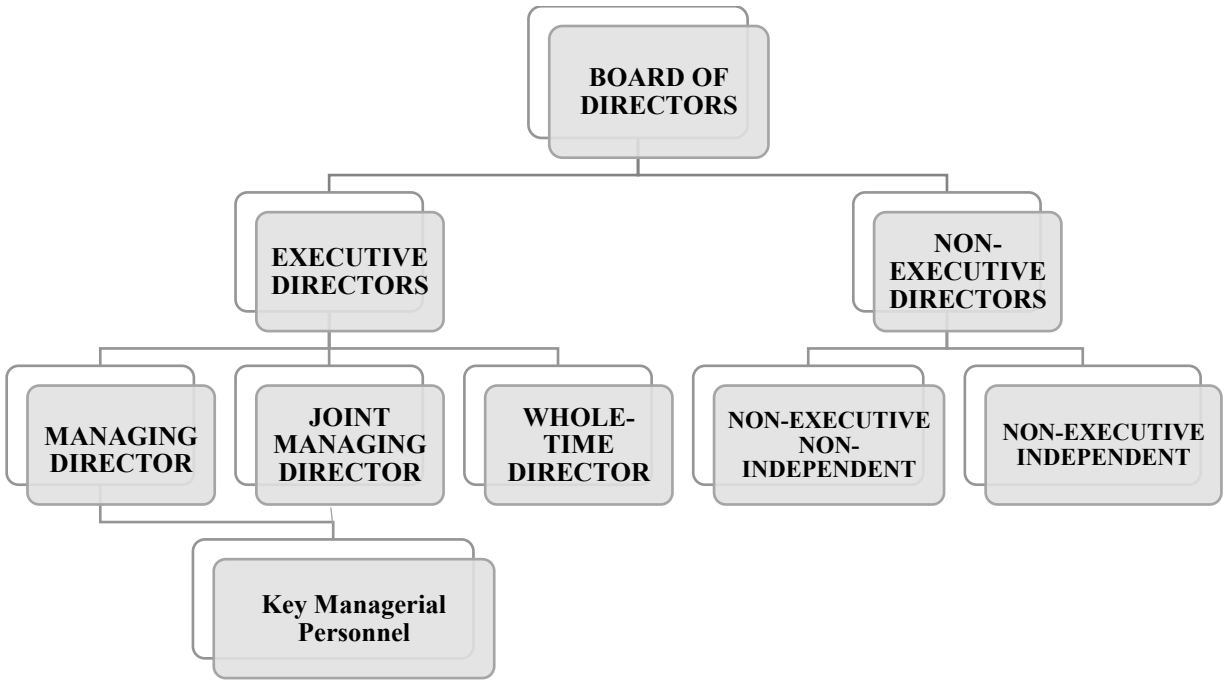
Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years.

Name of Director	Date of Event	Nature of Event	Nature of Event
Venkatesan Dakshinamoorthy	August 30, 2024	Change in Designation	Appointment as Chairman and Managing Director
Manikandan Dakshna moorthy	August 30, 2024	Change in Designation	Appointment as Joint Managing Director
Sathishkumar Venkatesan	July 24, 2024	Appointment	Appointment as Additional Director
Sathishkumar Venkatesan	August 30, 2024	Change in Designation	Appointment as Whole-Time Director
Nandhini Manikandan	July 24, 2024	Appointment	Appointment as Additional Non-Executive Director
Nandhini Manikandan	July 26, 2024	Change in Designation	Appointment as Non-Executive Director
Sudhanshu Mani	July 24, 2024	Appointment	Appointment as Additional Independent Director
Sudhanshu Mani	July 26, 2024	Change in Designation	Appointment as Independent Director
Tilak Raj Seth	August 28, 2024	Appointment	Appointment as Additional Independent Director
Tilak Raj Seth	August 30, 2024	Change in Designation	Appointment as Independent Director

Management Organization Structure

Set forth is the management organization structure of our Company:



Corporate Governance

As our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, as on date of this Red Herring Prospectus, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 are not applicable to our Company. In additions to the applicable provisions of the Companies Act, 2013 will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. However, our

Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

Committees of our Board

Our 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) Corporate Social Responsibility Committee

Details of each of these committees are as follows:

a. Audit Committee

Our Audit Committee was constituted on December 12, 2024 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Nature of Directorship	Designation
1.	Sudhanshu Mani	Independent Director	Chairperson
2.	Tilak Raj Seth	Independent Director	Member
3.	Manikandan Dakshna moorthy	Joint Managing Director	Member

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

A. Powers of Audit Committee

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

B. Role of the Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an offer (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. Approval of any subsequent modification of transactions of the company with related parties;

   Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the Accounting Standards.
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.
23. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.]

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations

a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.

b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

b. Stakeholders' Relationship Committee

Our Stakeholder' Relationship Committee was constituted on December 12, 2024. The members of the said Committee are as follows:

Sr. No.	Name of Member	Nature of Directorship	Designation
1.	Sudhanshu Mani	Independent Director	Chairperson
2.	Venkatesan Dakshinamoorthy	Managing Director	Member
3.	Manikandan Dakshna moorthy	Joint Managing Director	Member

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights of by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

c. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted on December 12, 2024 with the following members:

Sr. No.	Name of Member	Nature of Directorship	Designation
1.	Sudhanshu Mani	Independent Director	Chairperson
2.	Tilak Raj Seth	Independent Director	Member
3.	Nandhini Manikandan	Non-Executive Director	Member

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    a) use the services of an external agencies, if required;
    b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;

4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommend to the board, all remuneration, in whatever form, payable to senior management;
8. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
    - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
9. evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and
10. performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

d. Corporate Social Responsibility Committee:

Our Corporate Social Responsibility Committee was constituted on June 19, 2025 with the following members:

Sr. No.	Name of Member	Nature of Directorship	Designation
1.	Manikandan Dakshna moorthy	Joint Managing Director	Chairperson
2.	Nandhini Manikandan	Non-Executive Director	Member
3.	Tilak Raj Seth	Independent Director	Member

Our Company has adopted Corporate Social Responsibility Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programmes for the welfare and sustainable development of the society.

The CSR Policy has been uploaded on the website of the company at https://www.airflow.co.in/investor-relation/

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Corporate Social Responsibility Committee are as follows:

1. To formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and rules made there under and review thereof
2. To formulate and recommend to the Board, an annual action plan in pursuance to CSR Policy.
3. To recommend to the Board the amount of expenditure to be incurred on the CSR activities
4. To monitor the implementation of framework of CSR Policy
5. To review the performance of the Company in the areas of CSR
6. To institute a transparent monitoring mechanism for implementation of CSR projects/ activities undertaken by the company
7. To recommend extension of duration of existing project and classify it as on-going project or other than on-going project.
8. To submit annual report of CSR activities to the Board
9. To consider and recommend appointment of agency / consultant for carrying out impact assessment for CSR projects, if applicable, to the Board.
10. To review and monitor all CSR projects and impact assessment report if applicable
11. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Our Key Managerial Personnel

In addition to our Managing Director and Whole Time Director, whose details have been provided under paragraph above titled *'Brief Profile of our Directors'*, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Red Herring Prospectus:

P S Karunakaran, aged 60 years, is the Chief Financial Officer of our Company. He has completed Master's Degree in commerce. Mr. P S Karunakaran brings over 13 years of significant expertise in Accounts.

Thygarajan Sivakumar, aged 62 years, is the Company Secretary and Compliance Officer of our Company. He is qualified Company Secretary from Institute of Company Secretaries of India. He possesses prior experience of more than 7 years. He has joined our Company as a Company Secretary and Compliance Officer and is responsible for handling secretarial matters of our Company and was appointed with effect from December 12, 2024.

All our Key Managerial Personnel are permanent employees of our Company.

Interest of Key Managerial Personnel

Except as disclosed in this Red Herring Prospectus, none of our Key Managerial Personnel's have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

Changes in Key Managerial Personnel in the Last Three Years

Set forth below, are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Red Herring Prospectus:

Name	Designation	Date of Appointment/ change	Reason
Thygarajan Sivakumar	Company Secretary and Compliance Officer	December 12, 2024	Appointment
Malti Jaiswal	Company Secretary and Compliance Officer	December 01, 2024	Resignation due to personal reason*
Malti Jaiswal	Company Secretary and Compliance Officer	July 01, 2024	Appointment
P S Karunakaran	Chief Financial Officer	July 01, 2024	Appointment

**The reason mentioned in the Resignation Letter dated December 12, 2024*

The attrition of the key management personnel is as per the industry standards.

Employees' Stock Option Plan

As on date of this Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

OUR PROMOTER AND PROMOTER GROUP

OUR PROMOTERS:

As on the date of this Red Herring Prospectus, our Promoters are:

1. Venkatesan Dakshinamoorthy
2. Manikandan Dakshna moorthy
3. Nandhini Manikandan
4. Sathishkumar Venkatesan

As on the date of this Red Herring Prospectus, the shareholding of our Promoters in our Company is as follows*:

Sr.No.	Name of Promoter	No. of Equity Shares	% of pre-Issue issued, subscribed and paid-up Equity Share Capital
1.	Manikandan Dakshna moorthy	64,95,999	37.20%
2.	Venkatesan Dakshinamoorthy	64,95,996	37.20%
3.	Nandhini Manikandan	Nil	Nil
4.	Sathishkumar Venkatesan	Nil	Nil

*Based on the beneficiary position statement dated August 22, 2025.

For details of the build-up of the shareholding of our Promoters in our Company, see *"Capital Structure – Details of shareholding of our Promoters and members of the Promoter Group in our Company"*, on page 69.

Details of our individual Promoter

Venkatesan Dakshinamoorthy

Venkatesan Dakshinamoorthy, aged 60 years is the Promoter, Chairman and Managing Director of our Company. He is an Indian national. For details of his educational qualifications, residential address, date of birth, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see "*Our Management*" on page 157. Other than the entities forming part of the Promoter Group, Venkatesan Dakshinamoorthy is not involved in any other ventures.

His PAN is ACFPV9969G.

Manikandan Dakshna moorthy

Manikandan Dakshna moorthy, aged 45 years is the Promoter and Joint Managing Director of our Company. He is an Indian national. For details of his educational qualifications, residential address, date of birth, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see *"Our Management"* on page 157. Other than the entities forming part of the Promoter Group, Manikandan Dakshna moorthy is not involved in any other ventures.

His PAN is AHYPM6189M.

Nandhini Manikandan

Nandhini Manikandan**,** aged 44 years is the Promoter and Non-Executive Director of our Company. She is an Indian national. For details of his educational qualifications, residential address, date of birth, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see *"Our Management"* on page 157. Other

	than the entities forming part of the Promoter Group, Nandhini Manikandan is not involved in any other ventures. Her PAN is AFVPN1889G.
	Sathishkumar Venkatesan **Sathishkumar Venkatesan**, aged 32 years is the Promoter and Whole-Time Director of our Company. He is an Indian national. For details of his educational qualifications, residential address, date of birth, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see *"Our Management"* on page 157. Other than the entities forming part of the Promoter Group, Sathishkumar Venkatesan is not involved in any other ventures. His PAN is FJTPS1826R.

Our Company confirms that the PAN, driving license number, Aadhar card number, bank account number and passport number of Venkatesan Dakshinamoorthy, Manikandan Dakshna moorthy, Nandhini Manikandan and Sathishkumar Venkatesan would be submitted to the Stock Exchanges at the time of filing of this Red Herring Prospectus.

Confirmations

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority. No violations of securities laws have been committed by our Promoters or members of our Promoter Group in the past or are currently pending against them.

None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our Promoters Venkatesan Dakshinamoorthy and Manikandan Dakshna moorthy are also directors of our subsidiary company which is involved in venture that is in the same line of activities or business as that of our Company.

Other Entities of our Promoters

The Entities in which our Promoters are involved in are as follows:

a. Venkatesan Dakshinamoorthy

Name of Entity	Nature of Interest
Sree Dakssnaa Aerospace And Defence India Private Limited	Director
Airflow Dafeng Rail Equipments Private Limited	Director
Airflow Energy Solutions Private Limited	Director
Apura Energy Private Limited	Director

b. Manikandan Dakshna moorthy

Name of Entity	Nature of Interest
Sree Dakssnaa Aerospace And Defence India Private Limited	Director
Airflow Dafeng Rail Equipments Private Limited	Director
Airflow Energy Solutions Private Limited	Director
Apura Energy Private Limited	Director

c. Nandhini Manikandan

Name of Entity	Nature of Interest
Ultima Environmental Solutions Private Limited	Director
Bharani Engineering Industries Private Limited	Director

d. Sathishkumar Venkatesan

Name of Entity	Nature of Interest
Ultima Environmental Solutions Private Limited	Director
Bharani Engineering Industries Private Limited	Director

Change in Control of our Company

Our Promoters are the original promoters of our Company and the control of our Company has not been acquired during five years immediately preceding this Red Herring Prospectus.

Experience of our Promoters in the business of our Company

For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled **"*Our Management*"** beginning on page 157 of this Red Herring Prospectus.

Interest of our Promoters

Interest in promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding and directorships of our Promoters in our Company, please refer to the chapter titled "*Capital Structure*" and "*Our Management*" beginning on page 69 and 157 respectively of this Red Herring Prospectus.

Interest of Promoters in our Company other than as a Promoter

Our Promoters, Venkatesan Dakshinamoorthy, Manikandan Dakshna moorthy, Nandhini Manikandan and Sathishkumar Venkatesan are the Managing Director, Joint Managing Director, Non-executive Director and Whole-time Directors, respectively of our Company therefore, may deemed to be considered interested to the extent of any remuneration or sitting fees which shall be payable to them in such capacity. Except as stated in this section and the section titled *"Our Management"* on page 157, our Promoters do not have any interest in our Company other than as a Promoter.

Our Promoters, Managing Director, Joint Managing Director, Whole-time Directors and Non-Executive Directors, Venkatesan Dakshinamoorthy, Manikandan Dakshna moorthy, Nandhini Manikandan and Sathishkumar Venkatesan have extended personal guarantees in favour of certain banks with respect to the loan facilities availed by our Company from them. For further details, please refer to the chapter titled — "*Financial Indebtedness*" on page 184 of this Red Herring Prospectus.

Further registered office of our company is owned by Manikandan Dakshna moorthy and Venkatesan Dakshinamoorthy and one of the Manufacturing unit situated at 4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu, 600117 is co-owned by Manikandan Dakshna moorthy Venkatesan Dakshinamoorthy and Nandhini Manikandan as mentioned in chapter *'Our Business'* under heading *'Immovable Property'* on page 116 of this Red Herring Prospectus. Both the Promoters receive rental

income for the respective properties. Except as stated in this section and the section titled ***"Our Management"*** and ***"Related Party Transactions"*** on pages 157 and 180, respectively, our Promoters do not have any interest in our Company other than as a Promoter.

Interest in the properties of our Company

Except as disclosed in the section titled "*Our Business*" and "*Financial Information*" on pages 116 and 180 our Promoters are not interested in the properties acquired by our Company in the three years preceding the date of filing of this with SEBI or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

Other Interest and Disclosures

Except as stated in this section and the section titled *"Our Management"*, *"Restated Financial Statements – Note-XXXV – Related Party Disclosures"* on pages 157 and 180, respectively, our Promoters do not has any interest in our Company other than as a Promoter.

Our Promoters are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Payment or benefits to our Promoters and Promoter Group during the last two years

Except as stated in this chapter, *"Our Management"*, *"Restated Financial Statements – Note-XXXV – Related Party Disclosures"* on pages 157 and 180, respectively and the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoters or the members of our Promoter Group during the last two years from the date of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of this Red Herring Prospectus.

Litigations involving our Promoters

For details of Litigation, please refer to the chapter titled *"Outstanding Litigation and Material Developments"* on page 205.

Guarantees

Our Promoters have given guarantee to third parties. For further details, please refer to the chapter titled "*Restated Financial Statements*" on page 180 of this Red Herring Prospectus.

Details of Companies / Firms from which our Promoters have disassociated in the last three years

Except as stated below our Promoters has not disassociated themselves from any company or firm during the three years preceding the date of filing of the Red Herring Prospectus.

Sr. No.	Disassociated Entity	Date Of Disassociation	Reason And Circumstances Leading To Disassociation
Venkatesan Dakshinamoorthy			
1	Airflow Aerospace And Defence India Private Limited	September 19, 2024	Voluntary Strike Off
Manikandan Dakshna moorthy			
1	Airflow Aerospace And Defence India Private Limited	September 19, 2024	Voluntary Strike Off
Nandhini Manikandan			
1	Nautone Private Limited	20-08-2024	Resignation due to personal reasons
2	Emrion Technologies Private Limited	September 16, 2024	Strike Off
Sathishkumar Venkatesan			
1	Nautone Private Limited	20-08-2024	Resignation due to personal reasons
2	Emrion Technologies Private Limited	September 16, 2024	Strike Off

OUR PROMOTER GROUP

In addition to our Promoters, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations:

A. Individuals forming part of the Promoter Group:

Name of the Promoters	Name of the Relative	Relationship with the Promoter

Venkatesan Dakshinamoorthy	Late Dhatchanamoorthy Govindasamy	Father
	Late D. Rose	Mother
	Venkatesan Revathi	Spouse
	Manikandan Dakshna moorthy	Brother
	Late Jamuna Jothi	Sister
	Vijaya Jayapoongavanam	Sister
	N. Latha	Sister
	R Bala	Sister
	Renuga Devi Venkatesan	Daughter
	Sathishkumar Venkatesan	Son
	Late Vinayagam	Spouse's Father
	V Rajula	Spouse's Mother
	Balasubramani	Spouse's Brother
	Dhatchayani	Spouse's Sister
	M. Jayarani	Spouse's Sister
Manikandan Dakshna moorthy	Late Dhatchanamoorthy Govindasamy	Father
	Late D. Rose	Mother
	Nandhini Manikandan	Spouse
	Venkatesan Dakshinamoorthy	Brother
	Late Jamuna Jothi	Sister
	Vijaya Jayapoongavanam	Sister
	N. Latha	Sister
	R Bala	Sister
	Harshini M	Daughter
	Krithik Vishaal M	Son
	B K Gunasekaran	Spouse's Father
	S Padmini	Spouse's Mother
	B G Saravana Kumar	Spouse's Brother
	NA	Spouse's Sister
Nandhini Manikandan	B K Gunasekaran	Father
	S Padmini	Mother
	Manikandan Dakshna moorthy	Spouse
	B G Saravana Kumar	Brother
	NA	Sister
	Harshini M	Daughter
	Krithik Vishaal M	Son
	Late Dhatchanamoorthy Govindasamy	Spouse's Father
	Late D. Rose	Spouse's Mother
	Venkatesan Dakshinamoorthy	Spouse's Brother
	Late Jamuna Jothi	Spouse's Sister
	Vijaya Jayapoongavanam	Spouse's Sister
	N. Latha	Spouse's Sister
	R Bala	Spouse's Sister
Sathishkumar Venkatesan	Venkatesan Dakshinamoorthy	Father
	Venkatesan Revathi	Mother
	Narumadaa	Spouse
	NA	Brother
	Renuga Devi Venkatesan	Sister
	Jasmiraah	Daughter
	NA	Son
	Anandane N	Spouse's Father
	A Usha	Spouse's Mother
	A Sivasangarane	Spouse's Brother
	NA	Spouse's Sister

B. The entities forming part of our Promoter Group

- Sree Dakssnaa Aerospace And Defence India Private Limited
- Airflow Dafeng Rail Equipments Private Limited
- Airflow Energy Solutions Private Limited
- Apura Energy Private Limited
- Airtrec Equipments
- Apex Material Sciences
- Ultima Environmental Solutions Private Limited
- Bharani Engineering Industries Private Limited
- Apex Material Sciences
- Airtrec Equipments
- Starkeon Engineering Private Limited

Other Confirmations

None of our Promoters and members of the Promoter Group have been declared as wilful defaulters or as fraudulent borrowers by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, pursuant to a resolution of our Board dated December 12, 2024 and the applicable accounting standards (Accounting Standard 18), for the purpose of identification of "group companies" in relation to the disclosure in Offer Documents, our company has considered the companies with which there have been related party transactions for period disclosed in RHP, as disclosed in the section titled *"Financial Information"* on page 180 of this Red Herring Prospectus.

Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, the following company has been identified and considered as the Group Company of our Company. Further, companies which are no longer associated with our company have not been disclosed as Group Companies.

Sr.No.	Name of Group Company	Registered Office
1.	Airflow Energy Solutions Private Limited	9, Chelliamman Koil Street, Keelkatalai, Chennai, Chennai, Tamil Nadu, India, 600117
2.	Nautone Private Limited	9 Chelliamman Koil Street Keelkattalai, Chennai, Chennai, Tamil Nadu, India, 600117
3.	Bharani Engineering Industries Private Limited	221&222, Nehru Nagar, Old Mahabalipuram Road, P B No.8593 Kottivakkam, Chennai, Madras:41., Tamil Nadu, India
4.	Apura Energy Private limited	No.76/K, Mettupalayam Road, Panrutti Village, Sriperumpudurtalik, Kancheepuram, Kancheepuram Dist, Tamil Nadu, India, 631604
5.	Starkeon Engineering Private Limited	No.76/K, Mettupalayam Road, Panrutti Village, Kancheepuram, Sriperumpudur, Tamil Nadu, India, 631604

Details of our Group Company:
In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the Group Companies determined on the basis of their annual turnover, based on their respective audited financial statements for the preceding three years shall be hosted on the websites as indicated below:

Sr.No.	Name of Group Company	Website
1.	Airflow Energy Solutions Private Limited	https://www.airflow.co.in/financial/
2.	Nautone Private Limited	https://www.airflow.co.in/financial/
3.	Bharani Engineering Industries Private Limited	https://www.airflow.co.in/financial/
4.	Apura Energy Private limited	https://www.airflow.co.in/financial/
5.	Starkeon Engineering Private Limited	https://www.airflow.co.in/financial/

Our Company has provided links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision.

Nature and extent of interest of our Group Companies:

a. In the promotion of our Company

None of our Group Companies, have any interest in the promotion of our Company.

b. In the properties acquired by us in the preceding three years before filing this Red Herring Prospectus or proposed to be acquired by our Company

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Red Herring Prospectus or proposed to be acquired by us as on the date of this Red Herring Prospectus.

c. In transactions for acquisition of land, construction of building and supply of machinery

Except as disclosed in this Red Herring Prospectus, our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery. For further details, please see section titled *"Restated Financial Information – Note no. 35 – Related Party Transactions"* on page 180.

Common Pursuits between our Group Companies and our Company

Our group companies are not involved with any ventures which are in the same line of activity or business as that of our Company

Related Business Transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in the section titled *"Restated Financial Information – Note no. 35 – Related Party Transactions"* on page 180, there are no other related business transactions with our Group Companies.

Business interest of our Group Companies in our Company

Other than the transactions disclosed in the section titled *"Restated Financial Information – Note no. 35 – Related Party Transactions"* on page 180, our Group Companies have no business interest in our Company.

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OUR SUBSIDIARY

As on the date of this Red Herring Prospectus, our company has one Subsidiary Company i.e. Sree Dakssnaa Aerospace and Defence India Private Limited (herein after referred to as SDADIPL).

Our Subsidiary

The details of our Subsidiary are provided below.

Sree Dakssnaa Aerospace and Defence India Private Limited was incorporated on June 11, 2024

Object of Sree Dakssnaa Aerospace and Defence India Private Limited

Main Objects of our Company

- The Objects to be pursued by the Company on its Incorporation are:
- Manufacturing of precision machining components for Engine parts of the Aerospace lndust□y and Defense Industry.
- Manufacturing of structural components for the Aerospace Industry and Defence Industry.
- Manufacturing of engineering assembly for the aerospace industry and defence industry
- Manufacturing of Simulators for Aerospace Industry and defence Industry
- Technology development and Integration activities and related activities m connection with Aerospace Industry, Defence Industry and others

Directors

1. Venkatesan Dakshinamoorthy
2. Manikandan Dakshna moorthy

Corporate Information

Sree Dakssnaa Aerospace And Defence India Private Limited is a recent Aerospace and Defence startup and a subsidiary of Airfloa Rail Technology Limited. The company is founded by proven entrepreneurs and experts in the field of rolling stock, mechanical engineering combined with knowledge and hands on experience in the aerospace and defence sector. The company's vision is to design and manufacture products and solutions fostering innovation in the aerospace and defence space and contributing to India's aerospace and defence capabilities.

The company's focus and capabilities include:

- Manufacturing of Cockpit Simulators for Aerospace Industry and defence Industry.
- Manufacturing of structural components for the Aerospace Industry and Defence Industry.
- Manufacturing of engineering assembly for the aerospace industry and defence industry
- Body manufacturing for Artillery (Tanks) and Body Armours
- Technology development and integration activities and related activities in connection with Aerospace Industry, Defence Industry

Nature of business

Sree Dakssnaa Aerospace And Defence India Private Limited is into manufacturing segment of aerospace and defence sector

Capital Structure

The details of the capital structure of Sree Dakssnaa Aerospace And Defence India Private Limited:

Particulars Aggregate nominal value (in ₹)	**Particulars Aggregate nominal value (in ₹)**
Issued, subscribed and paid-up share capital	
12,500 equity shares of ₹ 10 each	1,25,000

Shareholding Pattern

The shareholding pattern of Sree Dakssnaa Aerospace And Defence India Private Limited as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name	Nos. of shares	% of holding
1.	Airfloa Rail Technolgy Limited	9900	79.20%
2.	Manikandan Dakshna moorthy	100	0.80%
3.	Lalit Dua	2500	20.00%
Total		**12500**	**100.00%**

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of, or may enter into, to finance our fund requirements for our business activities. As on the date of this Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid in future. For details in relation to the risk involved, please refer section titled "*Risk Factors*" on Page No. 33 of this Red Herring Prospectus.

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SECTION VI – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

S. No.	Details	Page Number
1.	Consolidated Restated Financial Information	CFS1 – CFS39
2.	Standalone Restated Financial Information	SFS 1- SFS45

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FRN 0004515S

VARADARAJAN & CO

CHARTERED ACCOUNTANTS

Ph: 044 - 24453533
044 - 49539520

BRANCH OFFICE

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

Independent Auditor's Report on Restated 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 consolidated 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 consolidated statement of assets and liabilities as at March 31, 2025, restated consolidated statement of profit and loss and restated consolidated cash flow statement for the financial period ended on March 31, 2025 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the "**restated consolidated financial information**" or "**Restated consolidated financial Statements**") annexed to this report and initiated by us for identification purposes. These Restated consolidated 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 Information for inclusion in the 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 Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. 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 Financial Information. 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 Financial Information 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;

(iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information;

(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 Financial Information of the Company have been compiled by the management from audited financial statements for the year ended on March 31, 2025.

6. Audit for the period ended March 31, 2025 was audited by us vide our report dated August 21, 2025. There are no audit qualifications in the audit reports issued by us which would require adjustments in the Restated Financial Information of the Company.

7. Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the period/financial period ended on March 31, 2025.
b) do not require any adjustment for modification in this examination report 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 statement of asset and liabilities**" of the Company as at March 31, 2025 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 statement of profit and loss**" of the Company for the financial year ended on March 31, 2025 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 statement of cash flows**" of the Company for the financial period ended on March 31, 2025 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.

(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 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 ended on at March 31, 2025 proposed to be included in the Offer Document.

Annexure to Restated consolidated financial Statements of the Company: -

I. Summary statement of consolidated assets and liabilities, as restated as appearing in ANNEXURE I;
II. Summary statement of consolidated profit and loss, as restated as appearing in ANNEXURE II;
III. Summary statement of consolidated cash flows as restated as appearing in ANNEXURE III;
IV. Corporate Information, Significant accounting policies as restated and Notes to reconciliation of restated consolidated 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 minority interest as restated as appearing in ANNEXURE VII to this report;
VIII. Details of long-term borrowings as restated 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 long-term provisions as appearing in ANNEXURE X to this report;
XI. Details of short-term borrowings as restated as appearing in ANNEXURE XI to this report;
XII. Details of trade payables as restated as appearing in ANNEXURE XII to this report;
XIII. Details of other current liabilities as restated as appearing in ANNEXURE XIII to this report;
XIV. Details of short-term provisions as restated as appearing in ANNEXURE XIV to this report;
XV. Details of property, plant & equipment and intangible assets as appearing in ANNEXURE XV 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 Ito 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;
XXXVIII. Statement of net assets and profit/(loss) attributable to owners and minority interest 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 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. Capitalisation Statement as at March 31, 2025 as restated as appearing in ANNEXURE XLVI 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

Sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZJ1563

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 ASSETS AND LIABILITIES AS RESTATED **ANNEXURE - I**

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	As at March 31, 2025
	EQUITY AND LIABILITIES		
1)	**Shareholders Funds**		
	a. Share Capital	V	1,746.30
	b. Reserves & Surplus	VI	9,333.87
2)	**Minority interest**	VII	62.34
3)	**Non - Current Liabilities**		
	a. Long-term Borrowings	VIII	119.92
	b. Deferred Tax Liabilities (net)	IX	0.72
	c. Long-term Provisions	X	65.40
4)	**Current Liabilities**		
	a. Short Term Borrowings	XI	5,877.79
	b. Trade Payables	XII	
	- Payable to Micro and Small Enterprises		35.07
	- Payable to other than Micro and Small Enterprises		6,357.63
	c. Other Current liabilities	XIII	790.29
	d. Short Term Provisions	XIV	1,304.66
	T O T A L		**25,693.99**
	ASSETS		
1)	**Non Current Assets**		
	a. Property, Plant & Equipment and Intangible Assets	XV	
	- Property, Plant & Equipment		3,675.22
	- Intangible Assets		0.86
	- Capital Work-in-Progress		-
	b. Deferred Tax Assets (Net)	IX	-
	c. Long-term Loans & Advances	XVI	198.35
	d. Other Non-current assets	XVII	729.81
2)	**Current Assets**		
	a. Inventories	XVIII	6,243.89
	b. Trade Receivables	XIX	12,760.04
	c. Cash and Bank Balance	XX	392.21
	d. Short term loan and advances	XXI	1,693.61
	T O T A L		**25,693.99**

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

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZJ1563

Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(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

STATEMENT OF CONSOLIDATED PROFIT AND LOSS AS RESTATED **ANNEXURE - II**

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the Year ended March 31, 2025
A	**INCOME**		
	Revenue from Operations	XXII	19,238.70
	Other Income	XXIII	27.56
	Total Income (A)		**19,266.26**
B	**EXPENDITURE**		
	Cost of Material Consumed	XXIV	13,343.47
	Direct Expenses	XXV	1,172.67
	Changes In Inventories Of Work- In- Progress & Finished Goods	XXVI	(2,048.25)
	Employee benefits expense	XXVII	1,252.18
	Finance costs	XXVIII	1,107.03
	Depreciation and amortization expense	XXIX	253.27
	Other expenses	XXX	689.52
	Total Expenses (B)		**15,769.89**
C	**Profit before tax**		**3,496.37**
D	**Tax Expense:**		
	(i) Current tax		941.95
	(ii) Deferred tax expenses/(credit)	IX	(0.07)
	Total Expenses (D)		**941.88**
E	**Profit for the year before minority interest (C-D)**		**2,554.49**
F	**Minority Interest**	VII	**(0.27)**
G	**PROFIT / (LOSS) FOR THE PERIOD (E- F)**		**2,554.76**
H	**Earnings per share (Face value of ₹ 10/- each):**	XXXVII	
	i. Basic		**15.63**
	ii. Diluted		**15.63**

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

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZJ1563

Place : Chennai
Date : 21-08-2025

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

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(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

STATEMENT OF CONSOLIDATED CASH FLOW AS RESTATED **ANNEXURE - III**

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Cash Flow From Operating Activities:	
Net Profit before tax as per Profit And Loss A/c	3,496.37
Adjustments for:	
Interest Cost	990.93
Gratuity Provision	6.92
Interest Income	(12.59)
Unrealised Realised Forex Exchange Gain/(Loss)	3.73
Sundry balance written off	15.32
Profit on sale of Asset	(8.74)
Depreciation and Amortisation Expense	253.27
Operating Profit Before Working Capital Changes	**4,745.21**
Adjusted for (Increase)/Decrease in operating assets	
Inventories	(1,663.60)
Trade Receivables	(2,604.56)
Loans and Advances	(283.28)
Other Non Current Assets	(231.14)
Other Current Assets (Including Other Bank balances)	(13.94)
Adjusted for Increase/(Decrease) in operating liabilities:	
Trade Payables	411.80
Other Current Liabilities & Provisions	(337.88)
Cash Generated From Operations Before Extra-Ordinary Items	**22.61**
Net Income Tax (paid)/ refunded	(467.21)
Net Cash Flow from/(used in) Operating Activities: (A)	**(444.60)**
Purchase of property, plant & equipment and intangible assets	(567.32)
Sale of property, plant & equipment	11.50
Capital advances	(72.54)
Interest Income Received	12.59
Net Cash Flow from/(used in) Investing Activities: (B)	**(615.77)**
Cash Flow from Financing Activities:	
Proceeds from Long term Borrowings	144.59
Repayment of Long term Borrowings	(22.88)
Proceeds from Short term Borrowings	654.00
Repayment of Short term Borrowings	(1,158.23)
Fresh shares issued during the year	2,690.95
Interest Cost	(1,037.06)
Net Cash Flow from/(used in) Financing Activities (C)	**1,271.37**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	210.99
Cash & Cash Equivalents As At Beginning of the Year	23.81
Cash & Cash Equivalents As At End of the Year	**234.80**

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

Component of cash and cash equivalent consist of :

Cash-in-Hand	0.54
Bank Balance	234.26
Fixed Deposits (having original maturity of less than 3 months)	-
Total	**234.80**

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZJ1563

Place : Chennai
Date : 21-08-2025

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

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Dakshinamoorthy Venkatesan
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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

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

1. CORPORATE INFORMATION

Airfloa Rail Technology Limited is a company Incorporated on December 14, 1998 as “Air flow Equipments (India) Private Limited".
The corporate identification number of the company is U30204TN1998PLC041571
The company changed its name from "Air flow Equipments (India) Private Limited" to "Airfloa Rail Technology Private Limited " on August 27, 2024 and has been converted from Private limited company to Public limited company on November 15, 2024.
The company 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.

On 11th June, 2024 , "Sree Dakssnaa Aerospace and Defence India Private Limited " (subsidiary company) was incorporated. it is situated at registered Office: No.127, Mettupalayam Road, Opp to Samsung, Panruti, Kanchipuram, Tamil Nadu, India, 631604 .
"Airfloa Rail technology Limited holds" 79.20 % becoming a parent of such subsidiary company.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 BASIS OF ACCOUNTING AND PREPARATION OF CONSOLIDATED RESTATED FINANCIAL STATEMENTS

The restated summary statement of Consolidated assets and liabilities of the Company as at March 31, 2025, and the related restated summary statement of Consolidated profits and loss and cash flows for the year ended March 31, 2025 (herein collectively referred to as (“Restated Summary Statements”) have been compiled by the management from the Consolidated Audited Financial Statements of the Company for the year ended on March 31, 2025 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the “Act”) read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) (“Guidance Note”). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the BSE in connection with its proposed SME IPO. The Company’s management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21 – “Consolidated Financial Statements” notified by Companies (Accounting Standards) Rules, 2021.

Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet
separately from liabilities and equity of the Company’s shareholders. Minority interest in the net assets of consolidated subsidiaries consists of: a. The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and b. The minority share of movements in equity since the date the parent subsidiary relationship came into existence. Minority’s share of net profit for the year of consolidated subsidiaries is identified and adjusted against the Profit After Tax of the Group

Airfloa Rail Technology Limited
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ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

2.02 USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.03 CURRENT & NON-CURRENT CLASSIFICATION

All assets and liabilities are classified into current and non-current.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realised within 12 months after the reporting date; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) It is expected to be settled in the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within 12 months after the reporting date; or

d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

2.04 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act. Based on the nature of services and the time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of assets and liabilities.

2.05 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(i) Property, Plant & Equipment

All Property, Plant & Equipment are recorded at cost including taxes, duties, freight and other incidental expenses incurred in relation to their acquisition and bringing the asset to its intended use.

(ii) Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

2.06 DEPRECIATION / AMORTISATION

Depreciation on tangible assets is calculated on a Written - Down value method using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013.

Intangible assets are amortized on straight line method basis over 5 years in pursuance of provisions of AS-26.

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

2.07 INVENTORIES

Inventories comprises of Raw Material, Work-in-Progress and Finished goods.
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle.
Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.08 IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

2.09 INVESTMENTS:

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.
Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment. Cost of investments sold is arrived using average method.

2.10 FOREIGN CURRENCY TRANSLATIONS

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognized in Profit & Loss Account in the year in which it arises.

2.11 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2.13 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognized on transfer of significant risk and ownership which generally coincide with the despatch of the goods.

2.14 OTHER INCOME

Interest Income on fixed deposit is recognized on time proportion basis. Other Income is accounted for when right to receive such income is established.

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

2.15 TAXES ON INCOME

Income taxes are accounted for in accordance with Accounting Standard (AS-22) – "Accounting for taxes on income", notified under Companies (Accounting Standard) Rules, 2021. Income tax comprises of both current and deferred tax.
Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

2.16 CASH AND BANK BALANCES

Cash and cash equivalents comprises Cash-in-hand, Current Accounts, Fixed Deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Other Bank Balances are short-term balance (with original maturity is more than three months but less than twelve months).

2.17 EARNINGS PER SHARE

Basic earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity share outstanding during the year. Diluted earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.18 EMPLOYEE BENEFITS

Defined Contribution Plan:

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.

Defined Benefit Plan:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service without any monetary limit. Vesting occurs upon completion of five years of service. Provision for gratuity has been made in the books as per actuarial valuation done as at the end of the year.

2.19 SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Airfloa Rail Technology Limited
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ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

3. NOTES ON RECONCILIATION OF CONSOLIDATED RESTATED PROFITS

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	**2,577.21**
Adjustments for:	
Prior period item	(1.53)
Income tax expense	(5.90)
Deferred tax expense	(15.02)
Net Profit/ (Loss) After Tax as Restated	**2,554.76**

Explanatory notes to the above restatements to profits made in the audited Financial Statements of the Company for the respective years:

a. Prior period item includes below given details :

i. Gratuity Expense : The Company has not recognised the gratuity provision in previous years which has now been restated.

ii. CSR provision for expenses : During the Previous financial years, the Company inadvertently missed booking the required Corporate Social Responsibility (CSR) expenditure. The same has been recognised and booked as expenditure during respective period / years.

iii. Asset balance written off : Asset debit balance which were no recoverable were been written off.

iv. Interest expense reversal : The Company has wrongly recognised the interest on borrowings in previous years which has now been restated in the statement of profit and loss.

v. Interest on late payment of statutory dues: The Company has not recognised the liability for interest on TDS in previous years which has now been restated.

vi. Interest expense over MSME Dues: The Company has not recognised the MSME Interest liability as per section 16 of MSME Act, 2006. Hence such interest expense has been now restated in respective year / periods.

vii. Liability of rates & taxes previously not recognised: The Company has not recognised the short deduction of TDS liability which has now been restated.

b. Income Tax Expense: The Company has inappropriately calculated income tax liability which has now been restated for restatement adjustment as above and provided for using tax rates related to the respective financial year as per Statement of tax shelters.

c. Deferred Tax: The Company has incorrectly calculated deferred tax over temporary differences, hence such impact which has now been restated.

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ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

4. NOTES ON RECONCILIATION OF CONSOLIDATED RESTATED NET-WORTH

(₹ in Lakhs)

Particulars	As at March 31, 2025
Networth as audited (a)	**11,111.71**
Adjustments for:	
Opening Balance of Adjustments	-
Gratuity Expense	(85.04)
CSR expenditure	(129.61)
Asset balances written off	(52.21)
Liabilities written back	0.60
Reversal of interest expense	236.75
Interest on late payment of statutory dues	(40.59)
Interest on MSME dues	(25.78)
Rates & Taxes	57.80
Income tax expense	(119.66)
Deferred Tax	148.65
Changes in profit and loss account	(22.45)
Closing Balance of Adjustments (b)	**(31.54)**
Networth as restated (a +b)	**11,080.17**

Explanatory notes to the above restatements to Networth made in the audited Financial Statements of the Company for the respective years:

a. Gratuity Expense recognised: Gratuity Expense which was not recognised for earlier years is now recognised and restated.

b. Opening CSR expenses : CSR Expenditure in relation to year prior to Financial year 2022-23 recorded as liability.

c. Asset balance written off & Liabilities written back : Asset and liabilities balances outstanding for prior years which were no longer recoverable / payable has been written off.

e. Reversal of interest expenses : The Company has wrongly recognised the interest on borrowings in previous years prior to financial year 2022-23 which has now

f. Interest on late payment of statutory dues: The Company has not recognised the liability for interest on TDS and grouped as a expense item in year prior to financial year 2022-23 which has now been restated.

g. Interest expense over MSME Dues: The Company has not recognised the MSME Interest liability as per section 16 of MSME Act, 2006. Hence such interest expense has been now restated in respective years**.**

h. Rates & Taxes: The Company has wrongly grouped TDS liability as a expense item in year prior to financial year 2022-23 which has now been restated.

i. Income Tax Expense: The Company has inappropriately calculated income tax liability which has now been restated for restatement adjustment as above and provided for using tax rates related to the respective financial year as per Statement of tax shelters.

j. Deferred Tax: The Opening deferred tax impact prior to financial year 2022-23 is recognised and booked due to gratuity and other temporary items**.**

l. Change in Profit/(Loss) : Refer Note 3 above**.**

5. ADJUSTMENTS HAVING NO IMPACT ON NETWORTH AND PROFIT:

a. Material Regrouping

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

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DETAILS OF SHARE CAPITAL AS RESTATED **ANNEXURE - V**

(₹ In Lakhs)

Particulars	As at March 31, 2025
AUTHORISED:	
Equity Shares of ₹ 10 each	2,500.00
(As at March 31,2025 25,000,000 shares)	2,500.00
ISSUED, SUBSCRIBED AND PAID UP	
Equity Shares of ₹ 10 each fully paid up	1,746.30
(As at March 31, 2025 1,74,62,954 shares)	
TOTAL	**1,746.30**

Reconciliation of number of shares outstanding at the end of the Period ended:

Particulars	As at March 31, 2025
Equity Shares at the beginning of the year	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**

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

Particulars	As at March 31, 2025
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 49,93,18 fresh equity shares via private placement at Face value of Rs.10 each at premium of Rs. 290 per share on 1st 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 9th August, 2024.

6) Company has made 1,10,76,636 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 December, 2024

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

Name of Shareholders	As at March 31,2025	
	No. of Shares Held	% of Holding
Equity Share Holders		
Dakshinamoorthy Venkatesan	64,95,996	37.20%
Dakshna Moorthy Manikandan	64,95,999	37.20%
Aparna Samir Thakker	19,93,005	11.41%

Details of equity shares held by promoters:

Name of Promoter	As at March 31,2025		% Change during the period
	No. of Shares Held	% of Holding	
Dakshinamoorthy Venkatesan	64,95,996	37.20%	(6.15%)
Dakshinamoorthy Manikandan	64,95,999	37.20%	(6.15%)

Airfloa Rail Technology Limited
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DETAILS OF RESERVE & SURPLUS AS RESTATED **ANNEXURE - VI**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Securities Premium	
Opening Balance	**-**
Add: Received during the year	2,850.57
Less: Utilized for bonus shares issued during the year	(1,107.66)
Less : Minority Share of Securities premium	(62.35)
Closing Balance (a)	**1,680.56**
Balance in profit & Loss A/c	
Opening Balance	**5,107.64**
Add : Net profit / (Loss) after Tax for the year	2,554.76
Opening Restatement adjustment	
Gratuity Expense	(85.04)
CSR expenditure	(129.61)
Deferred Tax	148.65
Asset balances written off	(52.21)
Liabilities written back	0.60
Reversal of interest expense	236.75
Interest on late payment of statutory dues	(40.59)
Interest on MSME dues	(25.78)
Rates & Taxes	57.80
Income tax expense	(119.66)
Closing Balance (b)	**7,653.31**
TOTAL (a + b)	**9,333.87**

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

(₹ In Lakhs)

Particulars	As at March 31, 2025
Opening Balance	
Add : Share capital	0.26
Add : Minority Share of Securities premium	62.35
Add : Minority Share of Profit / (Loss) during the period	(0.27)
TOTAL	**62.34**

DETAILS OF LONG TERM BORROWINGS AS RESTATED **ANNEXURE - VIII**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Secured	
Term Loan	
- Banks	-
Vehicle Loan	
- Banks	-
- Others	119.92
Unsecured	
Term Loan	
- Banks	-
- Others	-
TOTAL	**119.92**

(Refer Annexure for terms of security, repayment and other relevant details)

Airfloa Rail Technology Limited
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DETAILS OF DEFERRED TAX LIABILITIES / (ASSETS) (NET) AS RESTATED **ANNEXURE - IX**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Deferred Tax Liabilities arising on account of:	
-Difference of WDV as per Companies Act, 2013 and Income Tax Act, 1961	104.27
-Expenses disallowed under Income Tax Act, 1961	(103.55)
TOTAL	**0.72**

DETAILS OF LONG TERM PROVISIONS AS RESTATED **ANNEXURE - X**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Provision for Gratuity	65.40
TOTAL	**65.40**

DETAILS OF SHORT TERM BORROWINGS AS RESTATED **ANNEXURE - XI**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Secured	
Working capital loan facility / Cash Credit facility	
- Banks	4,994.65
- Others	600.00
Current Maturities of Long Term Debt	24.14
Unsecured	
Intercorporate Loan	259.00
TOTAL	**5,877.79**
(Refer Annexure for terms of security, repayment and other relevant details)	

DETAILS OF TRADE PAYABLES AS RESTATED **ANNEXURE - XII**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Payable to Micro and Small Enterprises	35.07
Payable to other than Micro and Small Enterprises	6,357.63
TOTAL	**6,392.70**

Airfloa Rail Technology Limited
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DETAILS OF OTHER CURRENT LIAIBILITES AS RESTATED **ANNEXURE - XIII**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Audit Fees Payable	19.82
Wages & Salaries Payable	51.77
Rent payable	40.50
Customer Advances	120.43
Interest payable on MSME Creditors	38.59
Statutory Dues Payable (EPF, ESIC, TDS, Custom duty and GST)	519.18
TOTAL	**790.29**

DETAILS OF SHORT TERM PROVISIONS AS RESTATED **ANNEXURE - XIV**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Provision for Taxation (Net of Advance Tax, TDS and TCS)	1,182.03
Provision for Gratuity	122.63
	1,304.66

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

(₹ In Lakhs)

Particulars	As at March 31, 2025
Capital advance against property	198.35
TOTAL	**198.35**

Airfloa Rail Technology Limited
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DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED **ANNEXURE - XVII**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Electricity Deposit	7.36
Earnest Money Deposit	348.97
Security Deposit	351.36
Fixed Deposit (having original maturity of more than 3 months and remaining maturity of more than 12 months)*	22.12
TOTAL	**729.81**

**Balance confirmation not available, hence balances verified using Fixed deposit receipts*

DETAILS OF INVENTORIES AS RESTATED **ANNEXURE - XVIII**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Raw Material	735.39
Work In Progress	3,887.13
Finished goods	1,621.37
TOTAL	**6,243.89**

DETAILS OF TRADE RECEIVABLES AS RESTATED **ANNEXURE - XIX**

(₹ In Lakhs)

Particulars	As at March 31, 2025
Unsecured, Considered Good	
Trade Receivable More than Six Months	2,983.05
Trade Receivable Less than Six Months	9,776.99
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	**12,760.04**

Airfloa Rail Technology Limited
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DETAILS OF CASH AND BANK BALANCE AS RESTATED **ANNEXURE - XX**

(₹ In Lakhs)

Particulars	As at March 31, 2025
a. Cash and Cash Equivalents	
Cash-in-Hand	0.54
Bank Balance	234.26
b. Other Bank Balances with Scheduled Bank	
Balance with Banks in Fixed Deposits*	157.41
(having original maturity of more than 3 months and remaining maturity of less than 12 months including given as collateral or margin money)	
TOTAL	**392.21**

**Balance confirmation not available, hence balances verified using Fixed deposit receipts*

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

(₹ In Lakhs)

Particulars	As at March 31, 2025
Staff loans & advances	50.96
Balance with Government Authorities	34.79
Rent Deposit	18.26
Prepaid expenses (Including IPO expense)	45.00
Advances to related parties (Refer Annexure - XLIV)	165.19
Vendor advances	1,379.21
TDS Reimbursement Receivable	0.20
TOTAL	**1,693.61**

Airfloa Rail Technology Limited
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DETAILS OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS RESTATED **ANNEXURE-** XV

(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	AS AT 01.04.2024	ADDITIONS	DEDUCTIONS	AS AT 31.03.2025	UPTO 01.04.2024	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2025	AS AT 31.03.2025	AS AT 31.03.2024
Property, Plant & Equipment										
Air conditioner	2.69	-	-	2.69	2.01	0.12	-	2.13	0.56	0.68
Building (Block 1 Unit -5)	1,578.03	-	-	1,578.03	581.65	48.52	-	630.17	947.86	996.38
Buildings	256.17	360.20	-	616.37	131.44	14.76	-	146.20	470.17	124.73
Car	155.51	159.83	55.16	260.18	141.35	6.30	52.40	95.25	164.93	14.16
Computer	102.74	3.16	-	105.90	93.64	4.49	-	98.13	7.77	9.10
Electrical Equipments	51.39	-	-	51.39	40.77	2.75	-	43.52	7.87	10.62
Furniture & Fittings	186.15	-	-	186.15	78.22	27.94	-	106.16	79.99	107.93
Land	29.85	-	-	29.85	-	-	-	-	29.85	29.85
Machinery (Unit-5)	939.69	-	-	939.69	751.05	34.15	-	785.20	154.49	188.64
Office Equipments	11.60	-	-	11.60	11.08	0.06	-	11.14	0.46	0.52
Plant & Machinery	1,312.75	-	-	1,312.75	729.80	113.46	-	843.26	469.49	582.95
UPS	3.07	-	-	3.07	3.07	-	-	3.07	-	-
Vehicle	55.47	-	-	55.47	51.98	0.72	-	52.70	2.77	3.49
Land- Nehru Nagar	872.97	-	-	872.97	-	-	-	-	872.97	872.97
Land- Madurai	421.91	44.13	-	466.04	-	-	-	-	466.04	421.91
Intangible asset								-		
Planning Software	10.88	-	-	10.88	10.33	-	-	10.33	0.55	0.55
CREO Elements	5.15	-	-	5.15	4.84	-	-	4.84	0.31	0.31
Total	**5,996.02**	**567.32**	**55.16**	**6,508.18**	**2,631.23**	**253.27**	**52.40**	**2,832.10**	**3,676.08**	**3,364.79**

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

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Revenue from Sale of Products	19,238.70
TOTAL	**19,238.70**

DETAILS OF OTHER INCOME AS RESTATED **ANNEXURE - XXIII**

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Interest on fixed deposit income	12.59
Discount Received	6.23
Profit on sale of Asset	8.74
TOTAL	**27.56**

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

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Opening Stock	1,120.04
Purchases	12,958.82
Less : Closing Stock	(735.39)
TOTAL	**13,343.47**

Airfloa Rail Technology Limited
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DETAILS OF DIRECT EXPENSES AS RESTATED

ANNEXURE - XXV
(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Freight & Service Charges	753.97
Rent, Electricity & Repairs	225.51
Testing Charges & Other expenses	30.30
Factory Maintenance	13.56
Insurance & License	25.92
Labour & Service charges	123.41
TOTAL	**1,172.67**

DETAILS OF CHANGES IN INVENTORIES OF WORK- IN- PROGRESS & FINISHED GOODS AS RESTATED

ANNEXURE - XXVI
(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Work in Progress	
Opening Stock	2,939.46
Less : Closing Stock	(3,887.13)
Finished goods	
Opening Stock	520.79
Less : Closing Stock	(1,621.37)
TOTAL	**(2,048.25)**

DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED

ANNEXURE - XXVII
(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Salary & Wages	965.96
Staff Welfare Expenses	94.05
Director Remuneration	148.60
Contribution to Provident Fund	31.61
Contribution to Employee State Insurance	5.04
Gratuity expense	6.92
TOTAL	**1,252.18**

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

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Interest on Borrowings	653.07
Bank and loan Processing Charges	116.10
Interest on Supplier Overdue/ Loan from others	149.33
Interest on late payment of MSME Dues	12.83
Interest on late payment of statutory dues	175.70
TOTAL	**1,107.03**

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

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Depreciation Expenses	253.27
Amortization Expenses	-
TOTAL	**253.27**

DETAILS OF OTHER EXPENSES AS RESTATED **ANNEXURE - XXX**

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025
Administrative Expenses	
Audit Fee	24.00
Donation Expenses	6.05
CSR expenses	17.85
Professional and Consultancy Charges	157.75
Sundry balance written off	15.32
Vehicle Maintenance	15.89
Office expense	24.88
Printing, Postage and Stationery	5.45
Rates & Taxes	87.44
Legal fees	0.79
Telephone Charges	6.58
Travelling & Conveyance	117.08
Advertisement and Business Promotion Expenses	206.71
Loss on foreign exchange	3.73
Total	**689.52**

Details of Payment made to Auditors :

Particulars	For the Year ended March 31, 2025
Audit fees	22.00
Tax audit fees	2.00
Certificates	-
Others	-

Airfloa Rail Technology Limited
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DETAILS OF OTHER INCOME AS RESTATED

ANNEXURE - XXXI

(₹ In Lakhs)

Particulars	For the Year ended March 31, 2025	Nature
Other Income	27.56	
Net Profit Before Tax as Restated	3,496.37	
Percentage	**0.79%**	

Source of Income

Interest Income	12.59	Recurring and not related to Business Activity
Discount Received	6.23	Non-Recurring and related to Business Activity
Profit on sale of Asset	8.74	Non-Recurring and not related to Business Activity
Total Other income	**27.56**	

Airfloa Rail Technology Limited
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ANNEXURE XXXII

ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:

S.No	Name of Lender	Nature of Security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on March 31, 2025 (₹ In Lakhs)
1	Axis Bank Limited	**Vehicle Loan**	Repayable in 60 equated monthly instalments(EMIs)	21.85	8.50% p.a.	60 Months	9	44,829	4.18
2	Axis Bank Limited	**Working capital / Credit facility** **Primary Security:** Exclusive charge by way of hypothecation of entire current asset of the company, present and future (excluding the immovable assets financed by union bank of India (UBI) towards execution of rites project of refurbishment of 97 coac**hes).** **Collateral Security:** 1. Factory Building and Land measuring 6179 sq. ft., built up area at no. 9 in survey no. 274/10, 274/12 and 274/13, Seiliaman koil street, keelkattalai, Chennai, standing in the name of Mr. Manikandan and Mr. D venkatesan. 2. Residential building at built up area of 865 Sq. ft. at survey no. 284/19, Old TS No. 12,Thiruvalluvar Street, Keelkattalai, Chennai in the name of Mr. Venkatesan and Mr. Manikandan vacant land admeasuring 5046.50 sq. ft. at 117 & 118, Sri kamalkoti Nagar, Palikaraniai in the name of Mr. D Manikandan. 3. Vacant Land measuring 2.68 acres in survey no. 284/3A, 284/3B, 287/1, 284/1B & 284/1A, at village kalivandapatti in the name of Mr. D Manikandan, Mr. D. Venkatesan & Mrs. Nandini, Mrs. Revathy. 4. Vacant land measuring 12560 sq. ft. in new survey no. 1040/77, at sri sakti nagar, vadakupatti village, Sripreumbudur in the name of Mr. D Venkatesh. 5. Vacant house plots admeasuring 3042 sq. ft. bearing 12 & 12 A on KGK Nagar Layout, 2nd street, yashoda nagar, Keekattalai Chennai - 600117 in the name of Mrs. V Revathy. 6. Land admeasuring 2.99 acres and factory building at mettupalyam road, panrutti village, sriperumbudur taluk, owned by the company. **Personal Guarantee:** 1. Mr. Venkatesan D 2. Mr. Manikandan D 3. Mrs. Nanthini 4. Mrs. Revathy	Repayable on Demand	3200 Current / 3500	3 Month MCLR + 2.50%	12 Months	NA	NA	3,197.98

Airfloa Rail Technology Limited
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ANNEXURE XXXII

ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:

S.No	Name of Lender	Nature of Security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on March 31, 2025 (₹ In Lakhs)
3	Share India Fincap Private Limited	**Working capital / Credit facility** 1. First & exclusive charge through equitable mortgage over entire land parcel of at No. 46, Kadaneri village, Peraiyur taluk, Madurai District in Punja Survey 142/1D, 142/1E, 144/1B, 142/2, 142/1A, 144/1C, 144/1A, 142/1B, 142/1C, 143/1, 143/5, 143/6, 143/4C, 144/ 2C, 143/3, 144/2A, 143/4A, 143/4B, 144/2B, 143/2A1, 143/2A3, 143/2A2, 143/2A4, 143/2B, 386/3A, 386/3B, 388/1, 386/2A, 386/2B, 381/2, 381/1B, 387/3, 388/3A2B, 388/ 3A2C, 385/2, 331/6, 385/1A, 388/2, 389/1A, 145/4, measuring 34.94 acres (Immovable property) 2. Demand Promissory Note. 3.Personal Guarantee of Guarantors. 4. Any other security in the form and manner acceptable to the Lender. 5. Other terms and conditions as provided in the loan documents to be executed in favour of the lender, to the satisfaction of Lender. **Personal Guarantee:** 1. Venkatesan D alias Venkatesan Dakshinamoorthy 2. Manikandan Dakshinamoorthy 3. Venkatesan Revathi 4. Nandhini Manikandan **Corporate Guarantee:** 1. Air flow Energy Solutions Pvt. Ltd. 2. Air flow Dafeng Rail Equipments Pvt. Ltd.	Repayable in Bullet payment	600.00	16.00% p.a.	The loan shall be repayable in a bullet repayment at the end of the tenure, with a term of 12 months from the date of first disbursement.	NA	NA	600.00
4	Union Bank of India	**Collateral:** 1. Industrial Property Located at Plot No. 174 owned by Mr. D venkatesan and Mr. D Manikandan. 2. All that place and parcel of land and building Plot no. 220 owned by Mr. D venkatesan and Mr. D Manikandan. 3. 2. All that place and parcel of land and building Plot no. 221 & 222 owned by Mr. D venkatesan and Mr. D Manikandan.	Repayable on Demand	1,800.00	EBLR+0.75%	12 Months	NA	NA	1,796.67

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ANNEXURE XXXII

ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:

S.No	Name of Lender	Nature of Security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on March 31, 2025 (₹ In Lakhs)
5	Raahat Financial & Financial Consultancy Services Private Ltd	Inter corporate loan Such Business loan facility (unsecured) guaranteed against collateral security of directors and their relatives : 1st Guarantor a. Land measuring 70 cents in S.No.284/4 (53 cents) & S.No.287/2 (17 cents) at Kalivanthapattu Village, Chengalpattu Taluk, Kancheepuram District. b. Bounded by: Survey Nos.287/2, 284/3B, 287/2A & a road in usage. 2nd Guarantor a. Land measuring 79 cents across multiple survey numbers at Kalivanthapattu Village. b. Bounded by: Eswari's land, road in usage, Survey Nos.104/2A & 284/1B. 3rd Guarantor a. 1 acre of land in S.No.102/2, 287/2, 103, 102/1A & 104/2A at Kalivanthapattu Village. b.Bounded by: Various private lands, roads & lakeside. 4th Guarantor a.25 cents in S.No.102 at Nanmangalam Village. b.1271 sq. ft. plot in S.No.103/3B2, Abinanthan Nagar, approved under PPA No.868/2018. 5th Guarantor a. 74 cents in S.No.102/1A at Kalivanthapattu Village. b. Bounded by: Latha's land, Palani's land & Survey Nos.102/1B & 102/1A. 6th Guarantor a. 74 cents in S.No.104/1 at Kalivanthapattu Village. b. Bounded by: Survey Nos.103, Eswari's land, 104/2A & 284/1B. 7th Guarantor a. 74 cents in S.No.102/2 & S.No.102/1A at Kalivanthapattu Village. b. Bounded by: Survey Nos.326, Jamuna's land, 104/1B & other survey lands. 8th Guarantor a. 74 cents in S.Nos.104/2A, 104/3A, 104/4A1-4A3 & 103 at Kalivanthapattu Village. b. Bounded by: Various survey numbers and private lands.	Repayable on Demand	500.00	24.00% p.a	15 months and renewal basis	NA	NA	-
6	BMW India Financial services private limited	**Vehicle Loan**	Repayable in 60 equated monthly instalments (EMIs)	143.00	10.99% p.a.	48 Months	46	2,86,203	139.88

Aggregate amount of loan guaranteed by directors and others	**3,797.98**

Note : Loan details presented are subject to Sanction letter ,repayment schedule and other related documents

Airfloa Rail Technology Limited
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AGEING OF TRADE PAYABLES AS RESTATED **ANNEXURE -** XXXIII

(₹ In Lakhs)

I. Ageing of Creditors as at March 31, 2025

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-	-
(b) Others	-	4,395.60	778.10	365.16	818.77	6,357.63
(c) Disputed Dues - MSME	-	-	-	-	35.07	35.07
(d) Disputed Dues - Others	-	-	-	-	-	-
Total	**-**	**4,395.60**	**778.10**	**365.16**	**853.84**	**6,392.70**

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AGEING OF TRADE RECEIVABLES AS RESTATED **ANNEXURE -** XXXIV

(₹ In Lakhs)

I. Ageing of Debtors as at March 31, 2025

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	-	9,776.99	1,356.95	955.64	666.45	4.01	12,760.04
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Total	**-**	**9,776.99**	**1,356.95**	**955.64**	**666.45**	**4.01**	**12,760.04**
Add: Unbilled Revenue	-	-	-	-	-	-	-
Total	**-**	**19,553.98**	**1,356.95**	**955.64**	**666.45**	**4.01**	**12,760.04**

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

DETAILS OF RELATED PARTY TRANSACTION AS RESTATED **ANNEXURE -** XXXV
(₹ In Lakhs)

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
Dakshinamoorthy Venkatesan	Promotor / Managing director	Rent	11.40	-
		Remuneration	66.30	-
		Capital Advance Given	-	-
		Capital Advance Repaid	-	
		Advance repaid	456.90	-
		Advance given	264.22	
		Reimbursement of Expenses	12.57	
Dakshinamoorthy Manikandan	Promotor / Managing director	Rent	11.40	-
		Remuneration	66.30	-
		Capital Advance Given	-	-
		Capital Advance Repaid	-	
		Advance repaid	664.41	(138.66)
		Advance given	596.96	
		Reimbursement of Expenses	7.28	
V Revathi	Relative of director	Rent	8.40	-
		Loan taken	-	-
		Loan Repaid	28.15	
Airtrec Equipments	Controlled by Relative of Director	Advance repaid	43.28	-
		Advance given	12.20	
Venkatesan Sathishkumar	Relative of director & Whole-time director w.e.f 24/7/2024	Rent	-	-
		Remuneration	16.00	-
Manikandan Nanthini	Relative of director & Non executive Director w.e.f 24/7/2024	Rent	8.40	-
		Loan taken	-	-
		Loan repaid	24.12	
Airflow Energy Solutions Private Limited	Controlled by Director of Company	Advance repaid	20.00	5.74
		Advance given	-	
Apex Material Sciences	Controlled by Relative of Director of Company	Advance repaid	0.02	121.44
		Advance given	-	
Nautone Private Limited	Controlled by Relative of Director of Company	Advance repaid	-	38.00
		Advance given	-	
Bharani Engineering Industries Private Limited	Controlled by Relative of Director of Company	Advance given	-	-
		Advance Repaid	-	
		Sales of goods	-	(172.31)
		Purchase of goods	-	
Papa Sanjeevi Karunakaran	CFO w.e.f 01/07/2024	Salary expense	7.44	(0.62)
Raghavendra Industries	Controlled by Relative of Director of Company	Sales of goods	201.01	746.35
		Purchase of goods	67.73	
Starkeon Engineering Private Limited	Controlled by Relative of Director of Company	Research and development expense	-	-
		Sales of goods	-	
		Purchase of goods	-	
		Capital Advance Given	72.53	198.34
		Capital Advance Repaid	-	

Airfloa Rail Technology Limited
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CIN: U30204TN1998PLC041571

ANNEXURE - XXXVI

DISCLOSURE UNDER AS-15 AS RESTATED (₹ In Lakhs)

A. DEFINED CONTRIBUTION PLAN

Particulars	**For the year ended March 31, 2025**
	(₹ in Lakhs)
Employers' Contribution to Provident Fund and ESIC	36.65

B. DEFINED BENEFIT OBLIGATION

1) Gratuity

The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972, as amended. Under the gratuity plan, every employee who has completed at least 5 years of service gets gratuity on separation or at the time of superannuation calculated for equivalent to 15 days salary for each completed year of service calculated on last drawn basic salary. The Company does not have a funded plan for gratuity liability.

I. ASSUMPTIONS:	**For the year ended March 31, 2025**
Discount Rate	6.55%
Salary Escalation	5.00%
Attrition Rate	54.00%
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	60 years

II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	**As at March 31, 2025**
	(₹ in Lakhs)
Present Value of Benefit Obligation as at the beginning of the year	181.11
Current Service Cost	16.18
Interest Cost	9.38
(Benefit paid)	-
Actuarial (gains)/losses	(18.64)
Present value of benefit obligation as at the end of the year	**188.03**

Airfloa Rail Technology Limited
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ANNEXURE - XXXVI

DISCLOSURE UNDER AS-15 AS RESTATED (₹ In Lakhs)

III. ACTUARIAL GAINS/LOSSES:	**For the year ended March 31, 2025**
	(₹ in Lakhs)
Actuarial (gains)/losses on obligation for the year	(18.64)
Actuarial (gains)/losses on asset for the year	-
Actuarial (gains)/losses recognized in income & expenses Statement	**(18.64)**

IV. EXPENSES RECOGNISED	**For the year ended March 31, 2025**
	(₹ in Lakhs)
Current service cost	16.18
Interest cost	9.38
Actuarial (gains)/losses	(18.64)
Expense charged to the Statement of Profit and Loss	**6.92**

V. BALANCE SHEET RECONCILIATION:	**As at March 31, 2025**
	(₹ in Lakhs)
Opening net liability	181.11
Expense as above	6.92
Net liability/(asset) recognized in the balance sheet	**188.03**

VI. EXPERIENCE ADJUSTMENTS	**For the year ended March 31, 2025**
	(₹ in Lakhs)
On Plan Liability (Gains)/Losses	(15.57)

VII. The estimates of rate of salary increase considered in the actuarial valuation takes into account inflation, seniority, promotion and all other relevant factors including supply and demand in the employment market.

Airfloa Rail Technology Limited
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DETAILS OF ACCOUNTING RATIOS AS RESTATED

ANNEXURE - XXXVII

(₹ In Lakhs, except per share data and ratios)

Particulars	For the Year ended March 31, 2025
Restated Profit attributable to equity shareholders of holding company (A)	**2,554.76**
Tax Expense (B)	941.88
Depreciation and amortization expense (C)	253.27
Interest Cost (D)	990.93
Weighted Average Number of Equity Shares at the end of the Year (Pre Bonus) (E-1)	1,63,41,402
Weighted Average Number of Equity Shares at the end of the Year (Post Bonus) (E-2)	1,63,41,402
Number of Equity Shares outstanding at the end of the Year (Pre-Bonus) (F-1)	1,74,62,954
Number of Equity Shares outstanding at the end of the Year (Post-Bonus) (F-2)	1,74,62,954
Nominal Value per Equity share (₹) (G)	10.00
Restated Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	11,080.17
Restated Net-Assets as per Statement of Assets and Liabilities (I)	11,142.51
Current Assets (J)	21,089.75
Current Liabilities (K)	14,365.44
Earnings Per Share - Basic & Diluted[1 & 4] (₹) (Pre-Bonus)	**15.63**
Earnings Per Share - Basic & Diluted[1 & 4] (₹) (Post-Bonus)	**15.63**
Return on Net Worth[1] (%)	**23.06%**
Net Asset Value Per Share[1 & 4] (₹) (Pre - Bonus)	**63.81**
Net Asset Value Per Share[1 & 4] (₹) (Post - Bonus)	**63.81**
Current Ratio[1]	**1.47**
Earning before Interest, Tax and Depreciation and Amortization[1] (EBITDA)	**4,740.84**

Notes -

1. Ratios have been calculated as below:

Earnings Per Share (₹) (EPS) :	A / E1 OR E2
Return on Net Worth (%):	A / H
Net Asset Value per equity share (₹):	I / F1 OR F2
Current Ratio:	I / J
Earning before Interest, Tax and Depreciation and Amortization (EBITDA):	A + (B+C+D)

2. Company has issued 4,99,318 fresh equity shares via private placement at Face value of 10 each at premium of Rs. 290 per share on 01st August, 2024.
3. Company has made 44,000 fresh issue of equity shares via private placement at Face value of 10 each at premium of Rs. 290 per share on 09th August, 2024.
4. Bonus shares were issued at the rate of 2 shares for every 1 share held on 31st August, 2024
5. 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 December, 2024
6. Ratios are not annualised.

7.Net-worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation (Refer Regulation 2 of Chapter - I of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018)

8.Net-assets value" means the total of all the assets as reduced by total of all the liabilities of the company

Airfloa Rail Technology Limited
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CIN: U30204TN1998PLC041571

STATEMENT OF NET ASSETS AND PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST AS RESTATED:
(as per para 2 of general instructions for the preparation of consolidated financial statements to Division I of Schedule III of Companies Act, 2013)

ANNEXURE - XXXVIII
(₹ In Lakhs)

Particulars	As at March 31, 2025			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)
I. Parent				
Airfloa Rail Technology Limited				
a. Equity Share Holders	97.32%	10,843.81	100.05%	2,555.80
b. Preference Share Holders	-	-	-	-
II. Subsidiaries				
i) Indian				
- Sree Dakssnaa Aerospace and Defence India Private Limited	2.12%	236.36	(0.04%)	(1.04)
ii) Foreign				
III. Associates entities				
i) Indian	-	-	-	-
ii) Foreign	-	-	-	-
IV. Minority Interest in Subsidiaries				
i) Indian				
- Sree Dakssnaa Aerospace and Defence India Private Limited	0.56%	62.34	(0.01%)	(0.27)
ii) Foreign	-	-	-	-
	-	-	-	-
Total	**100.00%**	**11,142.51**	**100.00%**	**2,554.49**

Airfloa Rail Technology Limited
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ANNEXURES FORMING PART OF THE CONSOLIDATED RESTATED FINANCIAL STATEMENTS

DETAILS OF CONTINGENT LIABILITIES & COMMITMENTS AS RESTATED

ANNEXURE - XXXIX

(₹ In Lakhs)

Particulars	As at March 31, 2025
I. Contingent Liabilities	
(a) claims against the company not acknowledged as debt*;	39.89
(b) guarantees excluding financial guarantees; and	-
(c) other money for which the company is contingently liable	
II. Commitments	
(a) estimated amount of contracts remaining to be executed on capital account and not provided for**	11.66
(b) uncalled liability on shares and other investments partly paid	-
(c) other commitments	-

*** Note :**

1. 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.
2. 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.

**** Note :**

1. Starkeon Engineering Private Limited has acquired a set of high-value industrial assets, including a Heavy Duty Horizontal Turnmill Center (Model BHTM 2050Y), a CNC Vertical Machining Center (Model BMV60+TC30), a Detron Make Rotary Table, a Rotary with 6-Axis Attachment for VMC BMV60, and a Hydraulic Press Brake (Model HG1303). Subsequently, As per Purchase order dated. 25th October 2024 of these specified machinery and equipment was agreed at ₹210.00 lakhs. As of 31st March 2025, Airfloa Rail Technology Limited had made a payment of ₹198.34 Lakhs towards this transaction.

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ANNEXURES FORMING PART OF THE CONSOLIDATED RESTATED FINANCIAL STATEMENTS

RESTATED VALUE OF IMPORTS CALCULATED ON C.I.F BASIS BY THE COMPANY DURING THE FINANCIAL YEAR IN RESPECT OF:

ANNEXURE - XL
(₹ In Lakhs)

	Particulars	As at March 31, 2025
		₹
(a)	Raw Material	735.81
(b)	Components and spare parts	-
(c)	Capital goods	-

DETAILS OF VALUE (INCLUDING INCIDENTAL EXPENSES) OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED

ANNEXURE - XLI
(₹ In Lakhs)

	Particulars	As at March 31, 2025	Percentage to the total consumption
		₹	(%)
(a)	Raw Material - Imported	735.81	5.51%
(b)	Raw Material - Indigenous	12,607.66	94.49%
	Total	**13,343.47**	**100.00%**

EXPENDITURE IN FOREIGN CURRENCY DURING THE FINANCIAL YEAR AS RESTATED :

ANNEXURE - XLII
(₹ In Lakhs)

	Particulars	As at March 31, 2025
		₹
(a)	Royalty	-
(b)	Know-How	-
(c)	Professional and consultation fees	-
(d)	Interest	-
(e)	Purchase of Components and spare parts	-
(f)	Others	-

EARNINGS IN FOREIGN EXCHANGE AS RESTATED:

ANNEXURE - XLIII
(₹ In Lakhs)

	Particulars	As at March 31, 2025
		₹
(a)	Export of goods calculated on F.O.B. basis	
(b)	Royalty, know-how, professional and consultation fees	-
(c)	Interest and dividend	-
(d)	Other income	-

Airfloa Rail Technology Limited
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ANNEXURES FORMING PART OF THE CONSOLIDATED RESTATED FINANCIAL STATEMENTS

DUES OF SMALL ENTERPRISES AND MICRO ENTERPRISES AS RESTATED **ANNEXURE - XLIV**

(₹ In Lakhs)

Particulars	As at March 31, 2025
	₹
(a) Dues remaining unpaid to any supplier at the end of each accounting year	
-Principal	35.07
-Interest on the above	38.59
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-
(c) the 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 Micro, Small and Medium Enterprises Development Act, 2006;	38.59
(d) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

Note : During the period under consideration, the Company does not have a system in place to determine the bifurcation of the creditors as Micro, Small or Medium Enterprises. Based on the information available with the Company, there are dues to Small and Micro enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company

ADDITIONAL REGULATORY INFORMATION AS PER PARA Y OF SCHEDULE III TO COMPANIES ACT, 2013: **ANNEXURE - XLV**

i. The Company does have immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company, Accordingly, the relevant disclosure has been provided in the restated standalone financial statements. However, this disclosure is not applicable at the consolidated level, in line with the applicable guidance note

ii. The Company has not revalued its Property, Plant and Equipment.

iii. The Company has not granted loans or 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 except as below given :

Type of borrower	As at March 31,2025	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	0.00%
Directors	-	0.00%
KMPs	-	0.00%
Related party	165.19	76.42%

Airfloa Rail Technology Limited
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ANNEXURES FORMING PART OF THE CONSOLIDATED RESTATED FINANCIAL STATEMENTS

iv. The Company does not have any capital work-in-progress.

v. The Company does not have any intangible assets under development .

vi. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

vii The Company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts. The below provided detail pertains to parent company.

For Year ended 31st March , 2025

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return/ statement (₹ in Lakhs)	Amount of difference (₹ in Lakhs)	Reason for material discrepancies
Q1	Axis Bank Limited	Stock statement	3,789.80	2,373.00	(1,416.80)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q1	Axis Bank Limited	Book debts	11,872.61	4,776.00	(7,096.61)	The Company has submitted statements after inadvertently netting-off advance from customer
Q1	Union bank of india Limited	Stock statement	3,789.80	3,789.80	-	-
Q1	Union bank of india Limited	Book debts	11,872.61	9,865.00	(2,007.61)	The Company has submitted statements after inadvertently netting-off some advances
Q2	Axis Bank Limited	Stock statement	5,877.15	5,877.15	-	-
Q2	Axis Bank Limited	Book debts	10,364.56	10,510.00	145.44	Due to non - Completion of bank entries
Q2	Union bank of india Limited	Stock statement	5,877.15	5,877.15	-	-
Q2	Union bank of india Limited	Book debts	10,364.56	10,854.00	489.44	Due to non - Completion of bank entries
Q3	Axis Bank Limited	Stock statement	6,129.45	6,129.45	-	-
Q3	Axis Bank Limited	Book debts	10,727.00	10,991.00	264.00	Due to non - Completion of bank entries
Q3	Union bank of india Limited	Stock statement	6,129.45	6,129.45	-	-
Q3	Union bank of india Limited	Book debts	10,727.00	11,379.00	652.00	Due to non - Completion of bank entries
Q4	Axis Bank Limited	Stock statement	6,243.89	6,243.89	-	-
Q4	Axis Bank Limited	Book debts	12,760.04	12,533.26	(226.78)	Due to non - Completion of bank entries
Q4	Union bank of india Limited	Stock statement	6,243.89	6,243.89	-	-
Q4	Union bank of india Limited	Book debts	12,760.04	12,533.26	(226.78)	Due to non - Completion of bank entries

x. There are charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period .Such relevant disclosure has been provided in the restated standalone financial statements. However, this disclosure is not applicable at the consolidated level, in line with the applicable guidance note

xi. The company has invested in its subsidiary company and it complies with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

xii. Disclosure for Significant Accounting Ratios are not applicable at consol level

xiii. The Company does not have any scheme of arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

xiv. The Company does not have undisclosed 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).

xv. The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year.

xiv. A. 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
B. 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

CAPITALISATION STATEMENT AS AT MARCH 31, 2025 **ANNEXURE -** XLVI

(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	5,877.79	-
Long Term Debt (B)	119.92	-
Total debts (C)	**5,997.71**	**-**
Shareholders' funds		
Share capital	1,746.30	-
Reserve and surplus - as Restated	9,333.87	-
Total shareholders' funds (D)	**11,080.17**	**-**
Long term debt / shareholders funds (B/D)	**0.01**	**-**
Total debt / shareholders funds (C/D)	**0.54**	**-**

Signatures to Annexures Forming Part Of The Restated Financial Statements

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

sd/-	sd/-	sd/-	sd/-
Dakshinamoorthy Venkatesan	**Dakshinamoorthy Manikandan**	**Papa Sanjeevi Karunakaran**	**Thygarajan Sivakumar**
(Managing Director)	**(Managing Director)**	**(CFO)**	**(Company Secretary)**
DIN - 00232210	**DIN - 00232275**		

Place : Chennai
Date : 21-08-2025

FRN 0004515S

VARADARAJAN & CO
CHARTERED ACCOUNTANTS

Ph: 044 - 24453533
044 - 49539520

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

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 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;

(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 our 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 standalone 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.

(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 deferred tax liabilities & Asset (net) as appearing in ANNEXURE VIII to this report;
IX. Details of long-term provisions 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 Ito 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;

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 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 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

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

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 ASSETS AND LIABILITIES AS RESTATED **ANNEXURE -** I

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	EQUITY AND LIABILITIES				
1)	**Shareholders Funds**				
	a. Share Capital	V	1,746.30	499.50	499.50
	b. Reserves & Surplus	VI	9,097.51	5,098.55	3,675.27
2)	**Non - Current Liabilities**				
	a. Long-term Borrowings	VII	119.92	3.69	22.56
	b. Deferred Tax Liabilities (net)	VIII	0.72	0.79	19.92
	c. Long-term Provisions	IX	65.40	81.52	67.59
3)	**Current Liabilities**				
	a. Short Term Borrowings	X	5,877.79	6,376.55	5,999.26
	b. Trade Payables	XI			
	- Payable to Micro and Small Enterprises		35.07	35.07	35.07
	- Payable to other than Micro and Small Enterprises		6,357.63	5,942.10	5,172.37
	c. Other Current liabilities	XII	970.77	1,354.78	727.78
	d. Short Term Provisions	XIII	1,304.66	806.88	169.77
	T O T A L		**25,575.77**	**20,199.43**	**16,389.09**
	ASSETS				
1)	**Non Current Assets**				
	a. Property, Plant & Equipment and Intangible Assets	XIV			
	- Property, Plant & Equipment		3,675.22	3,363.93	3,566.88
	- Intangible Assets		0.86	0.86	0.86
	- Capital Work-in-Progress		-	-	-
	b. Non-Current Investments	XV	0.99	-	-
	c. Deferred Tax Assets (Net)	VIII	-	-	-
	d. Long-term Loans & Advances	XVI	198.35	125.81	520.00
	e. Other Non-current assets	XVII	729.81	498.67	326.03
2)	**Current Assets**				
	a. Inventories	XVIII	6,243.89	4,580.29	5,032.39
	b. Trade Receivables	XIX	12,760.04	10,170.80	4,876.74
	c. Cash and Bank Balance	XX	391.54	167.28	360.45
	d. Short term loan and advances	XXI	1,575.07	1,291.79	1,705.74
	T O T A L		**25,575.77**	**20,199.43**	**16,389.09**

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

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZI7755
Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(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

STATEMENT OF STANDALONE PROFIT AND LOSS AS RESTATED **ANNEXURE -** II

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**INCOME**				
	Revenue from Operations	XXII	19,238.70	11,930.36	9,517.39
	Other Income	XXIII	27.56	356.86	15.51
	Total Income (A)		**19,266.26**	**12,287.22**	**9,532.90**
B	**EXPENDITURE**				
	Cost of Material Consumed	XXIV	13,343.47	6,179.87	5,475.45
	Direct Expenses	XXV	1,172.67	930.45	1,655.81
	Changes In Inventories Of Work- In- Progress & Finished Goods	XXVI	(2,048.25)	288.14	(881.60)
	Employee benefits expense	XXVII	1,252.18	996.13	1,240.90
	Finance costs	XXVIII	1,107.03	1,184.85	1,121.61
	Depreciation and amortization expense	XXIX	253.27	292.84	313.43
	Other expenses	XXX	688.21	354.93	372.81
	Total Expenses (B)		**15,768.58**	**10,227.21**	**9,298.41**
C	**Profit before tax**		**3,497.68**	**2,060.01**	**234.49**
D	**Tax Expense:**				
	(i) Current tax	XXXVIII	941.95	655.85	131.18
	(ii) Deferred tax expenses/(credit)	VIII	(0.07)	(19.12)	(46.05)
	Total Expenses (D)		**941.88**	**636.73**	**85.13**
E	**Profit for the year (C-D)**		**2,555.80**	**1,423.28**	**149.36**
F	**Earnings per share (Face value of ₹ 10/- each):**	XXXVII			
	i. Basic		**15.64**	**9.50**	**1.00**
	ii. Diluted		**15.64**	**9.50**	**1.00**

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

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

sd/-
V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZI7755
Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(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

STATEMENT OF STANDALONE CASH FLOW AS RESTATED **ANNEXURE -** III

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities:			
Net Profit before tax as per Profit And Loss A/c	3,497.68	2,060.01	234.49
Adjustments for:			
Interest Cost	990.93	1,145.79	1,013.22
Gratuity Provision / (Reversal)	6.92	31.47	(1.06)
Interest Income	(12.59)	(14.22)	(13.96)
Unrealised Realised Forex Exchange Gain/(Loss)	3.73	-	0.09
Sundry balance written off	15.32	1.81	1.50
Sundry Creditors Written Back	-	(313.14)	-
Profit on sale of Asset	(8.74)	-	-
Depreciation and Amortisation Expense	253.27	292.84	313.43
Operating Profit Before Working Capital Changes	**4,746.52**	**3,204.56**	**1,547.71**
Adjusted for (Increase)/Decrease in operating assets			
Inventories	(1,663.60)	452.10	(985.85)
Trade Receivables	(2,604.56)	(5,294.07)	1,538.41
Loans and Advances	(283.28)	412.14	(668.21)
Other Non Current Assets	(231.14)	(172.64)	2.14
Other Current Assets (Including Other Bank balances)	(13.94)	109.74	43.59
Adjusted for Increase/(Decrease) in operating liabilities:			
Trade Payables	411.80	1,082.87	(367.30)
Other Current Liabilities & Provisions	(337.88)	587.90	(33.82)
Cash Generated From Operations Before Extra-Ordinary Items	**23.92**	**382.60**	**1,076.67**
Net Income Tax (paid)/ refunded	(467.21)	(36.28)	(68.75)
Net Cash Flow from/(used in) Operating Activities: (A)	**(443.29)**	**346.32**	**1,007.92**
Purchase of property, plant & equipment and intangible assets	(567.32)	(89.89)	(205.63)
Sale of property, plant & equipment	11.50		
Capital advances	(72.54)	394.19	450.00
Interest Income Received	12.59	14.22	13.96
Investment in Subsidiary company	(0.99)	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	**(616.76)**	**318.52**	**258.33**
Cash Flow from Financing Activities:			
Proceeds from Long term Borrowings	144.59	8.86	34.19
Repayment of Long term Borrowings	(22.88)	(92.49)	(229.85)
Proceeds from Short term Borrowings	654.00	494.12	98.58
Repayment of Short term Borrowings	(1,158.23)	(52.07)	(966.08)
Fresh shares issued during the year	2,689.96	-	-
Interest Cost	(1,037.06)	(1,106.69)	(1,000.86)
Net Cash Flow from/(used in) Financing Activities (C)	**1,270.38**	**(748.27)**	**(2,064.02)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**210.32**	**(83.43)**	**(797.77)**
Cash & Cash Equivalents As At Beginning of the Year	23.81	107.24	905.01
Cash & Cash Equivalents As At End of the Year	**234.13**	**23.81**	**107.24**
See accompanying annexures forming part of the restated financial statements (Refer Annexure No. IV to XLVII)			
Component of cash and cash equivalent consist of :			
Cash-in-Hand	0.54	0.97	3.44
Bank Balance	233.59	22.84	103.80
Total	**234.13**	**23.81**	**107.24**

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

sd/-

V. Sadagopan
Partner
Mem No- 022618
UDIN - 25022618BMIPZI7755
Place : Chennai
Date : 21-08-2025

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(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

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

1. CORPORATE INFORMATION

Airfloa Rail Technology Limited is a company Incorporated on December 14, 1998 as "Air flow Equipments (India) Private Limited".
The corporate identification number of the company is U30204TN1998PLC041571
The company changed its name from "Air flow Equipments (India) Private Limited" to "Airfloa Rail Technology Private Limited " on August 27, 2024 and has been converted from Private limited company to Public limited company on November 15, 2024.
The company 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.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 BASIS OF ACCOUNTING AND PREPARATION OF STANDALONE RESTATED FINANCIAL STATEMENTS

The restated summary statement of standalone assets and liabilities of the Company as at March 31, 2025, March 31, 2024, and March 31, 2023 and the related restated summary statement of standalone profits and loss and cash flows for the year ended March 31, 2025, March 31, 2024, and March 31, 2023 (herein collectively referred to as ("Restated Summary Statements") have been compiled by the management from the standalone audited Financial Statements of the Company for the year ended on March 31, 2025, March 31, 2024, and March 31, 2023 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note"). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the BSE in connection with its proposed SME IPO. The Company's management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

2.02 USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

2.03 CURRENT & NON-CURRENT CLASSIFICATION

All assets and liabilities are classified into current and non-current.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realised within 12 months after the reporting date; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) It is expected to be settled in the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within 12 months after the reporting date; or

d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

2.04 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act. Based on the nature of services and the time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of assets and liabilities.

2.05 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(i) Property, Plant & Equipment

All Property, Plant & Equipment are recorded at cost including taxes, duties, freight and other incidental expenses incurred in relation to their acquisition and bringing the asset to its intended use.

(ii) Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

2.06 DEPRECIATION / AMORTISATION

Depreciation on tangible assets is calculated on a Written - Down value method using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013.

Intangible assets are amortized on straight line method basis over 5 years in pursuance of provisions of AS-26.

2.07 INVENTORIES

Inventories comprises of Raw Material, Work-in-Progress and Finished goods.
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle.
Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.08 IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

2.09 INVESTMENTS:

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.
Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment. Cost of investments sold is arrived using average method.

2.10 FOREIGN CURRENCY TRANSLATIONS

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognized in Profit & Loss Account in the year in which it arises.

2.11 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

2.13 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognized on transfer of significant risk and ownership which generally coincide with the despatch of the goods.

2.14 OTHER INCOME

Interest Income on fixed deposit is recognized on time proportion basis. Other Income is accounted for when right to receive such income is established.

2.15 TAXES ON INCOME

Income taxes are accounted for in accordance with Accounting Standard (AS-22) – "Accounting for taxes on income", notified under Companies (Accounting Standard) Rules, 2021. Income tax comprises of both current and deferred tax.
Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

2.16 CASH AND BANK BALANCES

Cash and cash equivalents comprises Cash-in-hand, Current Accounts, Fixed Deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Other Bank Balances are short-term balance (with original maturity is more than three months but less than twelve months).

2.17 EARNINGS PER SHARE

Basic earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity share outstanding during the year. Diluted earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

2.18 EMPLOYEE BENEFITS

Defined Contribution Plan:

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.

Defined Benefit Plan:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service without any monetary limit. Vesting occurs upon completion of five years of service. Provision for gratuity has been made in the books as per actuarial valuation done as at the end of the year.

2.19 SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

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

ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

3. NOTES ON RECONCILIATION OF STANDALONE RESTATED PROFITS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	**2,578.25**	**1,351.15**	**45.80**
Adjustments for:			
Gratuity expense	-	(6.99)	1.07
Interest expense reversal	-	-	225.68
Prior period items	(1.53)	71.59	-
Interest on late payment of statutory dues	-	(10.01)	(3.61)
Interest on MSME dues	-	(10.71)	(8.78)
Provision for CSR Expenses	-	-	(19.64)
Interest income on fixed deposit	-	(20.65)	-
Asset balance written off	-	(1.81)	(1.50)
Income tax expense	(5.90)	(31.95)	(62.43)
Deferred tax expense	(15.02)	82.66	(27.23)
Net Profit/ (Loss) After Tax as Restated	**2,555.80**	**1,423.28**	**149.36**

Explanatory notes to the above restatements to profits made in the audited Financial Statements of the Company for the respective years:

a. Gratuity Expense : The Company has not recognised the gratuity provision in previous years which has now been restated.

b. Reversal of interest expenses : The Company has wrongly recognised the interest on borrowings in previous years which has now been restated in the statement of profit and loss.

c. Prior Period items : The Company has booked prior period expenses/ Income the effect of the same has now been restated in the respective years.

d. Interest expense over MSME Dues: The Company has not recognised the MSME Interest liability as per section 16 of MSME Act, 2006. Hence such interest expense has been now restated in respective year / periods.

e. Interest on late payment of statutory dues: The Company has not recognised the liability for interest on TDS in previous years which has now been restated.

f. CSR provision for expenses : During the Previous financial years, the Company inadvertently missed booking the required Corporate Social Responsibility (CSR) expenditure. The same has been recognised and booked as expenditure during respective period / years.

g. Interest on fixed deposit : The Company has not recognised the income earned / accrued over fixed deposit with banks , hence such income has now been restated.

h. Asset balance written off : Asset debit balance which were no recoverable were been written off.

i. Income Tax Expense: The Company has inappropriately calculated income tax liability which has now been restated for restatement adjustment as above and provided for using tax rates related to the respective financial year as per Statement of tax shelters.

j. Deferred Tax: The Company has incorrectly calculated deferred tax over temporary differences, hence such impact which has now been restated.

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ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

4. NOTES ON RECONCILIATION OF STANDALONE RESTATED NET-WORTH

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Networth as audited (a)	**10,875.35**	**5,607.14**	**4,255.99**
Adjustments for:			
Opening Balance of Adjustments	**(9.09)**	**(81.22)**	**-**
Gratuity Expense	-	-	(150.71)
CSR expenditure	-	-	(109.97)
Asset balances written off	-	-	(48.90)
Interest income on Fixed deposit	-	-	20.65
Liabilities written back	-	-	0.60
Reversal of interest expense	-	-	11.07
Interest on late payment of statutory dues	-	-	(26.97)
Interest on MSME dues	-	-	(6.29)
Rates & Taxes	-	-	57.80
Income tax expense	-	-	(25.28)
Deferred Tax	-	-	93.22
Change in Profit/(Loss)	(22.45)	72.13	103.56
Closing Balance of Adjustments (b)	**(31.54)**	**(9.09)**	**(81.22)**
Networth as restated (a +b)	**10,843.81**	**5,598.05**	**4,174.77**

Explanatory notes to the above restatements to Networth made in the audited Financial Statements

a. Gratuity Expense recognised: Gratuity Expense which was not recognised for earlier years is now recognised and restated.

b. Opening CSR expenses : CSR Expenditure in relation to year prior to Financial year 2022-23 recorded as liability.

c. Asset balance written off & Liabilities written back : Asset and liabilities balances outstanding for prior years which were no longer recoverable / payable has been written off.

d. Interest on fixed deposit income: The Company has not recognised the income earned / accrued over fixed deposit with banks for years prior to financial year 2022-23 , hence such income has now been restated.

e. Reversal of interest expenses : The Company has wrongly recognised the interest on borrowings in previous years prior to financial year 2022-23 which has now been restated.

f. Interest on late payment of statutory dues: The Company has not recognised the liability for interest on TDS and grouped as a expense item in year prior to financial year 2022-23 which has now been restated.

g. Interest expense over MSME Dues: The Company has not recognised the MSME Interest liability as per section 16 of MSME Act, 2006. Hence such interest expense has been now restated in respective year / periods.

h. Rates & Taxes: The Company has wrongly grouped TDS liability as a expense item in year prior to financial year 2022-23 which has now been restated.

i. Income Tax Expense: The Company has inappropriately calculated income tax liability which has now been restated for restatement adjustment as above and provided for using tax rates related to the respective financial year as per Statement of tax shelters.

j. Deferred Tax: The Opening deferred tax impact prior to financial year 2022-23 is recognised and booked due to gratuity and other temporary items**.**

g. Change in Profit/(Loss) : Refer Note 3 above**.**

a. Material Regrouping

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

Airfloa Rail Technology Limited
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DETAILS OF SHARE CAPITAL AS RESTATED **ANNEXURE -** V

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
AUTHORISED:			
Equity Shares of ₹ 10 each	2,500.00	500.00	500.00
(As at March 31, 2025 2,50,00,000 shares, As at March 31, 2024 50,00,000 shares, As at March 31, 2023 50,00,000 shares)	2,500.00	500.00	500.00
ISSUED, SUBSCRIBED AND PAID UP			
Equity Shares of ₹ 10 each fully paid up	1,746.30	499.50	499.50
(As at March 31,2025 1,74,62,954 shares, As at March 31,2024 49,95,000 shares, As at March 31, 2023 49,95,000 shares)			
TOTAL	**1,746.30**	**499.50**	**499.50**

Reconciliation of number of shares outstanding at the end of the year:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Equity Shares at the beginning of the year	49,95,000	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**	**49,95,000**

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

Particulars	As at March 31, 2025
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, 2024.

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 December, 2024

Airfloa Rail Technology Limited
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Details of Shareholders holding more than 5% of the aggregate shares of the company:

Name of Shareholders	As at March 31,2025	
	No. of Shares Held	% of Holding
Equity Share Holders		
Dakshinamoorthy Venkatesan	64,95,996	37.20%
Dakshna Moorthy Manikandan	64,95,999	37.20%
Aparna Samir Thakker	19,93,005	11.41%

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

Name of Shareholders	As at March 31,2024	
	No. of Shares Held	% of Holding
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 Shareholders holding more than 5% of the aggregate shares of the company:

Name of Shareholders	As at March 31,2023	
	No. of Shares Held	% of Holding
Equity Share Holders		
Dakshinamoorthy Venkatesan	24,97,500	50.00%
Dakshinamoorthy Manikandan	24,97,500	50.00%

Details of equity shares held by promoters:

Name of Promoter	As at March 31,2025		% Change during the period
	No. of Shares Held	% of Holding	
Dakshinamoorthy Venkatesan	64,95,996	37.20%	(6.15%)
Dakshinamoorthy Manikandan	64,95,999	37.20%	(6.15%)

Details of equity shares held by promoters:

Name of Promoter	As at March 31,2024		% Change during the year
	No. of Shares Held	% of Holding	
Dakshinamoorthy Venkatesan	21,65,332	43.35%	(6.65%)
Dakshinamoorthy Manikandan	21,65,333	43.35%	(6.65%)

Details of equity shares held by promoters:

Name of Promoter	As at March 31,2023		% Change during the year
	No. of Shares Held	% of Holding	
Dakshinamoorthy Venkatesan	24,97,500	50.00%	0.00%
Dakshinamoorthy Manikandan	24,97,500	50.00%	0.00%

Airfloa Rail Technology Limited
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DETAILS OF RESERVE & SURPLUS AS RESTATED **ANNEXURE -** VI

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Securities Premium			
Opening Balance	-	-	-
Add: Received during the year	2,550.82	-	-
Less: Utilized for bonus shares issued during the year	(1,107.66)	-	-
Closing Balance (a)	**1,443.16**	-	-
Balance in profit & Loss A/c			
Opening Balance	**5,098.55**	**3,675.27**	**3,710.70**
Add : Net profit / (Loss) after Tax for the year	2,555.80	1,423.28	149.36
Opening Restatement adjustment			
Gratuity Expense	-	-	(150.71)
CSR expenditure	-	-	(109.97)
Deferred Tax	-	-	93.22
Asset balances written off	-	-	(48.90)
Interest income on Fixed deposit	-	-	20.65
Liabilities written back	-	-	0.60
Reversal of interest expense	-	-	11.07
Interest on late payment of statutory dues	-	-	(26.97)
Interest on MSME dues	-	-	(6.29)
Rates & Taxes	-	-	57.80
Income tax expense	-	-	(25.29)
Closing Balance (b)	**7,654.35**	**5,098.55**	**3,675.27**
TOTAL (a + b)	**9,097.51**	**5,098.55**	**3,675.27**

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

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Secured			
Term Loan			
- Banks	-	-	12.01
Vehicle Loan			
- Banks	-	3.69	9.60
- Others	119.92	-	-
Unsecured			
Term Loan			
- Others	-	-	0.95
TOTAL	**119.92**	**3.69**	**22.56**

(Refer Annexure for terms of security, repayment and other relevant details)

Airfloa Rail Technology Limited
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DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED **ANNEXURE -** VIII

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities arising on account of:			
-Difference of WDV as per Companies Act, 2013 and Income Tax Act, 1961	104.27	118.58	123.70
-Expenses disallowed under Income Tax Act, 1961	(103.55)	(117.79)	(103.78)
TOTAL	**0.72**	**0.79**	**19.92**

DETAILS OF LONG TERM PROVISIONS AS RESTATED **ANNEXURE -** IX

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity	65.40	81.52	67.59
TOTAL	**65.40**	**81.52**	**67.59**

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

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Secured			
Working capital loan facility / Cash Credit facility			
- Banks	4,994.65	5,430.21	5,593.53
- Others	600.00	600.00	-
Current Maturities of Long Term Debt	24.14	17.72	54.51
Unsecured			
Intercorporate Loan	259.00	275.40	272.70
Loan from Related parties*	-	52.27	49.60
Current maturities of long-term debt	-	0.95	28.92
TOTAL	**5,877.79**	**6,376.55**	**5,999.26**

(Refer Annexure for terms of security, repayment and other relevant details)

****Loan from Directors are interest-free.***

DETAILS OF TRADE PAYABLES AS RESTATED **ANNEXURE -** XI

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Payable to Micro and Small Enterprises	35.07	35.07	35.07
Payable to other than Micro and Small Enterprises	6,357.63	5,942.10	5,172.37
TOTAL	**6,392.70**	**5,977.17**	**5,207.44**

(Refer Annexure - XXXIII for ageing)

Airfloa Rail Technology Limited
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DETAILS OF OTHER CURRENT LIAIBILITES AS RESTATED **ANNEXURE -** XII

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Audit Fees Payable	19.82	83.25	103.77
Wages & Salaries Payable	51.77	119.88	286.51
Rent & other expense payable	40.50	50.93	11.54
Customer Advances	301.01	62.97	50.51
CSR expense payable	-	90.04	90.04
Interest Payable	-	7.33	-
Interest payable on MSME Creditors	38.59	25.76	15.06
Interest payable on Statutory dues	-	51.63	30.56
Statutory Dues Payable (EPF, ESIC, TDS, Custom duty and GST)	519.08	862.99	139.79
TOTAL	**970.77**	**1,354.78**	**727.78**

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

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Provision for Taxation (Net of Advance Tax, TDS and TCS)	1,182.03	707.29	87.72
Provision for Gratuity	122.63	99.59	82.05
	1,304.66	**806.88**	**169.77**

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

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Unquoted, Non-Trade (At Cost)			
A. Investment in Equity Instruments of Subsidiaries	0.99	-	-
Investment in Sree Dakssnaa Aerospace and Defence India Private Limited March 31, 2025 - 9999 Equity Shares of ₹ 10 each (FY 2023-24 - NIL Shares, and FY - 2022-23 - NIL shares)			
TOTAL	**0.99**	**-**	**-**
Aggregate value of quoted investments	**-**	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**	**-**
Aggregate carrying value of unquoted investments	**0.99**	**-**	**-**
Aggregate provision for diminution in value of investments	**-**	**-**	**-**

Airfloa Rail Technology Limited
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DETAILS OF LONG-TERM LOANS & ADVANCES AS RESTATED **ANNEXURE -** XVI

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Capital advance against property	198.35	125.81	520.00
TOTAL	**198.35**	**125.81**	**520.00**

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

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Electricity Deposit	7.36	7.35	5.13
Earnest Money Deposit	348.97	269.32	264.43
Security Deposit	351.36	179.72	56.47
Fixed Deposit (having original maturity of more than 3 months and remaining maturity of more than 12 months)*	22.12	42.28	-
TOTAL	**729.81**	**498.67**	**326.03**

**Balance confirmation not available, hence balances verified using Fixed deposit receipts*

DETAILS OF INVENTORIES AS RESTATED **ANNEXURE -** XVIII

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Raw Material	735.39	1,120.04	1,284.00
Work In Progress	3,887.13	2,939.46	2,727.50
Finished goods	1,621.37	520.79	1,020.89
TOTAL	**6,243.89**	**4,580.29**	**5,032.39**

DETAILS OF TRADE RECEIVABLES AS RESTATED **ANNEXURE -** XIX

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good			
Trade Receivable More than Six Months	2,983.05	1,815.03	777.74
Trade Receivable Less than Six Months	9,776.99	8,355.77	4,099.00
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	**12,760.04**	**10,170.80**	**4,876.74**

(Refer Annexure - XXXIV for ageing)

Airfloa Rail Technology Limited
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DETAILS OF CASH AND BANK BALANCE AS RESTATED **ANNEXURE -** XX

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
a. Cash and Cash Equivalents			
Cash-in-Hand	0.54	0.97	3.44
Bank Balance	233.59	22.84	103.80
b. Other Bank Balances with Scheduled Bank			
Balance with Banks in Fixed Deposits*	157.41	143.47	253.21
(having original maturity of more than 3 months and remaining maturity of less than 12 months including given as collateral or margin money)			
TOTAL	**391.54**	**167.28**	**360.45**

**Balance confirmation not available, hence balances verified using Fixed deposit receipts*

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

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Staff loans & advances	50.96	8.35	34.04
Balance with Government Authorities	34.78	32.02	112.95
Rent Deposit	18.26	32.13	241.44
Prepaid expenses (Including IPO expense)	45.00	-	-
Advances to related parties (Refer Annexure - XLV)	165.19	496.22	449.85
Vendor advances	1,260.68	723.07	867.46
TDS Reimbursement Receivable	0.20	-	-
TOTAL	**1,575.07**	**1,291.79**	**1,705.74**

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DETAILS OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS RESTATED **ANNEXURE-** XIV

(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	AS AT 01.04.2024	ADDITIONS	DEDUCTIONS	AS AT 31.03.2025	UPTO 01.04.2024	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2025	AS AT 31.03.2025	AS AT 31.03.2024
Property, Plant & Equipment										
Air conditioner	2.69	-	-	2.69	2.01	0.12	-	2.13	0.56	0.68
Building (Block 1 Unit -5)	1,578.03	-	-	1,578.03	581.65	48.52	-	630.17	947.86	996.38
Buildings	256.17	360.20	-	616.37	131.44	14.76	-	146.20	470.17	124.73
Car	155.51	159.83	55.16	260.18	141.35	6.30	52.40	95.25	164.93	14.16
Computer	102.74	3.16	-	105.90	93.64	4.49	-	98.13	7.77	9.10
Electrical Equipments	51.39	-	-	51.39	40.77	2.75	-	43.52	7.87	10.62
Furniture & Fittings	186.15	-	-	186.15	78.22	27.94	-	106.16	79.99	107.93
Land	29.85	-	-	29.85	-	-	-	-	29.85	29.85
Machinery (Unit-5)	939.69	-	-	939.69	751.05	34.15	-	785.20	154.49	188.64
Office Equipments	11.60	-	-	11.60	11.08	0.06	-	11.14	0.46	0.52
Plant & Machinery	1,312.75	-	-	1,312.75	729.80	113.46	-	843.26	469.49	582.95
UPS	3.07	-	-	3.07	3.07	-	-	3.07	-	-
Vehicle	55.47	-	-	55.47	51.98	0.72	-	52.70	2.77	3.49
Land- Nehru Nagar	872.97	-	-	872.97	-	-	-	-	872.97	872.97
Land- Madurai	421.91	44.13	-	466.04	-	-	-	-	466.04	421.91
Intangible asset										
Planning Software	10.88	-	-	10.88	10.33	-	-	10.33	0.55	0.55
CREO Elements	5.15	-	-	5.15	4.84	-	-	4.84	0.31	0.31
Total	**5,996.02**	**567.32**	**55.16**	**6,508.18**	**2,631.23**	**253.27**	**52.40**	**2,832.10**	**3,676.08**	**3,364.79**

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

DETAILS OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS RESTATED **ANNEXURE-** XIV

(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	AS AT 01.04.2023	ADDITIONS	DEDUCTIONS	AS AT 31.03.2024	UPTO 01.04.2023	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2024	AS AT 31.03.2024	AS AT 31.03.2023
Property, Plant & Equipment										
Air conditioner	2.69	-	-	2.69	1.86	0.15	-	2.01	0.68	0.83
Building (Block 1 Unit -5)	1,560.03	18.00	-	1,578.03	531.56	50.09	-	581.65	996.38	1,028.47
Buildings	256.17	-	-	256.17	118.35	13.09	-	131.44	124.73	137.82
Car	155.51	-	-	155.51	134.92	6.43	-	141.35	14.16	20.59
Computer	100.77	1.97	-	102.74	79.40	14.24	-	93.64	9.10	21.37
Electrical Equipments	51.39	-	-	51.39	37.06	3.71	-	40.77	10.62	14.33
Furniture & Fittings	185.40	0.75	-	186.15	40.55	37.67	-	78.22	107.93	144.85
Land	29.85	-	-	29.85	-	-	-	-	29.85	29.85
Machinery (Unit-5)	939.69	-	-	939.69	709.36	41.69	-	751.05	188.64	230.33
Office Equipments	11.60	-	-	11.60	10.64	0.44	-	11.08	0.52	0.96
Plant & Machinery	1,243.58	69.17	-	1,312.75	606.06	123.74	-	729.80	582.95	637.52
UPS	3.07	-	-	3.07	3.07	-	-	3.07	-	-
Vehicle	55.47	-	-	55.47	50.39	1.59	-	51.98	3.49	5.08
Land- Nehru Nagar	872.97	-	-	872.97	-	-	-	-	872.97	872.97
Land- Madurai	421.91	-	-	421.91	-	-	-	-	421.91	421.91
Intangible asset										
Planning Software	10.88	-	-	10.88	10.33	-	-	10.33	0.55	0.55
CREO Elements	5.15	-	-	5.15	4.84	-	-	4.84	0.31	0.31
Total	**5,906.13**	**89.89**	**-**	**5,996.02**	**2,338.39**	**292.84**	**-**	**2,631.23**	**3,364.79**	**3,567.74**

Airfloa Rail Technology Limited
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CIN: U30204TN1998PLC041571

DETAILS OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS RESTATED **ANNEXURE-** XIV

(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	AS AT 01.04.2022	ADDITIONS	DEDUCTIONS	AS AT 31.03.2023	UPTO 01.04.2022	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2023	AS AT 31.03.2023	AS AT 31.03.2022
Property, Plant & Equipment										
Air conditioner	2.69	-	-	2.69	1.67	0.19	-	1.86	0.83	1.02
Building (Block 1 Unit -5)	1,560.03	-	-	1,560.03	478.91	52.65	-	531.56	1,028.47	1,081.12
Buildings	256.17	-	-	256.17	103.88	14.47	-	118.35	137.82	152.29
Car	155.51	-	-	155.51	125.57	9.35	-	134.92	20.59	29.94
Computer	80.82	19.95	-	100.77	51.20	28.20	-	79.40	21.37	29.62
Electrical Equipments	51.39	-	-	51.39	32.05	5.01	-	37.06	14.33	19.34
Furniture & Fittings	37.47	147.93	-	185.40	28.21	12.34	-	40.55	144.85	9.26
Land	29.85	-	-	29.85	-	-	-	-	29.85	29.85
Machinery (Unit-5)	939.69	-	-	939.69	658.45	50.91	-	709.36	230.33	281.24
Office Equipments	11.30	0.30	-	11.60	10.02	0.62	-	10.64	0.96	1.28
Plant & Machinery	1,206.13	37.45	-	1,243.58	468.68	137.38	-	606.06	637.52	737.45
UPS	3.07	-	-	3.07	3.07	-	-	3.07	-	-
Vehicle	55.47	-	-	55.47	48.08	2.31	-	50.39	5.08	7.39
Land- Nehru Nagar	872.97	-	-	872.97	-	-	-	-	872.97	872.97
Land- Madurai	421.91	-	-	421.91	-	-	-	-	421.91	421.91
Intangible asset										
Planning Software	10.88	-	-	10.88	10.33	-	-	10.33	0.55	0.55
CREO Elements	5.15	-	-	5.15	4.84	-	-	4.84	0.31	0.31
Total	**5,700.50**	**205.63**	**-**	**5,906.13**	**2,024.96**	**313.43**	**-**	**2,338.39**	**3,567.74**	**3,675.54**

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

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Sale of Products	19,238.70	11,930.36	9,517.39
TOTAL	**19,238.70**	**11,930.36**	**9,517.39**

DETAILS OF OTHER INCOME AS RESTATED **ANNEXURE -** XXIII

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on fixed deposit income	12.59	14.22	13.96
Discount Received	6.23	-	0.40
Exchange Rate Gain	-	-	0.09
Sale of Scrap	-	29.50	-
Reversal of gratuity expense	-	-	1.06
Sundry Balances Written Back	-	313.14	-
Profit on sale of Asset	8.74	-	-
TOTAL	**27.56**	**356.86**	**15.51**

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

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock	1,120.04	1,284.00	1,179.75
Purchases	12,958.82	6,015.91	5,579.70
Less : Closing Stock	(735.39)	(1,120.04)	(1,284.00)
TOTAL	**13,343.47**	**6,179.87**	**5,475.45**

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

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Freight & Service Charges	753.97	196.90	384.33
Rent, Electricity & Repairs	225.51	341.27	542.59
Testing Charges & Other expenses	30.30	42.05	23.13
Factory Maintenance	13.56	24.56	42.73
Insurance & License	25.92	24.10	27.13
Labour & Service charges	123.41	301.57	635.90
	-	-	-
TOTAL	**1,172.67**	**930.45**	**1,655.81**

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

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Work in Progress			
Opening Stock	2,939.46	2,727.50	1,626.87
Less : Closing Stock	(3,887.13)	(2,939.46)	(2,727.50)
Finished goods			
Opening Stock	520.79	1,020.89	1,239.92
Less : Closing Stock	(1,621.37)	(520.79)	(1,020.89)
TOTAL	**(2,048.25)**	**288.14**	**(881.60)**

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

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Salary & Wages	965.96	658.40	932.51
Staff Welfare Expenses	94.05	172.47	172.40
Director Remuneration	148.60	96.00	96.00
Contribution to Provident Fund	31.61	32.72	32.87
Contribution to Employee State Insurance	5.04	5.07	7.12
Gratuity expense	6.92	31.47	-
TOTAL	**1,252.18**	**996.13**	**1,240.90**

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

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Borrowings	653.07	674.73	377.12
Bank and loan Processing Charges	116.10	39.06	108.39
Bill discounting , Commission , and other LC Expenses	-	40.72	92.68
Interest on Supplier Overdue/ Loan from others	149.33	350.61	523.41
Interest on late payment of MSME Dues	12.83	10.70	8.77
Interest on late payment of statutory dues	175.70	69.03	11.24
TOTAL	**1,107.03**	**1,184.85**	**1,121.61**

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

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation Expenses	253.27	292.84	313.43
Amortization Expenses	-	-	-
TOTAL	**253.27**	**292.84**	**313.43**

DETAILS OF OTHER EXPENSES AS RESTATED **ANNEXURE -** XXX

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Administrative Expenses			
Audit Fee	24.00	24.00	24.00
Donation Expenses	6.05	7.83	2.20
CSR expenses	17.85	-	19.64
Professional and Consultancy Charges	156.54	54.76	113.37
Sundry balance written off	15.32	1.81	1.50
Vehicle Maintenance	15.89	9.89	15.27
Office expense	24.88	33.09	37.85
Printing, Postage and Stationery	5.45	7.03	10.12
Rates & Taxes	87.34	29.38	19.26
Legal fees	0.79	9.85	0.99
Telephone Charges	6.58	7.68	8.20
Travelling & Conveyance	117.08	62.40	81.55
Advertisement and Business Promotion Expenses	206.71	107.21	38.86
Loss on foreign exchange	3.73	-	-
Total	**688.21**	**354.93**	**372.81**

Details of Payment made to Auditors : (₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit fees	22.00	22.00	22.00
Tax audit fees	2.00	2.00	2.00
Certificates	-	-	-
Others	-	-	-

Airfloa Rail Technology Limited
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DETAILS OF OTHER INCOME AS RESTATED **ANNEXURE -** XXXI

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023	Nature
Other Income	27.56	356.86	15.51	
Net Profit Before Tax as Restated	3,497.68	2,060.01	234.49	
Percentage	**0.79%**	**17.32%**	**6.61%**	

Source of Income

Interest Income	12.59	14.22	13.96	Recurring and not related to Business Activity
Discount Received	6.23	-	0.40	Non-Recurring and related to Business Activity
Exchange Rate Gain	-	-	0.09	Non-Recurring and related to Business Activity
Sale of Scrap	-	29.50	-	Non-Recurring and related to Business Activity
Reversal of gratuity expense	-	-	1.06	Non-Recurring and not related to Business Activity
Sundry Balances Written Back	-	313.14	-	Non-Recurring and not related to Business Activity
Profit on sale of Asset	8.74	-	-	Non-Recurring and not related to Business Activity
Total Other income	**27.56**	**356.86**	**15.51**	

Airfloa Rail Technology Limited
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ANNEXURE - XXXII

ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:

S.No	Name of Lender	Nature of Security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on March 31, 2025 (₹ In Lakhs)	Outstanding as on March 31, 2024 (₹ In Lakhs)	Outstanding as on March 31, 2023 (₹ In lakhs)
1	Aditya Birla Finance Limited	**Unsecured Business loan**	Repayable in 36 equated monthly instalments(EMIs)	50.00	16.00% p.a.	36 Months	-	1,75,786	-	0.95	16.57
2	Axis Bank Limited	**Vehicle Loan**	Repayable in 60 equated monthly instalments(EMIs)	21.85	8.50% p.a.	60 Months	9	44,829	4.18	8.49	13.39
3	Axis Bank Limited	**Working capital / Credit facility** **Primary Security:** Exclusive charge by way of hypothecation of entire current asset of the company, present and future (excluding the immovable assets financed by union bank of India (UBI) towards execution of rites project of refurbishment of 97 coac**hes).** **Collateral Security:** 1. Factory Building and Land measuring 6179 sq. ft., built up area at no. 9 in survey no. 274/10, 274/12 and 274/13, Seiliaman koil street, keelkattalai, Chennai, standing in the name of Mr. Manikandan and Mr. D venkatesan. 2. Residential building at built up area of 865 Sq. ft. at survey no. 284/19, Old TS No. 12,Thiruvalluvar Street, Keelkattalai, Chennai in the name of Mr. Venkatesan and Mr. Manikandan vacant land admeasuring 5046.50 sq. ft. at 117 & 118, Sri kamalkoti Nagar, Palikaraniai in the name of Mr. D Manikandan. 3. Vacant Land measuring 2.68 acres in survey no. 284/3A, 284/3B, 287/1, 284/1B & 284/1A, at village kalivandapatti in the name of Mr. D Manikandan, Mr. D. Venkatesan & Mrs. Nandini, Mrs. Revathy. 4. Vacant land measuring 12560 sq. ft. in new survey no. 1040/77, at sri sakti nagar, vadakupatti village, Sripreumbudur in the name of Mr. D Venkatesh. 5. Vacant house plots admeasuring 3042 sq. ft. bearing 12 & 12 A on KGK Nagar Layout, 2nd street, yashoda nagar, Keekattalai Chennai - 600117 in the name of Mrs. V Revathy. 6. Land admeasuring 2.99 acres and factory building at mettupalyam road, panrutti village, sriperumbudur taluk, owned by the company. **Personal Guarantee:** 1. Mr. Venkatesan D 2. Mr. Manikandan D 3. Mrs. Nanthini 4. Mrs. Revathy	Repayable on Demand	3200 Current / 3500	3 Month MCLR + 2.50%	12 Months	NA	NA	3,197.98	3,534.17	3,547.72
4	Axis Bank Limited*	**Term Loan Facility is secured by :** **Primary Security:** Exclusive charge by way of hypothecation of entire current asset of the company, present and future (excluding the immovable assets financed by union bank of India (UBI) towards execution of rites project of refurbishment of 97 coac**hes).** **Collateral Security:** 1. Factory Building and Land measuring 6179 sq. ft., built up area at no. 9 in survey no. 274/10, 274/12 and 274/13, Seiliaman koil street, keelkattalai, Chennai, standing in the name of Mr. Manikandan and Mr. D venkatesan. 2. Residential building at built up area of 865 Sq. ft. at survey no. 284/19, Old TS No. 12,Thiruvalluvar Street, Keelkattalai, Chennai in the name of Mr. Venkatesan and Mr. Manikandan vacant land admeasuring 5046.50 sq. ft. at 117 & 118, Sri kamalkoti Nagar, Palikaraniai in the name of Mr. D Manikandan. 3. Vacant Land measuring 2.68 acres in survey no. 284/3A, 284/3B, 287/1, 284/1B & 284/1A, at village kalivandapatti in the name of Mr. D Manikandan, Mr. D. Venkatesan & Mrs. Nandini, Mrs. Revathy. 4. Vacant land measuring 12560 sq. ft. in new survey no. 1040/77, at sri sakti nagar, vadakupatti village, Sripreumbudur in the name of Mr. D Venkatesh. 5. Vacant house plots admeasuring 3042 sq. ft. bearing 12 & 12 A on KGK Nagar Layout, 2nd street, yashoda nagar, Keekattalai Chennai - 600117 in the name of Mrs. V Revathy. 6. Land admeasuring 2.99 acres and factory building at mettupalyam road, panrutti village, sriperumbudur taluk, owned by the company. **Personal Guarantee:** 1. Mr. Venkatesan D 2. Mr. Manikandan D 3. Mrs. Nanthini 4. Mrs. Revathy	₹ 14.25 Equal monthly instalment (Revised ₹3.58 Lakhs) equated monthly instalment pm besides interest which needs to be paid on monthly rests (repayment of interest and instalments to be made through standing instruction from the operative account maintained with Axis Bank	295.00	MCLR+2.25%	20 months / 84 Months	-	₹ 14.25 Lakhs (Revised ₹ 3.58 Lakhs)	-	12.01	54.97

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ANNEXURE - XXXII

ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:

S.No	Name of Lender	Nature of Security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on March 31, 2025 (₹ In Lakhs)	Outstanding as on March 31, 2024 (₹ In Lakhs)	Outstanding as on March 31, 2023 (₹ In lakhs)
5	RBL Bank Limited	**Unsecured Business loan**	Repayable in 36 equated monthly instalments(EMIs).	50.00	16.50% p.a	36 Months	-	1,77,022	-	-	13.29
6	Share India Fincap Private Limited	**Working capital / Credit facility** 1. First & exclusive charge through equitable mortgage over entire land parcel of at No. 46, Kadaneri village, Peraiyur taluk, Madurai District in Punja Survey 142/1D, 142/1E, 144/1B, 142/2, 142/1A, 144/1C, 144/1A, 142/1B, 142/1C, 143/1, 143/5, 143/6, 143/4C, 144/ 2C, 143/3, 144/2A, 143/4A, 143/4B, 144/2B, 143/2A1, 143/2A3, 143/2A2, 143/2A4, 143/2B, 386/3A, 386/3B, 388/1, 386/2A, 386/2B, 381/2, 381/1B, 387/3, 388/3A2B, 388/ 3A2C, 385/2, 331/6, 385/1A, 388/2, 389/1A, 145/4, measuring 34.94 acres (Immovable property) 2. Demand Promissory Note. 3.Personal Guarantee of Guarantors. 4. Any other security in the form and manner acceptable to the Lender. 5. Other terms and conditions as provided in the loan documents to be executed in favour of the lender, to the satisfaction of Lender. **Personal Guarantee:** 1. Venkatesan D alias Venkatesan Dakshinamoorthy 2. Manikandan Dakshinamoorthy 3. Venkatesan Revathi 4. Nandhini Manikandan **Corporate Guarantee:** 1. Air flow Energy Solutions Pvt. Ltd. 2. Air flow Dafeng Rail Equipments Pvt. Ltd.	Repayable in Bullet payment	600.00	16.00% p.a.	The loan shall be repayable in a bullet repayment at the end of the tenure, with a term of 12 months from the date of first disbursement.	NA	NA	600.00	600.00	-
7	Union Bank of India	**Collateral:** 1. Industrial Property Located at Plot No. 174 owned by Mr. D venkatesan and Mr. D Manikandan. 2. All that place and parcel of land and building Plot no. 220 owned by Mr. D venkatesan and Mr. D Manikandan. 3. 2. All that place and parcel of land and building Plot no. 221 & 222 owned by Mr. D venkatesan and Mr. D Manikandan.	Repayable on Demand	1,800.00	EBLR+0.75%	12 Months	NA	NA	1,796.67	1,817.81	1,795.46
8	Axis Bank Limited	**Working capital / Credit facility** **Primary Security:** Exclusive charge by way of hypothecation of entire current asset of the company, present and future (excluding the immovable assets financed by union bank of India (UBI) towards execution of rites project of refurbishment of 97 coac**hes).** **Collateral Security:** 1. Factory Building and Land measuring 6179 sq. ft., built up area at no. 9 in survey no. 274/10, 274/12 and 274/13, Seiliaman koil street, keelkattalai, Chennai, standing in the name of Mr. Manikandan and Mr. D venkatesan. 2. Residential building at built up area of 865 Sq. ft. at survey no. 284/19, Old TS No. 12,Thiruvalluvar Street, Keelkattalai, Chennai in the name of Mr. Venkatesan and Mr. Manikandan vacant land admeasuring 5046.50 sq. ft. at 117 & 118, Sri kamalkoti Nagar, Palikaraniai in the name of Mr. D Manikandan. 3. Vacant Land measuring 2.68 acres in survey no. 284/3A, 284/3B, 287/1, 284/1B & 284/1A, at village kalivandapatti in the name of Mr. D Manikandan, Mr. D. Venkatesan & Mrs. Nandini, Mrs. Revathy. 4. Vacant land measuring 12560 sq. ft. in new survey no. 1040/77, at sri sakti nagar, vadakupatti village, Sripreumbudur in the name of Mr. D Venkatesh. 5. Vacant house plots admeasuring 3042 sq. ft. bearing 12 & 12 A on KGK Nagar Layout, 2nd street, yashoda nagar, Keekattalai Chennai - 600117 in the name of Mrs. V Revathy. 6. Land admeasuring 2.99 acres and factory building at mettupalyam road, panrutti village, sriperumbudur taluk, owned by the company. **Personal Guarantee:** 1. Mr. Venkatesan D 2. Mr. Manikandan D 3. Mrs. Nanthini 4. Mrs. Revathy	Repayable on Demand	297.00	Repo+5.90%	12 Months	NA	NA	-	70.88	142.40

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ANNEXURE - XXXII

ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:

S.No	Name of Lender	Nature of Security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on March 31, 2025 (₹ In Lakhs)	Outstanding as on March 31, 2024 (₹ In Lakhs)	Outstanding as on March 31, 2023 (₹ In lakhs)
9	Axis Bank Limited	**Working capital / Credit facility** **Primary Security:** Exclusive charge by way of hypothecation of entire current asset of the company, present and future (excluding the immovable assets financed by union bank of India (UBI) towards execution of rites project of refurbishment of 97 coac**hes).** **Collateral Security:** 1. Factory Building and Land measuring 6179 sq. ft., built up area at no. 9 in survey no. 274/10, 274/12 and 274/13, Seiliaman koil street, keelkattalai, Chennai, standing in the name of Mr. Manikandan and Mr. D venkatesan. 2. Residential building at built up area of 865 Sq. ft. at survey no. 284/19, Old TS No. 12,Thiruvalluvar Street, Keelkattalai, Chennai in the name of Mr. Venkatesan and Mr. Manikandan vacant land admeasuring 5046.50 sq. ft. at 117 & 118, Sri kamalkoti Nagar, Palikaraniai in the name of Mr. D Manikandan. 3. Vacant Land measuring 2.68 acres in survey no. 284/3A, 284/3B, 287/1, 284/1B & 284/1A, at village kalivandapatti in the name of Mr. D Manikandan, Mr. D. Venkatesan & Mrs. Nandini, Mrs. Revathy. 4. Vacant land measuring 12560 sq. ft. in new survey no. 1040/77, at sri sakti nagar, vadakupatti village, Sripreumbudur in the name of Mr. D Venkatesh. 5. Vacant house plots admeasuring 3042 sq. ft. bearing 12 & 12 A on KGK Nagar Layout, 2nd street, yashoda nagar, Keekattalai Chennai - 600117 in the name of Mrs. V Revathy. 6. Land admeasuring 2.99 acres and factory building at mettupalyam road, panrutti village, sriperumbudur taluk, owned by the company. **Personal Guarantee:** 1. Mr. Venkatesan D 2. Mr. Manikandan D 3. Mrs. Nanthini 4. Mrs. Revathy	Repayable on Demand	333.00	Repo+5.90%	12 Months	NA	NA	-	7.35	107.95
10	Yes Bank Limited*	**Vehicle Loan**	Repayable in 60 equated monthly instalments (EMIs)	22.00	8.60% p.a.	60 Months	-	45,243	-	-	0.12
11	Yes Bank Limited	**Vehicle Loan**	Repayable in 60 equated monthly instalments (EMIs)	29.30	10.13% p.a.	60 Months	-	62,269	-	0.91	7.65
12	Raahat Financial & Financial Consultancy Services Private Ltd	Inter corporate loan Such Business loan facility (unsecured) guaranteed against collateral security of directors and their relatives : 1st Guarantor a. Land measuring 70 cents in S.No.284/4 (53 cents) & S.No.287/2 (17 cents) at Kalivanthapattu Village, Chengalpattu Taluk, Kancheepuram District. b. Bounded by: Survey Nos.287/2, 284/3B, 287/2A & a road in usage. 2nd Guarantor a. Land measuring 79 cents across multiple survey numbers at Kalivanthapattu Village. b. Bounded by: Eswari's land, road in usage, Survey Nos.104/2A & 284/1B. 3rd Guarantor a. 1 acre of land in S.No.102/2, 287/2, 103, 102/1A & 104/2A at Kalivanthapattu Village. b.Bounded by: Various private lands, roads & lakeside. 4th Guarantor a.25 cents in S.No.102 at Nanmangalam Village. b.1271 sq. ft. plot in S.No.103/3B2, Abinanthan Nagar, approved under PPA No.868/2018. 5th Guarantor a. 74 cents in S.No.102/1A at Kalivanthapattu Village. b. Bounded by: Latha's land, Palani's land & Survey Nos.102/1B & 102/1A. 6th Guarantor a. 74 cents in S.No.104/1 at Kalivanthapattu Village. b. Bounded by: Survey Nos.103, Eswari's land, 104/2A & 284/1B. 7th Guarantor a. 74 cents in S.No.102/2 & S.No.102/1A at Kalivanthapattu Village. b. Bounded by: Survey Nos.326, Jamuna's land, 104/1B & other survey lands. 8th Guarantor a. 74 cents in S.Nos.104/2A, 104/3A, 104/4A1-4A3 & 103 at Kalivanthapattu Village. b. Bounded by: Various survey numbers and private lands.	Repayable on Demand	500.00	24.00% p.a	15 months and renewal basis	NA	NA	259.00	275.40	272.70
13	BMW India Financial services private limited	**Vehicle Loan**	Repayable in 60 equated monthly instalments (EMIs)	143.00	10.99% p.a.	48 Months	46	2,86,203	139.88	-	-
14	V Revathi	**Unsecured loan**	Repayable on Demand	-	NA	NA	NA	NA	-	28.15	28.40
15	Manikandan Nanthini	**Unsecured loan**	Repayable on Demand	-	NA	NA	NA	NA	-	24.12	21.20
								Aggregate amount of loan guaranteed by directors and others	**3,797.98**	**4,224.41**	**3,853.04**

Note : Loan details presented are subject to Sanction letter ,repayment schedule and other related documents

Airfloa Rail Technology Limited
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AGEING OF TRADE PAYABLES AS RESTATED **ANNEXURE -** XXXIII

(₹ In Lakhs)

I. Ageing of Creditors as at March 31, 2025

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-	-
(b) Others	-	4,395.60	778.10	365.16	818.77	6,357.63
(c) Disputed Dues - MSME	-	-	-	-	35.07	35.07
(d) Disputed Dues - Others	-	-	-	-	-	-
Total	**-**	**4,395.60**	**778.10**	**365.16**	**853.84**	**6,392.70**

II. Ageing of Creditors as at March 31, 2024

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-	-
(b) Others	-	4,049.10	716.80	630.56	545.64	5,942.10
(c) Disputed Dues - MSME	-	-	-	2.65	32.42	35.07
(d) Disputed Dues - Others	-	-	-	-	-	-
Total	**-**	**4,049.10**	**716.80**	**633.21**	**578.06**	**5,977.17**

III. Ageing of Creditors as at March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-	-
(b) Others	-	3,365.74	640.71	872.42	293.50	5,172.37
(c) Disputed Dues - MSME	-	-	2.65	32.42	-	35.07
(d) Disputed Dues - Others	-	-	-	-	-	-
Total	**-**	**3,365.74**	**643.36**	**904.84**	**293.50**	**5,207.44**

Airfloa Rail Technology Limited
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AGEING OF TRADE RECEIVABLES AS RESTATED **ANNEXURE -** XXXIV

(₹ In Lakhs)

I. Ageing of Debtors as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	9,776.99	1,356.95	955.64	666.45	4.01	12,760.04
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	**9,776.99**	**1,356.95**	**955.64**	**666.45**	**4.01**	**12,760.04**
Add: Unbilled Revenue	-	-	-	-	-	-
Total	**19,553.98**	**1,356.95**	**955.64**	**666.45**	**4.01**	**12,760.04**

II. Ageing of Debtors as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	8,355.77	426.28	1,378.94	9.81	-	10,170.80
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	**8,355.77**	**426.28**	**1,378.94**	**9.81**	**-**	**10,170.80**
Add: Unbilled Revenue						-
Total	**16,711.54**	**426.28**	**1,378.94**	**9.81**	**-**	**10,170.80**

III. Ageing of Debtors as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	4,099.00	119.40	531.48	74.11	52.75	4,876.74
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	**4,099.00**	**119.40**	**531.48**	**74.11**	**52.75**	**4,876.74**
Add: Unbilled Revenue	-	-	-	-	-	-
Total	**4,099.00**	**119.40**	**531.48**	**74.11**	**52.75**	**4,876.74**

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DETAILS OF RELATED PARTY TRANSACTION AS RESTATED

ANNEXURE - XXXV
(₹ In Lakhs)

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	Amount of transaction during the year ended March 31, 2023	Amount outstanding as on March 31, 2023 (Payable)/ Receivable
Dakshinamoorthy Venkatesan	Promotor / Managing director	Rent	11.40	-	-	-	-	-
		Remuneration	66.30	-	48.00	-	48.00	-
		Capital Advance Given	-	-	-	-	-	520.00
		Capital Advance Repaid	-		520.00		400.00	
		Advance repaid	456.90	-	646.96	205.25	524.15	9.86
		Advance given	264.22		893.00		567.85	
		Reimbursement of Expenses	12.57		50.65		50.91	
Dakshinamoorthy Manikandan	Promotor / Managing director	Rent	11.40	-	-	-	-	-
		Remuneration	66.30	-	48.00	-	48.00	-
		Capital Advance Given	-	-	-	-	-	-
		Capital Advance Repaid	-		-		50.00	
		Advance repaid	664.41	-	377.80	74.73	320.38	234.07
		Advance given	596.96		222.99		630.47	
		Reimbursement of Expenses	7.28		4.53		50.48	
V Revathi	Relative of director	Rent	8.40	-	-	0.25	7.20	-
		Loan taken	-	-	-	(28.15)	7.50	(28.40)
		Loan Repaid	28.15		0.25		-	
Airtrec Equipments	Controlled by Relative of Director	Advance repaid	43.28	-	-	31.08	-	20.76
		Advance given	12.20		10.32		11.15	
Venkatesan Sathishkumar	Relative of director & Whole-time director w.e.f 24/7/2024	Rent	-	-	-	-	-	-
		Remuneration	16.00	-	-	-	-	-
Manikandan Nanthini	Relative of director & Non executive Director w.e.f 24/7/2024	Rent	8.40	-	-	-	-	
		Loan taken	-	-	15.00	(24.12)	28.92	(21.20)
		Loan repaid	24.12		12.08		7.72	
Airflow Energy Solutions Private Limited	Controlled by Director of Company	Advance repaid	20.00	5.74	-	25.74	-	25.74
		Advance given	-		-		-	
Apex Material Sciences	Controlled by Relative of Director of Company	Advance repaid	0.02	121.44	-	121.42	14.56	121.42
		Advance given	-		-		-	
Nautone Private Limited	Controlled by Relative of Director of Company	Advance repaid	-	38.00	-	38.00	-	38.00
		Advance given	-		-		-	
Bharani Engineering Industries Private Limited	Controlled by Relative of Director of Company	Advance given	-	-	-	-	-	-
		Advance Repaid	-		-		-	
		Sales of goods	-	(172.31)	105.45	(308.47)	52.26	(401.19)
		Purchase of goods	-		150.79		368.32	
Papa Sanjeevi Karunakaran	CFO w.e.f 01/07/2024	Salary expense	7.44	(0.62)	-	-	-	-
Sree Dakssnaa Aerospace and Defence India Private Limited	Subsidiary company w.e.f 11/06/2024	Customer Advance Received	182.66	(180.58)	-	-	-	-
		Customer Advance repaid	2.08		-		-	
Raghavendra Industries	Controlled by Relative of Director of Company	Sales of goods	201.01	746.35	22.72	482.79	9.99	491.48
		Purchase of goods	67.73		408.54		313.13	
Starkeon Engineering Private Limited	Controlled by Relative of Director of Company	Research and development expense	-	-	-	-	-	90.60
		Sales of goods	-		-		73.56	
		Purchase of goods	-		-		63.08	
		Capital Advance Given	72.53	198.34	125.81	125.81	-	-
		Capital Advance Repaid	-		-		-	

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DISCLOSURE UNDER AS-15 AS RESTATED **ANNEXURE -** XXXVI

A. DEFINED CONTRIBUTION PLAN

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
	(₹ in Lakhs)	**(₹ in Lakhs)**	**(₹ in Lakhs)**
Employers' Contribution to Provident Fund and ESIC	36.65	37.79	39.99

B. DEFINED BENEFIT OBLIGATION

1) Gratuity

The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972, as amended. Under the gratuity plan, every employee who has completed at least 5 years of service gets gratuity on separation or at the time of superannuation calculated for equivalent to 15 days salary for each completed year of service calculated on last drawn basic salary. The Company does not have a funded plan for gratuity liability.

I. ASSUMPTIONS:	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Discount Rate	6.55%	7.15%	7.20%
Salary Escalation	5.00%	5.00%	5.00%
Attrition Rate	54.00%	54.00%	54.00%
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	60 years	60 years	60 years

II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
	(₹ in Lakhs)	**(₹ in Lakhs)**	**(₹ in Lakhs)**
Present Value of Benefit Obligation as at the beginning of the year	181.11	149.64	150.70
Current Service Cost	16.18	13.38	11.78
Interest Cost	9.38	7.82	5.66
(Benefit paid)	-	-	-
Actuarial (gains)/losses	(18.64)	10.27	(18.50)
Present value of benefit obligation as at the end of the year	**188.03**	**181.11**	**149.64**

III. ACTUARIAL GAINS/LOSSES:	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
	(₹ in Lakhs)	**(₹ in Lakhs)**	**(₹ in Lakhs)**
Actuarial (gains)/losses on obligation for the year	(18.64)	10.27	(18.50)
Actuarial (gains)/losses on asset for the year	-	-	-
Actuarial (gains)/losses recognized in income & expenses Statement	**(18.64)**	**10.27**	**(18.50)**

IV. EXPENSES RECOGNISED	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
	(₹ in Lakhs)	**(₹ in Lakhs)**	**(₹ in Lakhs)**
Current service cost	16.18	13.38	11.78
Interest cost	9.38	7.82	5.66
Actuarial (gains)/losses	(18.64)	10.27	(18.50)
Expense charged to the Statement of Profit and Loss	**6.92**	**31.47**	**(1.06)**

V. BALANCE SHEET RECONCILIATION:	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
	(₹ in Lakhs)	**(₹ in Lakhs)**	**(₹ in Lakhs)**
Opening net liability	181.11	149.64	150.70
Expense as above	6.92	31.47	(1.06)
Net liability/(asset) recognized in the balance sheet	**188.03**	**181.11**	**149.64**

VI. EXPERIENCE ADJUSTMENTS	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
	(₹ in Lakhs)	**(₹ in Lakhs)**	**(₹ in Lakhs)**
On Plan Liability (Gains)/Losses	(15.57)	10.15	(14.46)

VII. The estimates of rate of salary increase considered in the actuarial valuation takes into account inflation, seniority, promotion and all other relevant factors including supply and demand in the employment market.

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DETAILS OF ACCOUNTING RATIOS AS RESTATED **ANNEXURE -** XXXVII

(₹ In Lakhs, except per share data and ratios)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Restated Profit after Tax as per Profit & Loss Statement (A)	2,555.80	1,423.28	149.36
Tax Expense (B)	941.88	636.73	85.13
Depreciation and amortization expense (C)	253.27	292.84	313.43
Interest Cost (D)	990.93	1,105.07	920.54
Weighted Average Number of Equity Shares at the end of the Year (Pre Bonus) (E-1)	1,63,41,402	49,95,000	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	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	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	1,49,85,000
Nominal Value per Equity share (₹) (G)	10.00	10.00	10.00
Restated Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	10,843.81	5,598.05	4,174.77
Restated Net-Assets as per Statement of Assets and Liabilities (I)	10,843.81	5,598.05	4,174.77
Current Assets (J)	20,970.54	16,210.16	11,975.32
Current Liabilities (K)	14,545.92	14,515.38	12,104.25
Earnings Per Share - Basic & Diluted[1 & 4] (₹) (Pre-Bonus)	**15.64**	**28.49**	**2.99**
Earnings Per Share - Basic & Diluted[1 & 4] (₹) (Post-Bonus)	**15.64**	**9.50**	**1.00**
Return on Net Worth[1] (%)	**23.57%**	**25.42%**	**3.58%**
Net Asset Value Per Share[1 & 4] (₹) (Pre - Bonus)	**62.10**	**112.07**	**83.58**
Net Asset Value Per Share[1 & 4] (₹) (Post - Bonus)	**62.10**	**37.36**	**27.86**
Current Ratio[1]	**1.44**	**1.12**	**0.99**
Earning before Interest, Tax and Depreciation and Amortization[1] (EBITDA)	**4,741.88**	**3,457.92**	**1,468.46**

Notes -

1. Ratios have been calculated as below:

Earnings Per Share (₹) (EPS) : $\frac{A}{E1 \text{ OR } E2}$

Return on Net Worth (%): $\frac{A}{H}$

Net Asset Value per equity share (₹): $\frac{I}{F1 \text{ OR } F2}$

Current Ratio: $\frac{I}{J}$

Earning before Interest, Tax and Depreciation and Amortization (EBITDA): A + (B+C+D)

2. Company has issued 49,93,18 fresh equity shares via private placement at Face value of 10 each at premium of Rs. 290 per share on 1st August, 2024.
3. Company has issued 44,000 fresh equity shares via private placement at Face value of 10 each at premium of Rs. 290 per share on 9th August, 2024.
4. Bonus shares were issued at the rate of 2 shares for every 1 share held on 31st August, 2024
5. 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 December, 2024

6.Net-worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation (Refer Regulation 2 of Chapter - I of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018)

7.Net-assets value" means the total of all the assets as reduced by total of all the liabilities of the company

Airfloa Rail Technology Limited
(Formerly known as "Airfloa Rail Technology Private Limited" or "Air flow Equipments (India) Private Limited")
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STATEMENT OF TAX SHELTERS **ANNEXURE -** XXXVIII

(₹ In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax as per books (A)	**3,497.68**	**2,060.01**	**234.49**
Income Tax Rate* (%)	25.17%	29.12%	27.82%
MAT Rate* (%)	0.00%	17.47%	16.69%
Tax at notional rate on profits	880.30	599.87	65.24
Adjustments :			
Permanent Differences(B)			
Expenses disallowed under Income Tax Act, 1961			
- Donation	6.05	7.83	2.20
- CSR expenditure	17.81	-	19.64
- Interest on Late payment of taxes	175.70	69.03	11.24
- Disallowance under section 36	32.73	35.80	29.62
- Interest on Late payment to MSME Creditors	12.83	10.70	8.77
Total Permanent Differences(B)	**245.12**	**123.36**	**71.47**
Income considered separately (C)			
Interest Income	(12.59)	(14.22)	(13.96)
Total Income considered separately (C)	**(12.59)**	**(14.22)**	**(13.96)**
Timing Differences (D)			
Depreciation as per Companies Act, 2013	253.27	292.84	313.43
Depreciation as per Income Tax Act, 1961	(251.59)	(255.44)	(274.18)
Profit on sale of Asset	(8.74)	-	-
Gratuity	6.92	31.47	(1.06)
Expenditure Disallowed u/s 40(a)(ia)	-	-	216.18
Expenditure Allowed u/s 40(a)(ia)	-	-	(88.81)
Total Timing Differences (D)	**(0.14)**	**68.87**	**165.56**
Net Adjustments E = (B+C+D)	**232.39**	**178.01**	**223.07**
Tax expense / (saving) thereon	**58.49**	**51.84**	**62.06**
Income from Other Sources (F)			
Interest Income	12.59	14.22	13.96
Income from Other Sources (F)	**12.59**	**14.22**	**13.96**
Set-off from Brought Forward Losses (G)	-	-	-
Taxable Income/(Loss) as per Income Tax (H) - (A+E+F+G)	**3,742.66**	**2,252.24**	**471.52**
Set-off from Brought Forward Losses for MAT (I)	-	-	-
Taxable Income/(Loss) as per MAT (A+I)	**3,497.68**	**2,060.01**	**234.49**
Deduction under chapter VI-A (J)	-	-	-
Taxable Income/(Loss) as per Income Tax (H - J)	**3,742.66**	**2,252.24**	**471.52**
Income Tax as returned/computed	941.95	655.85	131.18
Tax paid as per normal or MAT	Normal	Normal	Normal

**The Company has opted for income tax rates specified under section 115BAA of Income Tax Act, 1961 from financial year 2024-25 Onwards.*

Airfloa Rail Technology Limited
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ANNEXURES FORMING PART OF THE STANDALONE RESTATED FINANCIAL STATEMENTS

DETAILS OF CONTINGENT LIABILITIES & COMMITMENTS AS RESTATED

ANNEXURE - XXXIX

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
I. Contingent Liabilities			
(a) claims against the company not acknowledged as debt*;	39.89	19.88	-
(b) guarantees excluding financial guarantees; and	-	-	-
(c) other money for which the company is contingently liable	-	-	-
II. Commitments			
(a) estimated amount of contracts remaining to be executed on capital account and not provided for**	11.66	-	-
(b) uncalled liability on shares and other investments partly paid	-	-	-
(c) other commitments	-	-	-

*** Note :**

1. 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.
2. 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.

**** Note :**

1. Starkeon Engineering Private Limited has acquired a set of high-value industrial assets, including a Heavy Duty Horizontal Turnmill Center (Model BHTM 2050Y), a CNC Vertical Machining Center (Model BMV60+TC30), a Detron Make Rotary Table, a Rotary with 6-Axis Attachment for VMC BMV60, and a Hydraulic Press Brake (Model HG1303). Subsequently, As per Purchase order dated. 25th October 2024 of these specified machinery and equipment was agreed at ₹210.00 lakhs. As of 31st March 2025, Airfloa Rail Technology Limited had made a payment of ₹198.34 Lakhs towards this transaction.

RESTATED VALUE OF IMPORTS CALCULATED ON C.I.F BASIS BY THE COMPANY DURING THE FINANCIAL YEAR IN RESPECT OF:

ANNEXURE - XL

(₹ In Lakhs)

	Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
		₹	₹	₹
(a)	Raw Material	735.81	93.69	93.69
(b)	Components and spare parts	-	-	-
(c)	Capital goods	-	-	-

DETAILS OF VALUE (INCLUDING INCIDENTAL EXPENSES) OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED

ANNEXURE - XLI

(₹ In Lakhs)

	Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
		₹	₹	₹
(a)	Raw Material - Imported	735.81	93.69	93.69
(b)	Raw Material - Indigenous	12,607.66	6,086.18	5,381.76
	Total	**13,343.47**	**6,179.87**	**5,475.45**

Percentage to the total consumption :

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	(%)	(%)	(%)
Raw Material - Imported	5.51%	1.52%	1.71%
Raw Material - Indigenous	94.49%	98.48%	98.29%
Total	**100.00%**	**100.00%**	**100.00%**

EXPENDITURE IN FOREIGN CURRENCY DURING THE FINANCIAL YEAR AS RESTATED :

ANNEXURE - XLII

(₹ In Lakhs)

	Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
		₹	₹	₹
(a)	Royalty	-	-	-
(b)	Know-How	-	-	-
(c)	Professional and consultation fees	-	-	-
(d)	Interest	-	-	-
(e)	Purchase of Components and spare parts	-	-	-
(f)	Others	-	-	-

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ANNEXURES FORMING PART OF THE STANDALONE RESTATED FINANCIAL STATEMENTS

EARNINGS IN FOREIGN EXCHANGE AS RESTATED: **ANNEXURE -** XLIII

(₹ In Lakhs)

Particulars		As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
		₹	₹	₹
(a)	Export of goods calculated on F.O.B. basis	-	-	7.80
(b)	Royalty, know-how, professional and consultation fees	-	-	-
(c)	Interest and dividend	-	-	-
(d)	Other income	-	-	-

DUES OF SMALL ENTERPRISES AND MICRO ENTERPRISES AS RESTATED **ANNEXURE -** XLIV

(₹ In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	₹	₹	₹
(a) Dues remaining unpaid to any supplier at the end of each accounting year			
-Principal	35.07	35.07	35.07
-Interest on the above	38.59	25.76	15.06
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c) the 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 Micro, Small and Medium Enterprises Development Act, 2006;	38.59	25.76	15.06
(d) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

Note : During the period under consideration, the Company does not have a system in place to determine the bifurcation of the creditors as Micro, Small or Medium Enterprises. Based on the information available with the Company, there are dues to Small and Micro enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company

ADDITIONAL REGULATORY INFORMATION AS PER PARA Y OF SCHEDULE III TO COMPANIES ACT, 2013: **ANNEXURE -** XLV

i. The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company, except for the following:

Description of the Property	Gross Carrying Value	Held in the 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 the company
Free Hold Land	872.97	Mr. Dakshinamoorthy Venkatesan & Mr. Dakshinamoorthy Manikandan	Director	2 years	Sale agreement entered between the company and parties during FY 2021-22, the same is in the process of registration

ii. The Company has not revalued its Property, Plant and Equipment.

iii. The Company has not granted loans or 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 except as below given :

Type of borrower	As at March 31,2025		As at March 31,2024	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	0.00%	279.98	55.49%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related party	165.18	76.42%	216.24	42.86%

Type of borrower	As at March 31,2023	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	243.93	50.41%
Directors	-	0.00%
KMPs	-	0.00%
Related party	205.92	42.56%

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iv. The Company does not have any capital work-in-progress.

v. The Company does not have any intangible assets under development .

vi. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

vii The Company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

For Year ended 31st March , 2025

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return/ statement (₹ in Lakhs)	Amount of difference (₹ in Lakhs)	Reason for material discrepancies
Q1	Axis Bank Limited	Stock statement	3,789.80	2,373.00	(1,416.80)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q1	Axis Bank Limited	Book debts	11,872.61	4,776.00	(7,096.61)	The Company has submitted statements after inadvertently netting-off advance from customer
Q1	Union bank of india Limited	Stock statement	3,789.80	3,789.80	-	-
Q1	Union bank of india Limited	Book debts	11,872.61	9,865.00	(2,007.61)	The Company has submitted statements after inadvertently netting-off some advances
Q2	Axis Bank Limited	Stock statement	5,877.15	5,877.15	-	-
Q2	Axis Bank Limited	Book debts	10,364.56	10,510.00	145.44	Due to non - Completion of bank entries
Q2	Union bank of india Limited	Stock statement	5,877.15	5,877.15	-	-
Q2	Union bank of india Limited	Book debts	10,364.56	10,854.00	489.44	Due to non - Completion of bank entries
Q3	Axis Bank Limited	Stock statement	6,129.45	6,129.45	-	-
Q3	Axis Bank Limited	Book debts	10,727.00	10,991.00	264.00	Due to non - Completion of bank entries
Q3	Union bank of india Limited	Stock statement	6,129.45	6,129.45	-	-
Q3	Union bank of india Limited	Book debts	10,727.00	11,379.00	652.00	Due to non - Completion of bank entries
Q4	Axis Bank Limited	Stock statement	6,243.89	6,243.89	-	-
Q4	Axis Bank Limited	Book debts	12,760.04	12,533.26	(226.78)	Due to non - Completion of bank entries
Q4	Union bank of india Limited	Stock statement	6,243.89	6,243.89	-	-
Q4	Union bank of india Limited	Book debts	12,760.04	12,533.26	(226.78)	Due to non - Completion of bank entries

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For Financial Year 2023-24

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return/ statement (₹ in Lakhs)	Amount of difference (₹ in Lakhs)	Reason for material discrepancies
Q1	Axis Bank Limited	Stock statement	2,976.00	2,976.00	-	
Q1	Axis Bank Limited	Book debts	4,586.88	4,225.00	(361.88)	The Company has submitted statements after inadvertently netting-off some advances
Q1	Union bank of india Limited	Stock statement	2,976.00	1,634.81	(1,341.19)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q1	Union bank of india Limited	Book debts	4,586.88	921.00	(3,665.88)	The Company has submitted statements after inadvertently netting-off some advances
Q2	Axis Bank Limited	Stock statement	5,601.00	4,066.00	(1,535.00)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q2	Axis Bank Limited	Book debts	4,555.99	3,276.00	(1,279.99)	The Company has submitted statements after inadvertently netting-off some advances
Q2	Union bank of india Limited	Stock statement	5,601.00	5,601.00	-	
Q2	Union bank of india Limited	Book debts	4,555.99	5,304.00	748.01	The Company has inadvertently submitted statements without entries of receipt against such debtors
Q3	Axis Bank Limited	Stock statement	5,137.00	3,858.00	(1,279.00)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q3	Axis Bank Limited	Book debts	5,106.22	3,000.00	(2,106.22)	The Company has submitted statements after inadvertently netting-off some advances
Q3	Union bank of india Limited	Stock statement	5,137.00	5,137.00	-	
Q3	Union bank of india Limited	Book debts	5,106.22	5,341.00	234.78	The Company has inadvertently submitted statements without entries of receipt against such debtors
Q4	Axis Bank Limited	Stock statement	4,580.29	2,468.00	(2,112.29)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q4	Axis Bank Limited	Book debts	10,170.80	3,631.00	(6,539.80)	The Company has submitted statements after inadvertently netting-off some advances
Q4	Union bank of india Limited	Stock statement	4,580.29	4,580.29	-	-
Q4	Union bank of india Limited	Book debts	10,170.80	6,822.39	(3,348.41)	The Company has submitted statements after inadvertently netting-off some advances

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ANNEXURES FORMING PART OF THE STANDALONE RESTATED FINANCIAL STATEMENTS

For Financial Year 2022-23

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return/ statement (₹ in Lakhs)	Amount of difference (₹ in Lakhs)	Reason for material discrepancies
Q1	Axis Bank Limited	Stock statement	4,084.00	4,084.00	-	
Q1	Axis Bank Limited	Book debts	5,383.05	5,162.00	(221.05)	The Company has submitted statements after inadvertently netting-off some advances
Q1	Union bank of india Limited	Stock statement	4,084.00	1,634.81	(2,449.19)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q1	Union bank of india Limited	Book debts	5,383.05	917.00	(4,466.05)	The Company has submitted statements after inadvertently netting-off some advances
Q2	Axis Bank Limited	Stock statement	3,740.00	3,740.00	-	
Q2	Axis Bank Limited	Book debts	5,761.76	5,176.00	(585.76)	The Company has submitted statements after inadvertently netting-off some advances
Q2	Union bank of india Limited	Stock statement	3,740.00	2,300.47	(1,439.53)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q2	Union bank of india Limited	Book debts	5,761.76	885.29	(4,876.47)	The Company has submitted statements after inadvertently netting-off some advances
Q3	Axis Bank Limited	Stock statement	4,603.00	4,603.00	-	
Q3	Axis Bank Limited	Book debts	5,066.52	4,244.00	(822.52)	The Company has submitted statements after inadvertently netting-off some advances
Q3	Union bank of india Limited	Stock statement	4,603.00	-	(4,603.00)	No Stock statement copy available with the management
Q3	Union bank of india Limited	Book debts	5,066.52	-	(5,066.52)	No Stock statement copy available with the management
Q4	Axis Bank Limited	Stock statement	5,032.39	3,318.00	(1,714.39)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q4	Axis Bank Limited	Book debts	4,876.74	4,981.00	104.26	The Company has inadvertently submitted statements without entries of receipt against such debtors
Q4	Union bank of india Limited	Stock statement	5,032.39	1,176.16	(3,856.23)	The company has availed working capital facilities from multiple lenders. Stock statements submitted to each bank reflect only the portion of stock allocated for a project charged in proportion to the facility availed from that specific bank.
Q4	Union bank of india Limited	Book debts	4,876.74	1,404.00	(3,472.74)	The Company has submitted statements after inadvertently netting-off some advances

viii. The company is not declared as wilful defaulter by any bank or financial institution or other lender.

ix. The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

x. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

Bank/Financial Institution	Sanction/ Renewed Sanction (₹ in lakhs)	Whether Charge Registered/Modified	Charge to be Registered/Modified by	Location of the Registrar	Reason for delay/ non-registration
Axis Bank Limited [(1)]	5,117.00	Not Modified	17-04-2024	ROC (Chennai)	Inadvertently missed to file the same
BMW India Financial services private limited (Vehicle Loan)	143.00	No	02-03-2025	ROC (Chennai)	Inadvertently missed to file the same

1) Security Details :
Working capital / Credit facility
Primary Security:
Exclusive charge by way of hypothecation of entire current asset of the company, present and future (excluding the immovable assets financed by union bank of India (UBI) towards execution of rites project of refurbishment of 97 coaches).
Collateral Security:
1. Factory Building and Land measuring 6179 sq. ft., built up area at no. 9 in survey no. 274/10, 274/12 and 274/13, Seiliaman koil street, keelkattalai, Chennai, standing in the name of Mr. Manikandan and Mr. D venkatesan.
2. Residential building at built up area of 865 Sq. ft. at survey no. 284/19, Old TS No. 12,Thiruvalluvar Street, Keelkattalai, Chennai in the name of Mr. Venkatesan and Mr. Manikandan vacant land admeasuring 5046.50 sq. ft. at 117 & 118, Sri kamalkoti Nagar, Palikaraniai in the name of Mr. D Manikandan.
3. Vacant Land measuring 2.68 acres in survey no. 284/3A, 284/3B, 287/1, 284/1B & 284/1A, at village kalivandapatti in the name of Mr. D Manikandan, Mr. D. Venkatesan & Mrs. Nandini, Mrs. Revathy.
4. Vacant land measuring 12560 sq. ft. in new survey no. 1040/77, at sri sakti nagar, vadakupatti village, Sripreumbudur in the name of Mr. D Venkatesh.
5. Vacant house plots admeasuring 3042 sq. ft. bearing 12 & 12 A on KGK Nagar Layout, 2nd street, yashoda nagar, Keekattalai Chennai - 600117 in the name of Mrs. V Revathy.
6. Land admeasuring 2.99 acres and factory building at mettupalyam road, panrutti village, sriperumbudur taluk, owned by the company.

Personal Guarantee:
1. Mr. Venkatesan D
2. Mr. Manikandan D
3. Mrs. Nanthini
4. Mrs. Revathy

xi. The company has invested in its subsidiary company and it complies with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

xii. Significant Accounting Ratios:

Ratios	For the year ended March 31, 2025	For the year ended March 31, 2024	Variation (%)
(a) Current Ratio	1.44	1.12	29.10%
(b) Debt-Equity Ratio	0.55	1.14	(51.47%)
(c) Debt Service Coverage Ratio	0.68	0.42	60.69%
(d) Return on Equity Ratio	31.09%	29.13%	6.73%
(e) Inventory turnover ratio	2.30	1.54	49.66%
(f) Trade Receivables turnover ratio	1.68	1.59	5.82%
(g) Trade payables turnover ratio	2.38	1.30	82.94%
(h) Net capital turnover ratio	4.74	15.24	(68.90%)
(i) Net profit ratio	13.28%	11.93%	11.36%
(j) Return on Capital employed	26.65%	26.42%	0.87%
(k) Return on investment	0.00%	0.00%	0.00%

Reasons for Variation more than 25%: Since, comparative period is full financial year, hence, not comparable.

(a) Debt-Equity Ratio : Due to Decrease in borrowings , we can see increase in ratio.

(b) Debt Service Coverage Ratio : Earning available for debt repayment has increased as compared to previous year , hence we can see rise in coverage ratio.

(c) Inventory turnover ratio : Due to decrease in average inventory holdings , ratio has improved

(d) Trade payables turnover ratio : Due to decrease in average payable, ratio has improved

(e) Net capital turnover ratio : Due to increase in average working capital , and turnover ,we can see decrease in ratio

Ratios	For the year ended March 31, 2024	For the year ended March 31, 2023	Variation (%)
(a) Current Ratio	1.12	0.99	12.88%
(b) Debt-Equity Ratio	1.14	1.44	(20.99%)
(c) Debt Service Coverage Ratio	0.42	0.21	100.65%
(d) Return on Equity Ratio	29.13%	3.64%	699.58%
(e) Inventory turnover ratio	1.54	1.38	11.81%
(f) Trade Receivables turnover ratio	1.59	1.69	(5.93%)
(g) Trade payables turnover ratio	1.30	1.40	(7.47%)
(h) Net capital turnover ratio	15.24	- 22.70	(167.12%)
(i) Net profit ratio	11.93%	1.57%	660.19%
(j) Return on Capital employed	26.42%	11.31%	133.70%
(k) Return on investment	0.00%	0.00%	0.00%

Reasons for Variation more than 25%:

(a) Return on Equity Ratio : Due to increase in Net profit and margin , it is witnessed a increase in ratio.

(b) Net capital turnover ratio : Due to increase in average working capital , and turnover ,we can see decrease in ratio

(c) Net profit ratio : Due to Increase in turnover , and orders with high margin ratio , we can see huge surge in profit margin.

(d) Debt Service Coverage Ratio : Earning available for debt repayment has almost doubled from previous year , hence we can see rise in coverage ratio.

(e) Return on Capital employed : Due to Increase in turnover, and orders with high margin ratio , we can see huge surge in profit margin.

Ratios	For the year ended March 31, 2023	For the year ended March 31, 2022	Variation (%)
(a) Current Ratio	0.99	0.95	4.46%
(b) Debt-Equity Ratio	1.44	1.76	(18.05%)
(c) Debt Service Coverage Ratio	0.21	0.21	0.64%
(d) Return on Equity Ratio	3.64%	8.91%	(59.11%)
(e) Inventory turnover ratio	1.38	2.91	(52.74%)
(f) Trade Receivables turnover ratio	1.69	2.03	(16.96%)
(g) Trade payables turnover ratio	1.40	2.38	(41.01%)
(h) Net capital turnover ratio	- 22.70	14.80	(253.37%)
(i) Net profit ratio	1.57%	2.50%	(37.15%)
(j) Return on Capital employed	11.31%	11.56%	(2.19%)
(k) Return on investment	0.00%	0.00%	0.00%

Reasons for Variation more than 25%:

(a) Return on Equity Ratio : Due to decrease in Net profit and margin , it is witnessed a decrease in ratio.

(b) Inventory turnover ratio : Due to Increase in Average inventory , we can see decrease in ratio.

(c) Trade payables turnover ratio : Due to increase in average payable , and decrease in both direct purchases and operating expense during the year.

(d) Net profit ratio : Due to Increased in finance cost and employee benefit expense , we can see reduction in net profit ratio

(e) Net capital turnover ratio : Due to decrease in average working capital, it is witnessed a increase in ratio

ANNEXURES FORMING PART OF THE STANDALONE RESTATED FINANCIAL STATEMENTS

xiii. The Company does not have any scheme of arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

xiv. The Company does not have undisclosed 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).

xv. The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year.

xiv. A. 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
B. 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) AS RESTATED **ANNEXURE -** XLVI

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
1. Amount required to be spent by the company	17.81	N.A.	19.64
2. Amount of Expenditure incurred	107.89	N.A.	-
3. (Excess) / Short Fall at the end of the year	(0.04)	N.A.	19.64
4. Total of Previous year shortfall amounts	90.04	90.04	70.40
5. Reason of Shortfall	Note 1	Note 1	Note 1
6. Nature of CSR activities	Prime Minister's National Relief Fund according as per Permitted CSR Activities as per Schedule VII	Prime Minister's National Relief Fund according as per Permitted CSR Activities as per Schedule VII	Prime Minister's National Relief Fund according as per Permitted CSR Activities as per Schedule VII
7. Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL	NIL
8. 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	Yes (Refer note 2)	Yes (Refer note 2)	Yes (Refer note 2)
9. Excess amount spent as per the sec 135 (5) of the act	(0.04)	-	-
10. Payment during the year	107.89	-	-
11. Balance Liability / carry forward	-	90.04	90.04

Note 1 : *During the Previous financial years, the Company inadvertently missed booking the required Corporate Social Responsibility (CSR) expenditure. To rectify this and ensure compliance, the Company has taken corrective steps in FY 2024-25 by contributing funds to the Prime Minister's National Relief Fund according to list of Permitted CSR Activities Under Schedule VII.*

Note 2 : Movement of CSR Provision

Paritculars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Opening provision for the year	**90.04**	**90.04**	**70.40**
Add : Provision for the year	17.81	-	19.64
less : Paid during the year	107.89	-	-
Shortfall at the end of the year	**(0.04)**	**90.04**	**90.04**

CAPITALISATION STATEMENT AS AT MARCH 31, 2025 **ANNEXURE -** XLVII

(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	5,877.79	-
Long Term Debt (B)	119.92	-
Total debts (C)	**5,997.71**	**-**
Shareholders' funds		
Share capital	1,746.30	-
Reserve and surplus - as Restated	9,097.51	-
Total shareholders' funds (D)	**10,843.81**	**-**
Long term debt / shareholders funds (B/D)	**0.01**	**-**
Total debt / shareholders funds (C/D)	**0.55**	**-**

Signatures to Annexures Forming Part Of The Restated Financial Statements

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

sd/-
Dakshinamoorthy Venkatesan
(Managing Director)
DIN - 00232210

sd/-
Dakshinamoorthy Manikandan
(Managing Director)
DIN - 00232275

sd/-
Papa Sanjeevi Karunakaran
(CFO)

sd/-
Thygarajan Sivakumar
(Company Secretary)

Place : Chennai
Date : 21-08-2025

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(*₹ in lakhs, unless otherwise stated*)

Particulars	Consolidated	Standalone	Standalone
	For the year ended March 31, 2025	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Restated Profit attributable to equity shareholders of holding company (A)	**2,554.76**	1,423.28	149.36
Tax Expense (B)	941.88	636.73	85.13
Depreciation and amortization expense (C)	253.27	292.84	313.43
Interest Cost (D)	990.93	1,105.07	920.54
Weighted Average Number of Equity Shares at the end of the Year (Pre Bonus) (E-1)	1,63,41,402	49,95,000	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	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	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	1,49,85,000
Nominal Value per Equity share (₹) (G)	10.00	10.00	10.00
Restated Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	11,080.17	5,598.05	4,174.77
Restated Net-Assets as per Statement of Assets and Liabilities (I)	11,142.51	5,598.05	4,174.77
Current Assets (J)	21,089.75	16,209.34	11,975.32
Current Liabilities (K)	14,365.44	14,514.56	12,104.25
Earnings Per Share - Basic & Diluted[1 & 4] (₹) (Pre-Bonus)	**15.63**	**28.49**	**2.99**
Earnings Per Share - Basic & Diluted[1 & 4] (₹) (Post-Bonus)	**15.63**	**9.50**	**1.00**
Return on Net Worth[1] (%)	**23.06%**	**25.42%**	**3.58%**
Net Asset Value Per Share[1 & 4] (₹) (Pre - Bonus)	**63.81**	**112.07**	**83.58**
Net Asset Value Per Share[1 & 4] (₹) (Post - Bonus)	**63.81**	**37.36**	**27.86**
Current Ratio[1]	**1.47**	**1.12**	**0.99**
Earning before Interest, Tax and Depreciation and Amortization[1] (EBITDA)	**4,740.84**	**3,457.92**	**1,468.46**

Notes -	
1. Ratios have been calculated as below:	
Earnings Per Share (₹) (EPS) :	A
	E1 OR E2
Return on Net Worth (%):	A
	H

Net Asset Value per equity share (₹):	I
	F1 OR F2
Current Ratio:	I
	J
Earning before Interest, Tax and Depreciation and Amortization (EBITDA):	A + (B+C+D)
2. Company has issued 4,99,318 fresh equity shares via private placement at Face value of 10 each at premium of Rs. 290 per share on 01st August, 2024.	
3. Company has made 44,000 fresh issue of equity shares via private placement at Face value of 10 each at premium of Rs. 290 per share on 09th August, 2024.	
4. Bonus shares were issued at the rate of 2 shares for every 1 share held on 31st August, 2024	
5. 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 December, 2024	
6. Ratios are not annualised.	
7.Net-worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation (Refer Regulation 2 of Chapter - I of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018)	
8.Net-assets value" means the total of all the assets as reduced by total of all the liabilities of the company	

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, see *"Restated Financial Statements"* beginning on page 180.

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CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2025, on the basis of our Restated Financial Statements:

(in ₹ lakhs)

Particulars	Consolidated	
	Pre Issue	**Post Issue**
Borrowings		
Short term debt (A)	5,877.79	[●]
Long Term Debt (B)	119.92	[●]
Total debts (C)	**5,997.71**	[●]
Shareholders' funds		
Share capital	1,746.30	[●]
Reserve and surplus - as Restated	9,333.87	[●]
Total shareholders' funds (D)	**11,080.17**	[●]
Long term debt / shareholders funds (B/D)	**0.01**	[●]
Total debt / shareholders funds (C/D)	**0.54**	[●]

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FINANCIAL INDEBTEDNESS

Our Company avails loans and facilities in the ordinary course of its business for meeting our working capital, capital expenditure and other business requirements. For details of the borrowing powers of our Board, please see "*Our Management – Borrowing Powers*" on page 157.

Our Company has obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Issue, including dilution of the current shareholding of our Promoters and members of the promoter group, expansion of business of our Company, effecting changes in our capital structure and shareholding pattern.

The aggregate outstanding borrowings (including fund based and non-fund-based borrowings) of our Company for the Fiscal March 31, 2025, as certified by our Peer review Auditor, are as follows:

(in ₹ lakhs)

Particulars	Sanction Amount	As at March 31, 2025
Secured		
Working capital loan facility / Cash Credit facility		
- Banks	5000.00	4,994.65
- Others	600.00	600.00
Term Loan		
Vehicle Loan:		
-Banks	21.85	4.18
-NBFC	143.00	139.88
Unsecured		
Intercorporate Loan	500.00	259.00
TOTAL		**5997.71**

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Principal terms of the secured borrowings currently availed by our Company:
The details provided below are indicative and there may be additional terms, conditions and requirements under the various financial documentation executed by us in relation to our indebtedness:

S. No	Name of Lender	Nature of Security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on March 31, 2025 (₹ In Lakhs)
1	Axis Bank Limited	**Vehicle Loan**	Repayable in 60 equated monthly instalments(EMIs)	21.85	8.50% p.a.	60 Months	9	44,829	4.18

2	Axis Bank Limited	**<u>Working capital / Credit facility</u>** **Primary Security:** Exclusive charge by way of hypothecation of entire current asset of the company, present and future (excluding the immovable assets financed by union bank of India (UBI) towards execution of rites project of refurbishment of 97 coac**hes).** **Collateral Security:** 1. Factory Building and Land measuring 6179 sq. ft., built up area at no. 9 in survey no. 274/10, 274/12 and 274/13, Seiliaman koil street, keelkattalai, Chennai, standing in the name of Mr. Manikandan and Mr. D venkatesan. 2. Residential building at built up area of 865 Sq. ft. at survey no. 284/19, Old TS No. 12,Thiruvalluvar Street, Keelkattalai, Chennai in the name of Mr. Venkatesan and Mr. Manikandan vacant land admeasuring 5046.50 sq. ft. at 117 & 118, Sri kamalkoti Nagar, Palikaraniai in the name of Mr. D Manikandan. 3. Vacant Land measuring 2.68 acres in survey no. 284/3A, 284/3B, 287/1, 284/1B & 284/1A, at village kalivandapatti in the name of Mr. D Manikandan, Mr. D. Venkatesan & Mrs. Nandini, Mrs. Revathy. 4. Vacant land measuring 12560 sq. ft. in new survey no. 1040/77, at sri sakti nagar, vadakupatti village, Sripreumbudur in the name of Mr. D Venkatesh. 5. Vacant house plots admeasuring 3042 sq. ft. bearing 12 & 12 A on KGK Nagar Layout, 2nd street, yashoda nagar, Keekattalai Chennai - 600117 in the name of Mrs. V Revathy. 6. Land admeasuring 2.99 acres and factory building at mettupalyam road, panrutti village, sriperumbudur taluk, owned by the company.	Repayable on Demand	3200 Current / 3500	3 Month MCLR + 2.50%	12 Months	NA	NA	3,197.98

		Personal Guarantee: 1. Mr. Venkatesan D 2. Mr. Manikandan D 3. Mrs. Nanthini 4. Mrs. Revathy							

3	Share India Fincap Private Limited	**<u>Working capital / Credit facility</u>** 1. First & exclusive charge through equitable mortgage over entire land parcel of at No. 46, Kadaneri village, Peraiyur taluk, Madurai District in Punja Survey 142/1D, 142/1E, 144/1B, 142/2, 142/1A, 144/1C, 144/1A, 142/1B, 142/1C, 143/1, 143/5, 143/6, 143/4C, 144/ 2C, 143/3, 144/2A, 143/4A, 143/4B, 144/2B, 143/2A1, 143/2A3, 143/2A2, 143/2A4, 143/2B, 386/3A, 386/3B, 388/1, 386/2A, 386/2B, 381/2, 381/1B, 387/3, 388/3A2B, 388/ 3A2C, 385/2, 331/6, 385/1A, 388/2, 389/1A, 145/4, measuring 34.94 acres (Immovable property) 2. Demand Promissory Note. 3.Personal Guarantee of Guarantors. 4. Any other security in the form and manner acceptable to the Lender. 5. Other terms and conditions as provided in the loan documents to be executed in favour of the lender, to the satisfaction of Lender. **Personal Guarantee:** 1. Venkatesan D alias Venkatesan Dakshinamoorthy 2. Manikandan Dakshinamoorthy 3. Venkatesan Revathi 4. Nandhini Manikandan **Corporate Guarantee:** 1. Air flow Energy Solutions Pvt. Ltd. 2. Air flow Dafeng Rail Equipments Pvt. Ltd.	Repayable in Bullet payment	600.00	16.00% p.a.	The loan shall be repayable in a bullet repayment at the end of the tenure, with a term of 12 months from the date of first disbursement.	NA	NA	600.00

4	Union Bank of India	**Collateral:** 1. Industrial Property Located at Plot No. 174 owned by Mr. D venkatesan and Mr. D Manikandan. 2. All that place and parcel of land and building Plot no. 220 owned by Mr. D venkatesan and Mr. D Manikandan. 3. 2. All that place and parcel of land and building Plot no. 221 & 222 owned by Mr. D venkatesan and Mr. D Manikandan.	Repayable on Demand	1,800.00	EBLR+ 0.75%	12 Months	NA	NA	1,796.67

5	Raahat Financial & Financial Consultancy Services Private Ltd	Inter corporate loan Such Business loan facility (unsecured) guaranteed against collateral security of directors and their relatives : 1st Guarantor a. Land measuring 70 cents in S.No.284/4 (53 cents) & S.No.287/2 (17 cents) at Kalivanthapattu Village, Chengalpattu Taluk, Kancheepuram District. b. Bounded by: Survey Nos.287/2, 284/3B, 287/2A & a road in usage. 2nd Guarantor a. Land measuring 79 cents across multiple survey numbers at Kalivanthapattu Village. b. Bounded by: Eswari's land, road in usage, Survey Nos.104/2A & 284/1B. 3rd Guarantor a. 1 acre of land in S.No.102/2, 287/2, 103, 102/1A & 104/2A at Kalivanthapattu Village. b.Bounded by: Various private lands, roads & lakeside. 4th Guarantor a.25 cents in S.No.102 at Nanmangalam Village. b.1271 sq. ft. plot in S.No.103/3B2, Abinanthan Nagar, approved under PPA No.868/2018. 5th Guarantor a. 74 cents in S.No.102/1A at Kalivanthapattu Village. b. Bounded by: Latha's land, Palani's land & Survey Nos.102/1B & 102/1A. 6th Guarantor a. 74 cents in S.No.104/1 at Kalivanthapattu Village. b. Bounded by: Survey Nos.103, Eswari's land, 104/2A & 284/1B. 7th Guarantor a. 74 cents in S.No.102/2 & S.No.102/1A at Kalivanthapattu Village.	Repayable on Demand	500.00	24.00% p.a	15 months and renewal basis	NA	NA	259.00

		b. Bounded by: Survey Nos.326, Jamuna's land, 104/1B & other survey lands. 8th Guarantor a. 74 cents in S.Nos.104/2A, 104/3A, 104/4A1-4A3 & 103 at Kalivanthapattu Village. b. Bounded by: Various survey numbers and private lands.							
6	BMW India Financial services private limited	**Vehicle Loan**	Repayable in 60 equated monthly instalments (EMIs)	143.00	10.99% p.a.	48 Months	46	2,86,203	139.88

Note : Loan details presented are subject to Sanction letter ,repayment schedule and other related documents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factor

BUSINESS OVERVIEW

Airfloa Rail Technology Limited is a company Incorporated on December 14, 1998 as "Air flow Equipments (India) Private Limited". The corporate identification number of the company is U30204TN1998PLC041571. The company changed its name from "Air flow Equipments (India) Private Limited" to "Airfloa Rail Technology Private Limited " on August 27, 2024 and has been converted from Private limited company to Public limited company on November 15, 2024.

The company 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.

We have consistently grown in terms of our revenues over the past years our revenues from operation were ₹9,517.39 lakhs in F.Y.2022-23, ₹ 11,930.36 lakhs in the FY 2023-24 and 19,238.70 lakhs in the FY 2024-25. Our Net Profit after tax for the above-mentioned periods are ₹149.36 lakhs, ₹ 1,423.28 lakhs and 2,554.76 lakhs respectively.

FINANCIAL KPIs OF THE COMPANY:

(Amount in Lakhs, except EPS, % and ratios)

Performance	Airfloa Rail Technology Limited		
	Fiscal 2025	Fiscal 2024	Fiscal 2023
	Consolidated	Standalone	Standalone
Revenue from operations	19,238.70	11,930.36	9,517.39
Growth in revenue from operations (%)	61.26%	25.35%	-30.78%
Total Income	19,266.26	12,287.22	9,532.90
EBITDA	4,740.84	3,457.92	1,468.46
EBITDA Margin (%)	24.61%	28.14%	15.40%
PAT	2,554.76	1,423.28	149.36
PAT Margin (%)	13.28%	11.93%	1.57%
RoE (%)	30.64%	29.13%	3.64%
RoCE (%)	26.28%	26.42%	11.31%
Debt- Equity Ratio	0.54	1.14	1.44

**** Notes***

1. Revenue from Operations: This represents the income generated by the Company from its core operating operation. This gives information regarding the scale of operations. Other Income is the income generated by the Company from its non core operations.
2. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax for the year and adding back interest cost, depreciation, and amortization expense.
3. EBITDA margin is calculated as EBITDA as a percentage of Total Income.
4. Profit for the year represents the restated profits of the Company after deducting all expenses.
5. PAT Margin (%) is calculated as Profit for the year as a percentage of Revenue from Operations.
6. Return on Equity is calculated as Profit after tax, as restated, attributable to the owners of the Company for the year divided by average equity. Average equity is calculated as average of opening and closing balance of total equity (Shareholders' funds) for the year.
7. Return on capital employed calculated as Earnings before interest (excluding lease liabilities and other borrowing cost) and taxes divided by capital employed as at the end of respective year. (Capital employed calculated as the aggregate value of tangible net worth, total debt and deferred tax liability)
8. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long-term and short-term borrowings. Total equity is the sum of share capital and reserves & surplus.

FACTORS AFFECTING OUR RESULT OF OPERATIONS

Except as otherwise stated in this Red Herring Prospectus and the Risk Factors given in the Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national, and international economies;
2. Any change in government policies resulting in increases in taxes payable by us;
3. Increased competition in the industry in which we operate;
4. Ability to grow the business;
5. Changes in laws and regulations that apply to the industries in which we operate;
6. Company's ability to successfully implement its growth strategy and expansion plans;
7. Ability to keep pace with rapid changes in technology;
8. Ability to maintain relationships with vendor
9. Inability to successfully obtain registrations in a timely manner or at all;
10. General economic, political, and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Any adverse outcome in the legal proceedings in which we are involved;
13. The performance of the financial markets in India and globally
14. Increase in price of raw materials and fuel cost
15. Adverse weather and climatic conditions in the region where we operate

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The restated summary statement of Consolidated assets and liabilities of the Company as at March 31, 2025, standalone assets and liabilities of the Company as at March 31, 2024 and March 31, 2023 and the related restated summary statement of Consolidated profits and loss and cash flows for the year ended March 31, 2025, standalone profits and loss and cash flows for the year March 31, 2024 and March 31, 2023 (herein collectively referred to as ("Restated Summary Statements") have been compiled by the management from the Consolidated Audited Financial Statements of the Company for the year ended on March 31, 2025 and standalone audited Financial Statements of the Company for the years March 31, 2024 and March 31, 2023 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note"). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the BSE in connection with its proposed SME IPO. The Company's management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2021.

Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of: a. The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and b. The minority share of movements in equity since the date the parent subsidiary relationship came into existence.

Minority's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the Profit After Tax of the Group

b) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(i) Property, Plant & Equipment

All Property, Plant & Equipment are recorded at cost including taxes, duties, freight and other incidental expenses incurred in relation to their acquisition and bringing the asset to its intended use.

(ii) Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

d) DEPRECIATION / AMORTISATION

Depreciation on tangible and intangible asset is calculated on a Written - Down value method using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013.

e) INVENTORIES

Inventories comprise of Raw Material, Work-in-Progress and Finished goods.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

f) IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

g) INVESTMENTS:

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis. Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment. Cost of investments sold is arrived using average method.

h) FOREIGN CURRENCY TRANSLATIONS

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognized in Profit & Loss Account in the year in which it arises.

i) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

j) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

k) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognized on transfer of significant risk and ownership which generally coincide with the dispatch of the goods.

l) OTHER INCOME

Interest Income on fixed deposit is recognized on time proportion basis. Other Income is accounted for when right to receive such income is established.

m) TAXES ON INCOME

Income taxes are accounted for in accordance with Accounting Standard (AS-22) – "Accounting for taxes on income", notified under Companies (Accounting Standard) Rules, 2021. Income tax comprises of both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

n) CASH AND BANK BALANCES

Cash and cash equivalents comprises Cash-in-hand, Current Accounts, Fixed Deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Other Bank Balances are short-term balance (with original maturity is more than three months but less than twelve months).

o) EARNINGS PER SHARE

Basic earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity share outstanding during the year. Diluted earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

p) EMPLOYEE BENEFITS

Defined Contribution Plan:

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.

Defined Benefit Plan:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service without any monetary limit. Vesting occurs upon completion of five years of service. Provision for gratuity has been made in the books as per actuarial valuation done as at the end of the year.

q) SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their

relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

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RESULTS OF OUR OPERATIONS

Based on Financial Statements of Profit & Loss as Restated

(Amount ₹ in lakhs)

Particulars	Consolidated		Standalone			
	For the year ended March 31, 2025	% of Total**	For the year ended March 31, 2024	% of Total**	For the year ended March 31, 2023	% of Total**
INCOME						
Revenue from Operations	19,238.70	99.86%	11,930.36	97.10%	9,517.39	99.84%
Other Income	27.56	0.14%	356.86	2.90%	15.51	0.16%
Total Income (A)	**19,266.26**	**100.00%**	**12,287.22**	**100.00%**	**9,532.90**	**100.00%**
EXPENDITURE						
Cost of material consumed	13,343.47	69.26%	6,179.87	50.30%	5,475.45	57.44%
Changes in inventories of work-in-progress	(2,048.25)	(10.63%)	288.14	2.35%	(881.60)	(9.25%)
Direct expense	1,172.67	6.09%	930.45	7.57%	1,655.81	17.37%
Employee benefits expense	1,252.18	6.50%	996.13	8.11%	1,240.90	13.02%
Finance costs	1,107.03	5.75%	1,184.85	9.64%	1,121.61	11.77%
Depreciation and amortization expense	253.27	1.31%	292.84	2.38%	313.43	3.29%
Other expenses	689.52	3.58%	354.93	2.89%	372.81	3.91%
Total Expenses (B)	**15,769.89**	**81.85%**	**10,227.21**	**83.23%**	**9,298.42**	**97.54%**
Profit before tax (A-B)	**3,496.37**	**18.15%**	**2,060.01**	**16.77%**	**234.49**	**2.46%**
Tax Expense/ (benefit)						
(i) Current tax	941.95	4.89%	655.85	5.34%	131.18	1.38%
(ii) Deferred tax expenses / (credit)	(0.07)	(0.00%)	(19.12)	(0.16%)	(46.05)	(0.48%)
Net tax expense / (benefit)	**941.88**	**4.89%**	**636.73**	**5.18%**	**85.13**	**0.89%**
Profit for the Year before Minority interest	**2,554.49**	**13.26%**	**1,423.28**	**11.58%**	**149.36**	**1.57%**
Minority Interest	(0.27)	(0.00%)	-	-	-	-
Profit for the Year	**2,554.76**	**13.26%**	**1,423.28**	**11.58%**	**149.36**	**1.57%**

*****Total refers to Total Revenue***

Components of our Profit and Loss Account

Income
Our total income comprises of revenue from operations and other income.

Revenue from Operations

The Revenue from operations as a percentage of our total income was 99.86%, 97.10% and 99.84% for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023 respectively.

(Amount ₹ in Lakhs)

Particulars	Consolidated	Standalone	Standalone
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from Sale of Products	19,238.70	11,930.36	9,517.39
Total	**19,238.70**	**11,930.36**	**9,517.39**

Other Income
Our other Income consists of Interest on Deposits, Interest on Income Tax Refund, Foreign exchange gain, Miscellaneous income, Profit on sale of Fixed assets and Reversal of gratuity provision.

(Amount ₹ in Lakhs)

Particulars	Consolidated	Standalone	Standalone
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on fixed deposit income	12.59	14.22	13.96
Discount Received	6.23	-	0.40
Profit on sale of Asset	8.74		
Exchange Rate Gain	-	-	0.09
Sale of Scrap	-	29.50	-
Reversal of gratuity expense	-	-	1.06
Sundry Balances Written Back	-	313.14	-
TOTAL	**27.56**	**356.86**	**15.51**

Expenditure
Our total expenditure primarily consists of Cost of material consumed, Direct expenses, Employee benefit expenses, finance costs, Depreciation and Other Expenses.

Cost of material consumed
Our cost of material consumed comprises of Purchases of materials.

Direct expenses
Our direct expenses comprise of Freight expense, Service Charges, Rent, Electricity, Factory Repairs & Maintenance expenses, Testing Charges, Labour expense, and other expenses.

Employee Benefit Expenses
Our employee benefits expense comprises of Salaries and wages, Staff Welfare, Director's Remuneration Contribution to Provident fund and other fund and Provision for Gratuity.

Finance costs
Our Finance cost expenses comprise of Interest Expenses & other costs related to borrowings.

Other Expenses
Our other expenses primarily comprise of Auditor's remuneration, Advertisement and Business Promotion Expenses, Travelling & Conveyance, Rates & Taxes, Professional and Consultancy Charges, Office Expenses, CSR expenses, Loss on foreign exchange, Vehicle Maintenance, etc.

(Amount ₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Audit Fee	24.00	24.00	24.00
Donation Expenses	6.05	7.83	2.20
CSR expenses	17.85	-	19.64
Professional and Consultancy Charges	157.75	54.76	113.37
Sundry balance written off	15.32	1.81	1.50
Vehicle Maintenance	15.89	9.89	15.27
Office maintenance	24.88	33.09	37.85
Printing, Postage and Stationery	5.45	7.03	10.12
Rates & Taxes	87.44	29.38	19.26
Legal fees	0.79	9.85	0.99
Telephone Charges	6.58	7.68	8.20
Travelling & Conveyance	117.08	62.40	81.55
Research and Development expense	-	-	-
Advertisement and Business Promotion Expenses	206.71	107.21	38.86
Loss on foreign exchange	3.73	-	-
	689.52	**354.93**	**372.81**

Provision for Tax

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainly that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

Fiscal 2025 compared with Fiscal 2024

Revenue from Operations

The Revenue from Operations of our company for Fiscal year 2025 was ₹ 19,238.70 Lakhs against ₹ 11,930.36 Lakhs for Fiscal year 2024. An increase of 61.26% in revenue from operations. This increase was due to post-covid recovery of the industry, supported by improved market demand and enhanced execution of orders.

Other Income

The other income of our company for fiscal year 2025 was ₹ 27.56 Lakhs against ₹ 356.86 for Fiscal year 2024. The decrease of 92.28% in other income. This decrease was primarily on account of the absence of one-time income recorded in FY24 from write-back of certain liabilities no longer required.

Total Income

The total income of the company for fiscal year 2025 was ₹ 19,266.26 Lakhs against ₹ 12,287.22 Lakhs of total income for Fiscal year 2024 with an increase of 56.80% in total income. This increase was primarily due to This increase was due to post-covid recovery of the industry, supported by improved market demand and enhanced execution of orders.

Expenditure

Cost of material consumed

In Fiscal 2025, cost of material consumed were ₹ 13,343.47 Lakhs against ₹6,179.87 Lakhs of Cost of material consumed in fiscal 2024. An increase of 115.92%. This increase was directly related to increase in revenue.

Direct Expenses

In Fiscal 2025, the Company incurred Direct expenses of ₹ 1,172.67 Lakhs against ₹ 930.45 Lakhs of Direct expenses in fiscal 2024. An increase of 26.03%. This increase was due to was directly related to increase in revenue.

Employee Benefit Expenses

In Fiscal 2025, the Company incurred employee benefit expenses of ₹ 1,252.18 Lakhs against ₹ 996.13 Lakhs expenses in Fiscal 2024. An increase of 25.70%. This increase was due to hiring of qualified labours to improve the production process.

Finance Costs

The finance costs for the Fiscal 2025 were ₹ 1,107.03 Lakhs while it was ₹ 1,184.85 Lakhs for Fiscal 2024. An decrease of 6.57%. This decrease was due to reduction in borrowings.

Other Expenses

In Fiscal 2025, our other expenses were ₹ 689.52 Lakhs and ₹ 354.93 Lakhs in Fiscal 2024. An increase of 94.27%. This increase was primarily on account of higher administrative and operational expenses in line with the scale-up of business.

Profit before Tax

Our Company had reported a profit before tax for the Fiscal 2025 of ₹ 3,496.37 Lakhs against profit before tax of ₹ 2,060.01 Lakhs in Fiscal 2024. This improvement was mainly attributable to strong revenue growth and better absorption of fixed costs, leading to improved operating leverage.

Profit after Tax

Profit after tax for the Fiscal 2025 were at ₹ 2,554.76 Lakhs against profit after tax of ₹ 1,423.28 Lakhs in fiscal 2024, An Increase of 79.50%. This improvement was mainly attributable to strong revenue growth and better absorption of fixed costs, leading to improved operating leverage.

Fiscal 2024 compared with fiscal 2023

Revenue from Operations

The Revenue from Operations of our company for fiscal year 2024 was ₹ 11,930.36 Lakhs against ₹ 9,517.39 Lakhs for Fiscal year 2023. An increase of 25.35% in revenue from operations. This increase was due to post-covid recovery of the industry, supported by improved market demand and enhanced execution of orders.

Other Income

The other income of our company for fiscal year 2024 was ₹ 356.86 Lakhs against ₹ 15.51 for Fiscal year 2023. The increase of 2,200.84% in other income. This increase was due to write-back of certain liabilities no longer required, which were recognized in accordance with applicable accounting standards, as well as sale of scrap materials.

Total Income

The total income of the company for fiscal year 2024 was ₹ 12,287.22 Lakhs against ₹ 9,532.90 Lakhs of total income for Fiscal year 2023 with an increase of 28.89% in total income. This increase was primarily due to higher revenue from operations, supported by improved market demand and enhanced execution of orders

Expenditure

Cost of material consumed

In Fiscal 2024, cost of material consumed were ₹6,179.87 Lakhs against ₹5,475.45 Lakhs of Cost of material consumed in fiscal 2023. An increase of 12.87%. This increase was due to attributable to higher production volumes driven by increased revenue from operations and improved order execution, and while the proportionate increase remained lower due to the efficient use of raw materials and better production planning.

Direct Expenses

In Fiscal 2024, the Company incurred Direct expenses of ₹930.45 Lakhs against ₹1,655.81 Lakhs of Direct expenses in fiscal 2023. A decrease of 43.81%. This decrease was due to measures taken by the management to reduce the direct cost, implement more efficient manufacturing practices and optimized transportation costs.

Employee Benefit Expenses

In Fiscal 2024, the Company incurred employee benefit expenses of ₹996.13 Lakhs against ₹1,240.90 Lakhs expenses in fiscal 2023. A decrease of 19.73%. This decrease was due to measures taken by the management to reduce labour cost and bringing the workforce into optimal level.

Finance Costs

The finance costs for the Fiscal 2024 were ₹ 1,184.85 Lakhs while it was ₹ 1,121.61 Lakhs for Fiscal 2023. An increase of 5.64%. This increase was due to increase due to increase in borrowings and costs associated with it.

Other Expenses

In fiscal 2024, our other expenses were ₹ 354.93 Lakhs and ₹ 372.81 Lakhs in fiscal 2023. A decrease of 4.80%. This reduction was mainly attributable to better cost control measures, optimization of administrative overheads.

Profit before Tax

Our Company had reported a profit before tax for the Fiscal 2024 of ₹ 2,060.01 Lakhs against profit before tax of ₹ 234.49 Lakhs in Fiscal 2023. An increase of 778.54%. This increase was primarily driven by higher revenue from operations, improved gross margins, and better absorption of fixed costs due to increased capacity utilization. The Company also benefited from tighter control over operating expenses and a rise in other income, contributing to the overall profitability

Profit after Tax

Profit after tax for the Fiscal 2024 were at ₹ 1,423.28 Lakhs against profit after tax of ₹ 149.36 Lakhs in fiscal 2023, An Increase of 852.92%. This increase was primarily driven by higher revenue from operations, improved gross margins, and better absorption of fixed costs due to increased capacity utilization. The Company also benefited from tighter control over operating expenses and a rise in other income, contributing to the overall profitability.

Cash Flows

(Amount ₹ in lakhs)

Particulars	Consolidated	Standalone	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Cash Flow from/ (used in) Operating Activities	(444.60)	346.32	1,007.92
Net Cash Flow from/ (used in) Investing Activities	(615.77)	318.52	258.33
Net Cash Flow from/ (used in) Financing Activities	1,271.37	(748.27)	(2,064.02)

Cash Flows from Operating Activities

1. Net cash flow used in operating activities was ₹ 444.60 Lakhs. This comprised of the net profit before tax of ₹ 3,496.37 Lakhs, which was primarily adjusted for Depreciation and Amortisation expense of ₹ 253.27 Lakhs, Interest expense of ₹ 990.93 Lakhs, Interest income of ₹ 12.59 Lakhs, Gratuity provision of ₹ 6.92 Lakhs, Sundry Balance Written Off of ₹ 15.32 Lakhs, Unrealised Realised Forex Exchange Gain of ₹ 3.73 Lakhs and Profit on Sale of Asset ₹ 8.74 Lakhs. The resultant operating profit before working capital changes was ₹ 4,745.21 Lakhs, which was primarily adjusted for an increase in Trade Receivables of ₹ 2,604.56 Lakhs, Inventories of ₹ 1,663.60 Lakhs, Other Non-Current Assets of ₹ 231.14 Lakhs, and Loans and Advances of ₹ 283.28 Lakhs and Other Current Assets (including other bank balances) of ₹ 13.94 Lakhs. Additionally, there was an increase in Trade Payables of ₹ 411.80 Lakhs and decrease in Other Current Liabilities & Provisions of ₹ 337.88 Lakhs.

   Cash generated from operations was ₹ 22.61 Lakhs, which was reduced by Income tax paid of ₹ 467.21 Lakhs, resulting into net cash flow used in operating activities of ₹ 444.60 Lakhs.

2. Net cash flow from operating activities was ₹ 346.32 Lakhs. This comprised of the net profit before tax of ₹ 2,060.01 Lakhs, which was primarily adjusted for Depreciation and Amortisation expense of ₹ 292.84 Lakhs, Interest expense of ₹ 1,145.79 Lakhs, Interest income of ₹ 14.22 Lakhs, Gratuity provision of ₹ 31.47 Lakhs, Sundry Creditors Written Back of ₹ 313.14 Lakhs and Sundry balance written off of ₹ 1.81 Lakhs. The resultant operating profit before working capital changes was ₹ 3,204.56 Lakhs, which was primarily adjusted for an increase in Trade Receivables of ₹ 5,294.07 Lakhs, Other Non-Current Assets of ₹ 172.64 Lakhs, and decrease in Loans and Advances of ₹ 412.14 Lakhs, Inventories of ₹ 452.10 Lakhs and Other

Current Assets (including other bank balances) of ₹ 109.74 Lakhs. Additionally, there was an increase in Trade Payables of ₹ 1,082.87 Lakhs and Other Current Liabilities & Provisions of ₹ 587.90 Lakhs.

Cash generated from operations was ₹ 382.60 Lakhs, which was reduced by Income tax paid of ₹ 36.28 Lakhs, resulting into net cash flow from operating activities of ₹ 346.32 Lakhs.

3. Net cash flow from operating activities was ₹ 1,007.92 Lakhs. This comprised of the net profit before tax of ₹ 234.49 Lakhs, which was primarily adjusted for Depreciation and Amortisation expense of ₹ 313.43 Lakhs, Interest expense of ₹ 1,013.22 Lakhs, Gratuity expense of ₹ 1.06 Lakhs, Interest income of ₹ 13.96 Lakhs, Unrealised Realised Forex Exchange Gain of ₹ 0.09 Lakhs and Sundry balance written off of ₹ 1.50 Lakhs. The resultant operating profit before working capital changes was ₹ 1,547.71 Lakhs, which was primarily adjusted for an increase in Loans and Advances of ₹ 668.21 Lakhs, Inventories of ₹ 985.85 Lakhs, and decrease in Other Non-Current Assets of ₹ 2.14 Lakhs, Other Current Assets (including other bank balances) of ₹ 43.59 Lakhs, and a and Trade Receivables of ₹ 1,538.41 Lakhs. Additionally, there was a decrease in Trade Payables of ₹ 367.30 Lakhs and Other Current Liabilities & Provisions of ₹ 34.82 Lakhs.

   Cash generated from operations was ₹ 1,076.67 Lakhs, which was reduced by direct tax paid of ₹ 68.75 Lakhs, resulting into net cash flow from operating activities of ₹ 1,007.92 Lakhs.

Cash Flows from Investment Activities

1. For the year ended March 31, 2025, net cash used in investing activities was ₹ 615.77 Lakhs, which primarily comprised of cash outflow in capital advances of ₹ 72.54 Lakhs, interest income received of ₹ 12.59 Lakhs, Purchase of property, plant & equipment and intangible assets of ₹ 567.32 Lakhs and Proceeds from Sale of Purchase of property, plant & equipment of ₹ 11.50 Lakhs.

2. For the year ended March 31, 2024, net cash generated from investing activities was ₹ 318.52 Lakhs, which primarily comprised of decrease in capital advances of ₹ 394.19 Lakhs, interest income received of ₹ 14.22 Lakhs and purchase of property, plant & equipment and intangible assets of ₹ 89.89 Lakhs.

3. For the year ended March 31, 2023, net cash generated from investing activities was ₹ 258.33 Lakhs, which primarily comprised of decrease in capital advances of ₹ 450.00 Lakhs, interest income received of ₹ 13.96 Lakhs and purchase of property, plant & equipment and intangible assets of ₹ 205.63 Lakhs.

Cash Flows from Financing Activities

1. For the year ended March 31, 2025, net cash used in financing activities was ₹ 1,271.37 Lakhs, which primarily comprised of interest cost paid of ₹ 1,037.06 Lakhs and proceeds from long term borrowings of ₹ 144.59 Lakhs, repayment of long-term borrowings of ₹ 22.88 Lakhs, proceeds from short term borrowings of ₹ 654.00 Lakhs, repayment of long-term borrowings of ₹ 1,158.23 Lakhs and Proceeds from Fresh Shares issued during the year of ₹ 2,690.95 Lakhs.

2. For the year ended March 31, 2024, net cash used in financing activities was ₹ 748.27 Lakhs, which primarily comprised of interest cost paid of ₹ 1,106.69 Lakhs and Proceeds from Long term Borrowings of ₹ 8.86 Lakhs, Repayment of Long-term Borrowings of ₹ 92.49 Lakhs, Proceeds from Short term Borrowings of ₹ 494.12 Lakhs, Repayment of Short-term Borrowings of ₹ 52.07 Lakhs.

3. For the year ended March 31, 2023, net cash used in financing activities was ₹ 2,064.02 Lakhs, which primarily comprised of interest cost paid of ₹ 1,000.86 Lakhs and Proceeds from Long term Borrowings of ₹ 34.19 Lakhs, Repayment of Long-term Borrowings of ₹ 229.85 Lakhs, Proceeds from Short term Borrowings of ₹ 98.58 Lakhs, Repayment of Short-term Borrowings of ₹ 966.08 Lakhs.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except COVID-19 or any such kind of pandemic and as described in this Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as "unusual" or "infrequent".

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled *"Financial Information"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations,"* beginning on Page 180 and 193 respectively of this Red Herring Prospectus, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. ***Known trends or uncertainties that have/had or are expected to have a material adverse impact on revenue or income from continuing operations***

   Apart from the risks as disclosed under Chapter titled *"Risk Factors"* beginning on page no. 33 in this Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. ***Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known***

   Our Company's future costs and revenues will be determined by demand/supply situation, both of the end services as well as the government policies and other economic factor

5. ***Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.***

   Increases in revenues are by and large linked to increases in volume of business and also dependent on the price realization on our products/services.

6. ***Total turnover of each major industry segment in which the issuer company operated.***

   Relevant Industry data and, as available, has been included in the chapter titled *"Industry Overview"* beginning on page no. 106 of this Red Herring Prospectus.

7. ***The extent to which business is seasonal.***

   Our business is dependent to a certain extent on the seasonal, environmental and climate changes. Hence, our business is seasonal in nature.

8. ***Any significant dependence on a single or few suppliers or customer***

   Our business is dependent on few clients. Our top 10 customers contributed 92.52%, 91.93%% and 95.07% of revenue from operations for F.Y. ending on 2024-25, 2023-24, and 2022-23 respectively.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; or (d) Material Litigation (as defined below); involving our Company, its Directors, the Promoters, its KMPs and SMPs and the Group Companies ("**Relevant Parties**"). Further, there are no disciplinary actions (including penalties) imposed by SEBI or the Stock Exchanges against our Promoters in the last five (5) FYs, including any outstanding action.*

*For the purpose of material litigation in (d) above, our Board in its meeting held on June 19, 2025 has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties ("**Materiality Policy**"). In accordance with the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings and actions by regulatory authorities and statutory authorities, will be considered material if: (i) the omission of an event or information, whose value or the expected impact in terms of value exceeds the limits as prescribed under the SEBI Listing Regulations (as amended from time to time) i.e., a. two percent of turnover, as per the last audited consolidated financial statements of the Company; or b. two percent of net worth, except in case of the arithmetic value of the networth is negative, as per the last audited consolidated financial statements of the Company; or c. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company. Accordingly, any transaction exceeding the lower of a., b. or c. herein mentioned i.e. ₹68.79 lakhs, will be considered for the herein mentioned purpose.; or (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in individual litigation does not exceed the amount determined as per clause (a) herein mentioned, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) herein mentioned; and (iii) any such litigation which does not meet the criteria set out in (a) herein mentioned and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.*

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.

Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated August 21, 2025. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding ₹ 319.64 Lakhs as per the Restated Consolidated Financial Statements of our Company disclosed in this Red Herring Prospectus, would be considered as material creditors. The trade payables of our Company for the Fiscal 2025 were ₹ 6,392.70. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.

All terms defined in a particular litigation disclosure pertains to that litigation only.

I. Litigation involving our Company.

A. *Litigation filed against our Company.*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

1. Showcause notices bearing nos. SCN/ADJ/08-2025/CN/02428, SCN/ADJ/08-2025/CN/02446, SCN/ADJ/08-2025/CN/02447 and SCN/ADJ/08-2025/CN/02448

The Registrar of Companies, Chennai, has issued four showcause notices bearing nos. SCN/ADJ/08-2025/CN/02428, SCN/ADJ/08-2025/CN/02446, SCN/ADJ/08-2025/CN/02447 and SCN/ADJ/08-2025/CN/02448, dated August 29, 2025, against Airfloa Rail Technology Limited and its directors Venkatesan Dakshinamoorthy and Manikandan Dakshna moorthy for non-compliance with CSR provisions under Section 135 of the Companies Act, 2013. The Company had filed an application for adjudication under Section 135(5) and Section 135(6) of the Companies Act, 2013 in relation to unspent Corporate Social Responsibility ("CSR") obligations through Form GNL-1 on May 08, 2025 vide SRN: N30641906.
The details of unspent CSR obligations and corresponding penalties levied by the ROC are as under:

1. FY 2019–20: Unspent CSR – ₹17,27,343; Penalty – ₹17,27,343 on the Company and ₹1,72,734 on each director.
2. FY 2020–21: Unspent CSR – ₹25,99,631; Penalty – ₹25,99,631 on the Company and ₹2,00,000 each on the directors (capped at statutory limit).
3. FY 2021–22: Unspent CSR – ₹27,12,722; Penalty – ₹27,12,722 on the Company and ₹2,00,000 each on the directors (capped).
4. FY 2022–23: Unspent CSR – ₹19,64,272; Penalty – ₹19,64,272 on the Company and ₹1,96,427 on each director.

Although the Company has since transferred the said unspent CSR amount to the Prime Minister's National Relief Fund in December 2024, the ROC has nevertheless held the Company and its directors liable under Section 135(7) of the Act and has called upon them to show cause, on or before September 13, 2025, as to why penal action should not be initiated.

3. Material civil proceedings

Nil

B. *Litigation filed by our Company.*

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)^
Direct Tax	8*	66.17
Indirect Tax	2#	39.89
Total	**9**	**106.06**

^*Rounded off to the closest decimal*

*****Includes:*

(i) income tax demand amounting to ₹41,740 under section 270A of the IT Act for AY 2022, ₹14,28,386 under section 143(1)(a) of the IT Act for AY 2021, and ₹7,87,830 under section 143(3) of the IT Act for AY 2020, ₹1,50,000 under section 271B of the IT Act for AY 2020, ₹6,60,636 under section 143(1)(a) of the IT Act for AY 2019, and ₹3,06,466 under section 270A of the IT Act for AY 2018.

(ii) TDS Traces demand amounting to ₹270 for financial year 2025-26, ₹2,11,180 for financial year 2024-25, ₹13,01,730 for financial year 2023-24, ₹5,23,610 for financial year 2022-23, ₹1,38,100 for financial year 2021-22 and ₹22,26,380 for financial year 2020-21.

 # Includes:

(i) GST demand amounting to ₹20,01,526 vide order dated August 20, 2024 under section 73(9) of the CGST Act, 2017 and TNGST Act, 2017. Our Company has filed an appeal against the said order.

(ii) GST demand amounting to ₹19,87,584 vide order dated February 27, 2024 under section 73(9) of the CGST Act, 2017 and TNGST Act, 2017. Our Company has filed an appeal against the said order.

II. Litigation involving our Subsidiaries

A. *Litigation filed against our Subsidiaries*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. *Litigation filed by our Subsidiaries*

1. Criminal proceedings

Nil .

2. Material civil proceedings

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	**Nil**	**Nil**

III. Litigation involving our Directors (other than Promoters)

A. *Litigation filed against our Directors (other than Promoters)*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. *Litigation filed by our Directors (other than Promoters)*

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)
Direct Tax	1*	2.34
Indirect Tax	Nil	Nil
Total	**1**	**2.34**

** Includes income tax demand amounting to ₹2,34,385 under section 143(1)(a) of the IT Act for AY 2011 against Sudhanshu Mani.*

IV. **Litigation involving our Promoters**

A. *Litigation filed against our Promoters*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. *Litigation filed by our Promoters*

Nil.

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)
Direct Tax	2*	17.39
Indirect Tax	Nil	Nil
Total	**2**	**17.39**

** Includes income tax demand amounting to ₹86,820 under section 154 of the IT Act for AY 2017 and ₹16,52,235 under section 154 of the IT Act for AY 2008 against Manikandan Dakshinamoorthy.*

V. Litigation involving our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoters)

A. Litigation filed against our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoters)

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

B. Litigation filed by our Key Managerial Personnel and Senior Managerial Personnel (Other than Directors and Promoters)

1. Criminal proceedings

Nil

C. Tax proceedings

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)^
Direct Tax	1*	9.24
Indirect Tax	Nil	Nil
Total	**1**	9.24

^ Rounded off to closest decimal

** Includes income tax demand amounting to ₹9,24,326 under section 143(1)(a) of the IT Act for AY 2009 against Thygarajan Sivakumar.*

Outstanding dues to creditors

Our Board, in its meeting held on August 21, 2025 has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company, to whom an amount ₹ 319.63 Lakhs as on the date of the latest period in the Restated Financial Statements was outstanding, were considered material creditors.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2025 by our Company, are set out below:

Type of creditors	Number of creditors	Consolidated
		Amount involved ***(in Rs. lakhs)***
Material creditors	4	2,538.14
Micro, Small and Medium Enterprises	2	35.07
Other creditors	456	3,819.49
Total	462	6,392.70

The details pertaining to net outstanding dues towards our material creditors as on March 31, 2025 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at https://www.airflow.co.in/investor-relation/ . It is clarified that such details available on our website do not form a part of this Red Herring Prospectus.

Material Developments

Other than as stated in the section entitled "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after March 31, 2025"*** on beginning on page 193, there have not arisen, since the date of the last financial information disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

*We have set out below an indicative list of approvals obtained by our Company and our Material Subsidiaries which are considered material and necessary for the purpose of undertaking this Issue and carrying on our present business activities. In view of these key approvals, our Company can undertake this Issue and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the section "**Risk Factors**" beginning on page 33, these material approvals are valid as of the date of this Red Herring Prospectus. For details in connection with the regulatory and legal framework within which we operate, see "**Key Regulations and Policies**" on page 146.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its present business activities.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.

Our Company is in the process to submit necessary application(s) with all regulatory authorities for change of its name in the approvals, licenses, registrations and permits issued to our Company.

I. Material approvals obtained in relation to the Issue

a. The Board of Directors has, pursuant to a resolution passed at its meeting held on December 12, 2024, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.

b. The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on December 13, 2024, authorized the Issue under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

c. The Company has obtained the in-principle listing approval from SME platform of BSE Limited, dated August 11, 2025.

II. Material approvals obtained by our Company in relation to our business and operations

Our Company have obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

A. Incorporation details of our Company

a. Our Company was originally incorporated as a private limited company in the name of '*Air Flow Equipments (India) Pvt Ltd'* vide Certificate of Incorporation dated December 14, 1998, issued by the Registrar of Companies.

b. Fresh Certificate of Incorporation dated August 27, 2024 issued to our Company by the RoC pursuant to change in name of our Company from '*Air Flow Equipments (India) Pvt Ltd' to Airfloa Rail Technology Private Limited'*

c. Fresh Certificate of Incorporation dated November 15, 2024 issued to our Company by the RoC, pursuant to the conversion of our Company from private limited to public limited and the ensuing change in the name of our Company from '*Airfloa Rail Technology Private Limited'* to '*Airfloa Rail Technology Limited*'

B. Tax related approvals obtained by our Company

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AACCA9641E	Income Tax Department	December 14, 1998	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	CHEA03129A	Income Tax Department	September 16, 2004	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
3.	GST Registration Certificate	33AACCA9641E1ZY	Goods and Services Tax Department	July 01, 2017	Valid till cancelled
4.	Professional Tax – Tamil Nadu – 4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu *	009/019/900273	Tamil Nadu State Tax Department	March 01, 2025	Valid till cancelled
5.	Professional Tax- Tamil Nadu – 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram *	2024-2025/1/4/33/4/242	Tamil Nadu State Tax Department	February 28, 2025	Valid till cancelled

** Our Company has disclosed details of payments made for Professional Tax in the above table. However, a Professional Tax Registration Certificate is not issued in Tamil Nadu*

C. Regulatory & Labour / employment related approvals obtained by our Company:

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of registration – Employee's Provident Fund Code - No:9, Chelliamman Koil Street, Keelkattalai, Chennai	TBTAM0060488000	Employees' Provident Fund Organisation, Ministry of Labour and Employment	March 28, 2017	Valid till cancelled
2.	Certificate of registration – Employee's Provident Fund Code- 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	TNAMB1622562000	Employees' Provident Fund Organisation, Ministry of Labour and Employment	July 17, 2017	Valid till cancelled
3.	Certificate of registration – ESIC – No:9, Chelliamman Koil Street, Keelkattalai, Chennai	51000827780000606	Employees' State Insurance Corporation	October 27, 2010	Valid till cancelled
4.	Certificate of registration – ESIC – 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	51510827780010606	Employees' State Insurance Corporation	March 11, 2017	Valid till cancelled
5.	UDYAM Registration Certificate	UDYAM-TN-02-0011162	Ministry of Micro, Small and Medium	September 19, 2020	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
			Enterprises, Government of India		
6.	Importer-Exporter Code Registration	0405027061	Ministry of Commerce and Industry	January 16, 2006	Valid till cancelled
7.	Shops and Establishment Registration Certificate -Registered Office – No:9, Chelliamman Koil Street, Keelkattalai, Chennai	TNCPTAILSTMSE-6-25-00297	Labour Department, Government of Tamil Nadu	May 08, 2025	Valid till cancelled
8.	Fire NOC – Registered Office – No:9, Chelliamman Koil Street, Keelkattalai, Chennai	242585/A/2024	Fire & Rescue Services, Chennai South District	December 13, 2024	December 12, 2025
9.	License to work a factory- 4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu	KPM09221	Directorate of Factories, Govt of Tamil Nadu	February 20, 2025	December 31, 2025
10.	Certificate of Stability – 4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu	SS/UPL(PS)/ST/2045	Er. S. Sekar, Competent Person	March 05, 2025	March 04, 2028
11.	Consent to Operate (Air Act) - 4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu, 600117	2505267810833	Tamil Nadu Pollution Control Board	August 01, 2025	March 31, 2031
12.	Consent to Operate (Water Act) - 4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu, 600117	2505167810833	Tamil Nadu Pollution Control Board	August 01, 2025	March 31, 2031
13.	Fire NOC - 4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai, Kancheepuram, Tamil Nadu	242661/A/2024	Fire & Rescue Services, Chennai South District	December 13, 2024	December 12, 2025
14.	Form No.8 – Report of Examination of Pressure Vessel of Plant- 4D, Boopathy Nagar Industrial Area, Kilkattalai, Chennai,	KM-9221/E.T./2023-II/PV-1	Industrial Safety & Health, Chennai	March 05, 2025	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	Kancheepuram, Tamil Nadu				
15.	License to work a factory- 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	KPM09249	Directorate of Factories, Govt of Tamil Nadu	February 21, 2025	December 31, 2025
16.	Certificate of stability – 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	GJ/AFR/DISH/ST/11-2025	Er. G. Jayasankar, Competent Person	August 18, 2025	August 17, 2025
17.	Consent to Establish – (Water and Air) 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	SPR/0149/2010	Tamil Nadu Pollution Control Board	October 08, 2010	October 07, 2012
18.	Consent to Operate – (Air) 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	2507264722	Tamil Nadu Pollution Control Board	May 26, 2025	March 31, 2028
19.	Consent to Operate – (Water) 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	2507164722033	Tamil Nadu Pollution Control Board	May 26, 2025	March 31, 2028
20.	Fire NOC - 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	101/2025	Fire & Rescue Services, Kanchipuram District	February 14, 2025	February 13, 2026
21.	Diesel Generator Set NOC – 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	KMP 1635/CEIG/D3/SC/2011-1	Electrical Inspectorate, Government of Tamil Nadu	March 09, 2012	Valid till cancelled
22.	Health Clearance (Sanitary) Certificate – 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk, Kancheepuram	1198/2025/A3	Department of Public Health and Preventive Medicine	February 20, 2025	February 19, 2026
23.	NOC for Ground Water Abstraction – 127, Mettupalayam Road, Panrutti Village, Sriperumbudur Taluk,	001/2025-2026	Panruti Panchayat	May 12, 2025	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	Kancheepuram				
24.	IRIS Certification Conformity assessment: 2020 and based on ISO/TS 22163:2017*	287614-2019-AQ-IND-UNIFE	DNV Business Assurance Zertifizierung GmbH	September 14, 2022	September 13, 2025
25.	Certificate of Approval - ISO 9001:2015**	IRQS/250100179	Indian Register Quality Systems	January 23, 2019	January 21, 2028
26.	Quality Management Certificate ISO 9001:2015***	B001125	AGQR Certifications Private Limited	February 21, 2025	February 19, 2026
27.	Certificate -Welding of railway vehicles and components according to EN 15085-2:2020+A1:2023	TÜVRh/15085/CL1/403/15/3	European Committee for Welding of Railway Vehicles	October 30, 2024	October 29, 2027
28.	Approval Letter - Vendor Registration	LA509	Hindustan Aeronautics Ltd (HAL)	June 22, 2021	June 21, 2026
29.	Approval as Registered Supplier/Vendor	5036121	Principal Chief Materials Manager, Integral Coach Factory, Chennai	November 15, 2023	November 14, 2026
30.	Legal Entity Identifier (LEI)	894500VSXKA357PFG290	LEI Register India Private Limited	March 12, 2025	March 14, 2026

** for the activities of Design and Development and Manufacturing for the scopes of certification: 01 (Vehicle body), 02 (Vehicle fitting out), 07 (Interiors), 09 (Passenger Information Systems (PIS)), 13 (Doors, entrances), 14 (Heating, Ventilating and Air Conditioning (HVAC)), 15 (Lighting), 19 (Single railway components), 20 (Components related to special process work) Design & Development, Manufacture and installation of Interiors (Doors, Windows, Seats, Luggage racks, Partitions, Ducts, Hand Rails, Panelling, FRP cladding) for Railway Applications. Manufacture and installation of Passenger interiors (Lighting systems, Flooring, vehicle body) for Railway Applications. Installation and commissioning of passenger information system & Automatic sliding doors for railway applications.*

*** Design & Development, Manufacture, Supply and Installation of Interiors, Exteriors and FRP Products for Railway and FRP products for General Engineering Applications.*

**** Manufacture and Supply of Car Body items such as Roof Assembly, Sidewall Assembly, Carline Assembly, End Wall Assembly, Under Frame Assembly & Nose Cone Assembly for Railway Applications.*

III. Material approvals or renewals for which applications are currently pending before relevant authorities

Nil

IV. Material approvals expired and renewal yet to be applied for

Nil

V. Material approvals required but not obtained or applied for

Nil

VI. Intellectual Property

As on the date of this Red Herring Prospectus, our Company does not have registered trademark with the Registrar of Trademarks under the Trademarks Act, 1999.

VII. Pending Intellectual property related approvals Application

As on the date of this Red Herring Prospectus, our Company has applied for the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999:

Date of Application	Particulars of the Mark	Trade Mark Application No.	Class of Registration
December 29, 2024		6779938	12

For risk associated with our intellectual property please see, "***Risk Factors***" beginning on page 33.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Board of Directors has, pursuant to a resolution passed at its meeting held on December 12, 2024 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.
The shareholders of the Company have, pursuant to a special resolution passed in EGM held on December 13, 2024 authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

Our Company has received an In-Principle Approval letter dated August 11, 2025 from BSE for using its name in this Red Herring Prospectus for listing our shares on the BSE SME. BSE Limited is the Designated Stock Exchange for the purpose of this Issue.

PROHIBITION BY SECURITIES MARKET REGULATORS

Our Company, our Promoter, our Directors and our Promoter's Group, person(s) in control of the promoter or issuer, have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

CONFIRMATIONS

1. Our Company, our Promoter, Promoter's Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI in the past five years.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoter or directors.

PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoter, nor the relatives (as defined under the Companies Act) of our Promoter, nor Group Companies/Entities have been identified as wilful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority.

ELIGIBILITY FOR THE ISSUE

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our company, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board.
- Neither our promoters, nor any directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters nor our directors, are Wilful Defaulters or a fraudulent borrower.
- There are no outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the company

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue paid-up capital is more than 10 crores rupees and upto 25 Crores (twenty-five crore rupees) and satisfying track record and / or other eligibility conditions of SME Platform of BSE and therefore can issue Equity Shares to the public and propose to list the same on the SME Platform of BSE ("BSE SME").

Further, as per Regulation 229 of the SEBI ICDR Regulation, 2018 and as amended and eligibility conditions of BSE SME, our Company satisfies track record to get its specified securities listed.

- Our Company was incorporated under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated on December 14, 1998 issued by the Registrar of Companies, Tamil Nadu. For and on behalf of the Jurisdictional Registrar of Companies, Central Registration Centre as a Private Limited Company. Hence, our Company is in existence for a period of 26 years on the date of filing of this Red Herring Prospectus with BSE.

- As on the date of this Red Herring Prospectus, our Company has a total paid-up capital (face value) of ₹ 17,46,29,540

Lakhs comprising 1,74,62,954 Equity Shares of ₹10/- each and the Post Issue paid-up Capital (face value) will be ₹ [●] Lakhs comprising [●] Equity Shares which shall be below ₹ 25 crores.

- The Company has a track record of at least 3 years as on the date of filing Draft Red Herring Prospectus.

- Based on the Standalone Restated Financial Statements, Company's net worth for the 3 preceding financial years preceding the application date is given below and it has Net worth of at least Rs. 1 crore for 2 preceding full financial years:

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	March 31, 2025	March 31, 2024	March 31, 2023
Paid-up Share Capital	1,746.30	499.50	499.50
Reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account	9,333.87	5,098.55	3,675.27
Net worth	**11,080.17**	**5,598.05**	**4,174.77**

- Based on the Restated Financial Statements, Company's Net Tangible Assets for the full financial year ended March 31, 2025 was more than Rs. 3 Crores and the working is given below

(₹ in Lakhs)

Particulars	March 31, 2025
Net Worth	11,080.17
Less: Intangible Assets	0.86
Net Tangible Assets	**11,079.31**

- The Company confirms that it has operating profits (earnings before interest, depreciation and tax) of ₹ 1 Crore from operations for at least two out of three previous financial years preceding the application date as per the Restated Financial Statements.

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
EBITDA	4,740.84	3,457.92	1,468.46
Less: Other income	27.56	356.86	15.51
Operating profit	4,713.28	3,101.06	1,452.95

- The Leverage ratio (Total Debts to Equity) of the Company as on March 31, 2025 was 0.54 which is less than the limit of 3:1. The working is given below:

(₹ in Lakhs)

2025			2024			2023		
Current Period Numerator	Current Period Denominator	As at March 31, 2025	Current year Numerator	Current Year Denominator	As at March 31, 2024	Current year Numerator	Current year Denominator	As at March 31, 2023
5,997.71	11,080.17	0.57	6 ,380.24	5,598.05	1.14	6,021.82	4,174.77	1.44

- In case of the Company, which had been a proprietorship or a partnership firm or a limited liability partnership before conversion to a company or body corporate, such issuer may make an initial public offer only if the issuer company has been in existence for at least one full financial year before filing of draft offer document: **Not Applicable**

- In cases where there is a complete change of promoter of the Company or there are new promoter(s) of the issuer who have acquired more than fifty per cent of the shareholding of the issuer, the issuer shall file draft offer document only after a period of one year from the date of such final change(s): **Not Applicable**

- There has been no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals. None of our Promoter(s) or directors have been promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange. Accordingly, there is no applicability of compulsory delisting is attracted and none of our Promoter(s) or directors have

been promoter(s) or directors (other than independent directors) of companies that are suspended from trading on account of non-compliance. Further, none of our directors are disqualified/ debarred by any of the Regulatory Authority.

- There are no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by our Company, promoters/ promoting company(ies), Subsidiary Companies.

- In case of name change within the last one year, at least 50% of the revenue calculated on a restated basis for the preceding 1 full financial year has been earned by our Company from the activity indicated by our new name:

The revenue of our company has been generated from the activity indicated by new name i.e Airfloa Rail Technology Limited

S. No.	Segment	Fiscal Year 2025	
		Revenue *(in ₹ lakhs)*	In %
1	Railway Rolling Stocks	11,323.83	58.86%
2	Aeronautical, Defence & Others	7,914.87	41.14%
Total		**19,238.70**	**100.00%**

- Other Disclosures:

a. We have a functional website: https://www.airflow.co.in/

b. 100% of Equity Shares held by the Promoters are in dematerialised form.

c. Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.

d. There has been no change in the Promoter(s) of our Company in the preceding one year from date of filing application to BSE for listing on BSE SME.

e. The composition of the board our company is in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval;

f. The Net worth computation is computed as per the definition given in SEBI (ICDR) Regulations.

g. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

h. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.

i. There is no winding up petition against the company, which has been accepted by the National Company Law Tribunal (NCLT).

j. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.

In terms of Regulation 230(1) of the SEBI (ICDR) Regulations, 2018, our Company has ensured:

1) The Draft Red Herring Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE SME. BSE is the Designated Stock Exchange.

2) Our Company has entered into an agreement dated July 18, 2024 with NSDL and agreement dated June 05, 2024 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.

3) The entire pre-issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.

4) The entire Equity Shares held by the Promoters are in dematerialized form.

5) The fund requirements set out for the Objects of the Issue are proposed to be met entirely from the Net Proceeds.

Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under the SEBI ICDR Regulations. For details, please refer the chapter "*Objects of the Issue*" on page 85 of this Red Herring Prospectus.

6) The size of offer for sale by selling shareholders shall not exceed twenty per cent of the total issue size: **Not Applicable**

7) The shares being offered for sale by selling shareholders shall not exceed fifty per cent of such selling shareholders' pre-issue shareholding on a fully diluted basis: **Not Applicable**

8) one of the objects of the issue is repayment/prepayment of all or certain of our borrowings availed of by our Company, however, we hereby confirm that the repayment/prepayment shall not consist of repayment of loan taken from promoter, promoter group or any related party, from the issue proceeds, directly or indirectly.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

1. In accordance with Regulation 245 (1) and (2) of the SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, the offer documents shall contain the following:
    a. All material disclosures which are true and adequate so as to enable the applicants to take an informed investment decision;
    b. Disclosures specified in the Companies Act, 2013;
    c. Disclosures specified in Part A of Schedule VI;
    d. Details pertaining to Employees' Provident Fund and Employee State Insurance Corporation;
    e. site visit report of issuer prepared by the lead manager(s) shall be made available as a material document for inspection
    f. Fees of Book Running Lead Manager.

2. In accordance with regulation 260 of the SEBI ICDR Regulations, this Issue is 100% underwritten in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting, please refer to Section titled *"General Information"* beginning on page no. 59 of this Red Herring Prospectus.

3. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issue in the Initial Public Issue. For details of the market making arrangement, see Section titled "General Information" beginning on page no. 59 of this Red herring Prospectus.

4. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, read alongwith SEBI ICDR (Amendment) Regulations, 2025 we shall ensure that the total number of proposed Allottees in the issue shall be greater than or equal to two hundred (200), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

5. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025 we shall also ensure that we submit the soft copy of Red Herring Prospectus through the BRLM immediately upon registration of the Red Herring Prospectus with the Registrar of Companies and SME exchange along with a Due Diligence Certificate to which the site visit report of the issuer prepared by the lead manager(s) shall also be annexed, including additional confirmations. The offer documents shall also be furnished to the Board in a soft copy. However, SEBI shall not issue any observation on the Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

SEBI DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENTS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR

CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, GYR CAPITAL ADVISORS PRIVATE LIMITED SHALL FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 29, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, CHENNAI, IN TERMS OF SECTION 26, 30 AND SECTION 32 OF THE COMPANIES ACT, 2013.

DISCLAIMER CLAUSE OF THE BSE

As required, a copy of the Red Herring Prospectus shall be submitted to the BSE SME. The Disclaimer Clause as intimated by the BSE SME to us, post scrutiny of the Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to the filing with RoC.

"BSE Limited ("BSE") has vide its letter dated August 11, 2025, given permission to "AIRFLOA RAIL TECHNOLOGY LIMITED" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or

iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the some and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.

vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai".

DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (GYR Capital Advisors Private Limited) and our Company on June 03, 2025, and the Underwriting Agreement dated August 04, 2025 entered into between the Underwriters and our Company and the Market Making Agreement dated August 04, 2025 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entity, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entity, and our affiliates or associates, for which they have received and may in future receive compensation.

Note:
Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company and will not Issue, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our Company, the Underwriter and BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub –account registered with SEBI which is a foreign corporate or Foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Issue hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Chennai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.
The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer

any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

FILING OF DRAFT RED HERRING PROSPECTUS/RED HERRING PROSPECTUS/PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

The Draft Red Herring Prospectus was not required to be filed with SEBI, accordingly SEBI did not issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. Pursuant to SEBI Master Circular and pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, a copy of this Red Herring Prospectus/Prospectus is being furnished to the Board and has been filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in. Further, a copy of this Red Herring Prospectus/Prospectus, has been filed with the SME Platform of BSE Limited, where the Equity Shares are proposed to be listed.

A copy of this Red Herring Prospectus, along with the material contracts and documents has also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

LISTING

Application is to be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our Company has received an In-Principle Approval letter dated August 11, 2025 from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, the Company shall refund through verifiable means the entire monies received within Four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four day after the company becomes liable to repay it the company and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six Working Days from the Issue Closing Date.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:
"Any person who –

i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

ii. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

CONSENTS

The written consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, the BRLM to the Issue, Registrar to the Issue, Market Maker, Banker to the Issue, Underwriter, and Monitoring Agency to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Red Herring Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, our Company has received written consent dated August 21, 2025 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated August 21, 2025 on our Restated Financial Information(Consolidated) and Restated Financial Information(Standalone) ; and (ii) its report dated August 21, 2025 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

EXPERT OPINION

Except as stated below, our Company has not obtained any expert opinions:

Peer Review Chartered Accountant:

Our Company has received written consent dated August 21, 2025 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated August 21, 2025 on our restated consolidated financial information and restated standalone financial information; and (ii) its report dated August 21, 2025 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

PREVIOUS PUBLIC OR RIGHTS ISSUE

Our Company has not made public issue in the past. For details of right issue please refer chapter titled *"Capital Structure"* beginning on page no. 69 of this Red Herring Prospectus.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

We have not made any previous public Issue. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

CAPITAL ISSUE DURING THE LAST THREE YEARS

For details of the capital issued of our Company in past three years, please refer chapter titled *"Capital Structure"* beginning on page no. 69 of this Red Herring Prospectus. Our Subsidiary has made capital issuances during the three years preceding the date of this Red Herring Prospectus. Our Company does not have any associates or listed group company, as of the date of this Red Herring Prospectus.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST OFFERS HANDLED BY THE BRLM

Price Information of past Offers handled by the Book Running Lead Manager

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180th calendar days from listing*	
1.	NACDAC Infrastructure Limited	10.01	35	24.12.2024	66.50	113.6000	-2.49	28.34	-0.62	8.2	4.36
2.	Delta Autocorp Limited	54.6	130	14.01.2025	175.00	-33.42	-0.62	-42.42	0.658	-48.07	7.59
3.	Capital Numbers Infotech Limited	169.372	263	27.01.2025	274.00	-36.16	-1.01	-34.56	6.44	-51.10	7.33
4.	Chamunda Electricals Limited*	14.595	50	11.02.2025	70.00	-14	-2.92	-16.40	8.04	-4	6.74
5.	Voler Car Limited*	27.00	90	19.02.2025	90.00	-5.00	1.82	0.94	6.91	-	-
6.	Srigee DLM Limited*	16.98	99	12.05.2025	188.10	192.12	0.10	148.63	-2.21	-	-
7.	Dar Credit and Capital Limited*	25.66	60	28.05.2025	65.15	-10	3.57	-15.41	-4.30	-	-
8.	Sacheerome Limited*	61.61	12	16.06.2025	153.00	22.41	1.06	-	-	-	-
9.	Suntech Infra Solutions Limited*	44.39	86	02.07.2025	109.10	11.74	2.87	-	-	-	
10.	Glen Industries Limited	62.94	97	15.07.2025	157.00	10.26	-2.38	-	-	-	-

* Companies have been listed on 11.02.2025, 19.02.2025, 12.05.2025, 28.05.2025, 16.06.2025, 02.07.2025 and 15.07.2025 hence not applicable.

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30th calendar day from listing day*			Nos. of IPOs trading at premium - 30th calendar day from listing day*			Nos. of IPOs trading at discount - 180th calendar day from listing day*			Nos. of IPOs trading at premium – 180th calendar day from listing day*		
			Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %
2021-2022	03	9.85	-	-	1	-	-	-	-	-	2	-	-	1
2022-2023	10	92	-	1	2	5	1	2	1	1	2	-	4	2
2023-2024	10	286.82	-	1	1	6	2	-	-	-	1	9	-	-

2024-2025	16	890.1408	1	2	2	10	1	1	-	-	-	5	3	2
2025-26	5	211.66	-	-	1	1	-	2	-	-	-	-	-	-

* Companies have been listed on 12.05.2025, 28.05.2025, 16.06.2025, 02.07.2025 and 15.07.2025 hence not applicable.

Break -up of past issues handled by GYR Capital Advisors Private Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2021-2022	3	0
2022-2023	10	0
2023-2024	10	0
2024-2025	16	0
2025-2026	5	0

Notes:

1. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
2. Source: www.bseindia.com and www.nseindia.com.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the lead manager are provided.

TRACK RECORD OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the track record of the Book Running Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager at www.gyrcapitaladvisors.com

PERFORMANCE VIS-A-VIS OBJECTS

Except as stated in the chapter titled *"Capital Structure"* beginning on page 69 of this Red Herring Prospectus, our Company has not undertaken any previous public or rights issue. None of the Entities or associates of our Company are listed on any stock exchange.

PERFORMANCE VIS-À-VIS OBJECTS –PUBLIC/ RIGHTS ISSUE OF SUBSIDIARIES/ LISTED PROMOTERS

As on the date of this Red Herring Prospectus, our Company does not have any listed subsidiary or listed promoters.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated September 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 date April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). 'T' being issue closing date. In partial modification to circulars dated March 16, 2021 and April 20, 2022, the compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, September 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, September 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.
All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and complied with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Red Herring Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.
Our Company has constituted Stakeholders Relationship Committee as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Sudhanshu Mani	Chairperson	Non-Executive Independent Director
Venkatesan Dakshinamoorthy	Member	Managing Director
Manikandan Dakshna moorthy	Member	Joint Managing Director

Our Company has appointed Mr. Thygarajan Sivakumar, the Company Secretary and Compliance Officer, who may be contacted in case of any pre-issue or post-issue related problems at the following address:

Airfloa Rail Technology Limited
Address: No 9 Chelliamman Koilstreet Keelkttalai Chennai-117 Chennai-117 Tamil Nadu 600117 India.;
Telephone: +91 9600621490;
Facsimile: N.A.
E-mail: cs@airflow.co.in

Till date of this Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled *"Capital Structure"* beginning on page no. 69 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

LISTED VENTURES OF PROMOTER

There are no listed ventures of our Promoter as on date of filing of this Red Herring Prospectus.

OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, BSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).

Further, vide the said circular, Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

Authority for the Issue

The present Public Issue of upto 65,07,000 Equity shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 12, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on December 13, 2024 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including in respect of the right to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to Section titled **"*Description of Equity Shares and terms of the Articles of Association*"** beginning on Page No. 271 of the Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to chapter titled ***"Dividend Policy"*** beginning on Page No. 179 of the Red Herring Prospectus.

Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10/- and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share ("**Floor Price**") and at the higher end of the Price Band is ₹ [●] per Equity Share ("**Cap Price**").

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper and Hindu Tamil Thisai, The Tamil Regional Newspaper (Tamil being the official language of Tamil Nadu, where our Registered Office is situated), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on its websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled **"*Basis of Issue Price*"** beginning on page 96 of this Red Herring Prospectus.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

Minimum Application Value, Market Lot and Trading Lot

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall be 2 lots and value exceeding ₹ 2,00,000/- (Rupees Two Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated July 18, 2024.
- Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated June 05, 2024.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

Further in accordance with the Regulation 268(1) of SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, the minimum number of allottees in this Offer shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within two (2) working days of closure of Issue.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Jurisdiction

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, ―U.S. personal (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulations under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page 69 of this Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled **"*Description of Equity Shares and terms of the articles of association*"** on page 271 of this Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue and price band advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus/Red Herring Prospectus with Stock Exchange.

ISSUE PROGRAM

Events	Indicative Dates
Anchor Portion Issue open/closes on	Wednesday, September 10, 2025[(1)]
Bid/Issue Opening Date	Thursday, September 11, 2025
Bid/Issue Closing Date	Monday, September 15, 2025[(2) (3)]
Finalization of Basis of Allotment with the Designated Stock Exchange	Tuesday, September 16, 2025
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before Wednesday, September 17, 2025
Credit of Equity Shares to Demat accounts of Allottees	On or before Wednesday, September 17, 2025

Commencement of trading of the Equity Shares on the Stock Exchange	On or before Thursday, September 18, 2025

(1) Our Company in consultation with the BRLM, may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.

(2) Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

(3) UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Issue Closing Date, i.e. Monday, September 15, 2025

*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation / withdrawal / deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted / partially allotted Application, exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated June April 2, 20, 2021 2022 and and SEBI SEBI circular no. No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above timetable other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLM.

Any circulars or notifications from the SEBI after the date of this Red Herring Prospectus may result in changes to the timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such time as prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, our Company shall within three days from the closure of the Issue, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The Shareholder, severally and not jointly, has specifically confirmed that it shall extend such reasonable support and co-operation required by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within such time as prescribed by SEBI.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 4.00 p.m. Indian Standard Time **("IST")**
Bid/Offer Closing Date*	

Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For IIs, other than QIBs and NIIs	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Individual, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Individual, Non-Individual Applications)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories[#]	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by IBs	Only between 10.00 a.m. and up to 4.00 p.m. IST

** UPI Mandate Acceptance/ Confirmation shall be available upto 5:00 PM on the last day of bidding.*

[#] QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays) On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 4.00 p.m. IST or such extended time as permitted by the Stock Exchange in case of Bids by IIs.

On Bid / Offer Closing Date, extension of time may be granted by the Stock Exchange only for uploading Bids received by Individual Investors, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the

respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum Subscription

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 200 (Two hundred).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall be 2 lots and minimum application size above ₹ 2,00,000 (Rupees Two Lac only) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018 and as amended, to the extent applicable, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

As per Regulation 280(2) of the SEBI ICDR Regulation, 2018 and as amended, Where the post-issue paid up capital of the Company listed on a BSE SME is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its equity shares listed on a BSE SME to the Main Board and seek listing of the equity shares proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of equity shares laid down by the Main Board:

Provided that no further issue of capital shall be made unless –

a) the shareholders have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;
b) the Company has obtained an in principle approval from the Main Board for listing of its entire specified securities on it.

Provided further that where the post-issue paid-up capital pursuant to further issue of capital including by way of rights issue, preferential issue, bonus issue, is likely to increase beyond ₹25 crores, the Company may undertake further issuance of capital without migration from SME exchange to the main board, subject to the undertaking to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to companies listed on the main board of the stock exchange(s)."

If the Paid-up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Main board from the SME Platform, amongst others, has to fulfill following conditions:

Eligibility Criteria	Details

Paid up capital and market capitalization	Paid-up capital of more than 10 Crores and Market Capitalisation should be minimum ₹ 25 Crores. (Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)
Promoter holding	Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.
Financial Parameters	• The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediate preceding Financial Year of making the migration application to Exchange • The applicant company should have a Net worth of at least ₹ 15 crores for 2 preceding full financial years
Track record of the company in terms of listing/ regulatory actions, etc	The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.
Regulatory action	• No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals. • No Debarment of company, promoters/promoter group, subsidiary company by SEBI. • No Disqualification/Debarment of directors of the company by any regulatory authority. • The applicant company has not received any winding up petition admitted by a NCLT
Public Shareholder	The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
Other parameters like No. of shareholders, utilization of funds	• No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies. • No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies. • The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform. • The applicant company has no pending investor complaints. • Cooling off period of 2 months from the date the security • has come out of trade-to-trade category or any other surveillance action.

Notes:

1. Net worth definition to be considered as per definition in SEBI ICDR.
2. Company is required to submit Information Memorandum to the Exchange as prescribed in SEBI (ICDR) Regulations.
3. The application submitted to the Exchange for listing and mere fulfilling the eligibility criteria does not amount to grant of approval for listing.
4. If the documents and clarification received from the applicant company are not to the satisfaction of BSE, BSE has the right to close the application at any point of time without giving any reason thereof. Thereafter, the company can make fresh application as per the extant norms.
5. The Exchange may reject application at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange.

Market Making

The shares issued and transferred through this Issue are proposed to be listed on the SME Platform of BSE Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as

may be prescribed by the Stock Exchange, from the date of listing on the SME Platform of BSE Limited. For further details of the market making arrangement please refer to chapter titled "*General Information*" beginning on page 59 of this Red Herring Prospectus.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting

Except for the lock-in of the pre- Issue capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in *"Capital Structure"* beginning on page 69 of this Red Herring Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see *"Main Provisions of the Articles of Association"* beginning on page 271 of this Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Option to receive securities in Dematerialized Form

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further, it is mandatory for the investor to furnish the details of his/her depository account, & if for any reason, details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes, etc. issued by our Company.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is [●], shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue, please refer chapter titled "*Terms of Issue*" and "*Issue Procedure*" on page no. 228 and 240 respectively of this Red Herring Prospectus.

This public issue comprises of upto 65,07,000 equity shares of face value of ₹10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the "issue price") aggregating up to ₹ [•] lakhs ("the issue") by our Company. The Issue and the Net Issue will constitute 27.15% and 25.79% respectively of the post issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process (1):

Particulars of the Issue ([2])	**Market Maker Reservation Portion**	**QIBs**	**Non-Institutional Applicants**	**Individual Investors**
Number of Equity Shares available for allocation	Up to 3,26,000 Equity shares	Not more than 30,87,000 Equity Shares.	Not less than 9,30,000 Equity Shares	Not less than Equity Shares 21,64,000
Percentage of Issue size available for allocation	5.01% of the issue size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.	Not more than 15% of the Net Issue or the Issue less allocation to QIBs and Individual Investors/Bidders was available for allocation. Further, (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs (b) two third of the portion available to noninstitutional investors shall be reserved for applicants with application size of more than ₹10 lakhs, provided that the unsubscribed portion in either the sub-categories mentioned above could be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Net Issue
Basis of Allotment(3)	Firm Allotment	Proportionate as follows: a) Up to 62,000 Equity Shares shall be available for allocation on a proportionate basisto Mutual Funds only; and	Subject to the availability of shares in non-institutional investors' category, the allotment of equity shares to each	Subject to the availability of shares in Individual Investor category, the allotment of

Particulars of the Issue ([2])	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Individual Investors
		b) Up to 11,73,000 Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	noninstitutional category shall not be less than the minimum application size in non-institutional investor category, and the remaining shares, if any, shall be allotted on a proportionate basis, the [●] Equity Shares shall be allotted in multiples of [●] Equity Shares. For details, see "*Issue Procedure*" beginning on page 240 of this Red Herring Prospectus.	equity shares to each individual investor shall not be less than the minimum application size in individual investor category, and the remaining shares, if any, shall be allotted on a proportionate basis.
Mode of Bid	Only through the ASBA Process	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that Bid quantity exceeds 2 lots and Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares that Bid quantity exceeds 2 lots and Bid size exceeds ₹ 200,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Quantity shall be minimum 2 bid lot and Bid Amount exceeds ₹ 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of theNet Issue, subject toapplicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Quantity shall be minimum 2 bid lot and the Bid Amount exceeds ₹ 2,00,000
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and inmultiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the	Only through the ASBA process	Only through the ASBA	Only through the

Particulars of the Issue ([2])	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Individual Investors
	ASBA process (excluding the UPI Mechanism).	(excluding the UPI Mechanism).	process (including the UPI Mechanism for a Bid size of up to ₹ 500,000)	ASBA process (including the UPI Mechanism
Who can apply	Market Maker	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹2500 lakhs , pension fund with minimum corpus of ₹2500 lakhs, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws including FEMA Rules.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares so that the Bid Amount shall be above two lots, accordingly, the minimum application size shall be above ₹2.00 Lakhs.

(1) This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018, this is an issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

(3) Subject to valid Bids being received at or above the issue price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories ofBidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

(4) Our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2018, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details please refer to the section titled *"Issue Procedure"* beginning on page 240 of the Red Herring Prospectus

SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025 effective from the date of their publication in official gazette, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and allotment to Non- Institutional

Investors shall be more than two lots, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see *"Terms of the Issue"* on page 228.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

ISSUE PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v)issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

The SEBI ICDR Regulation, 2018 and as amended, permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non- Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of Equity Shares in the Non – Institutional investors category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) Regulations, 2018 and as amended. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.

Further, SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025, our Company shall ensure that the minimum application size shall be two lots per application and minimum application size above ₹ 2 lakhs:

"Provided that the minimum application size shall be above ₹ 2 lakhs."

SEBI through the UPI Circulars no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and any subsequent circulars or notifications issued by SEBI in this regard, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by UPI Bidders through intermediaries from January 1, 2019. The UPI Mechanism for UPI Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (UPI Phase I).

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by IIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("UPI Phase III"), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue

will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

Further, pursuant to SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023("SEBI RTA Master Circular") and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The SEBI RTA Master Circular consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for RTAs.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application size are up to ₹5,00,000 shall use the UPI Mechanism and provide their UPI ID in the Bid-cum-Application Form for bidding through Syndicate, sub syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of

₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide the SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

Further, our Company and the BRLM are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

The BRLM shall be the nodal entity for any issues arising out of public issuance process.

Our Company and the Syndicate are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL; our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-issue shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Issue Opening Date.

BOOK BUILDING PROCEDURE:

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation to Non-Institutional Bidders (of which one third of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹10 lakhs) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Offer Price and not less than 35.00% of the Issue shall be available for allocation to Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under- subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for IBs Bidding in the Individual Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Issue, subject to applicable laws.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of BSE Limited i.e. https://www.bseindia.com/. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

Phased implementation of Unified Payments Interface

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by IIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

a) Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

b) Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

c) Phase III: Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

d) SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company may choose to close this Issue within three (03) working days, in accordance with the timeline provided under the aforementioned circular.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors complaints in this regard, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Individual Bidders using the UPI.

The processing fees for applications made by Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of BSE Limited (https://www.bseindia.com/) at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

ASBA Bidders (i.e., those not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

The UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of Electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of Electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. IIs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Since the Issue is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

a) IIs (other than the IIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

b) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

c) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

d) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Individual, QIB and NIB and also for all modes through which the applications are processed.

UPI Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

Anchor Investors are not permitted to participate in the Issue through the ASBA process. For Anchor Investors, the Anchor Investor Application Form is available with the BRLM.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

Note: *Electronic Bid Cum Application Forms will also be available for download on the website of the BSE Limited (*https://www.bseindia.com/*).*

*** Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

The Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any escrow bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded up to 4.00 p.m. on Bid/ Issue Closing Date.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such Individual Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR /2022/75 dated May 30, 2022.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("Cut- Off Time"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking of funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid / Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Issue Bidding process.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries")

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Individual investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by Investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re- submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

WHO CAN BID?

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);

b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: ―Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;

c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

d) Mutual Funds registered with SEBI;

e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than EligibleNRIs are not eligible to participate in this Issue;

f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);

g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;

h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder ‘s category;

j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;

k) Foreign Venture Capital Investors registered with the SEBI;

l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating toTrusts and who are authorized under their constitution to hold and invest in equity shares;

m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;

o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

r) Multilateral and bilateral development financial institution;

s) Eligible QFIs;

t) Insurance funds set up and managed by army, navy or air force of the Union of India;

u) Insurance funds set up and managed by the Department of Posts, India;

v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicableto them.

APPLICATIONS NOT TO BE MADE BY:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non- resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is

through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

Participation by Promoters, Promoter Group, The Book Running Lead Manager, The Syndicate Members and Persons Related to Promoters/Promoter Group/The Book Running Lead Manager

The Book Running Lead Manager and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Issue under the Anchor Investor Portion:

a. mutual funds sponsored by entities which are associate of the Book Running Lead Manager;

b. insurance companies promoted by entities which are associate of the Book Running Lead Manager;

c. AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or

d. FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Issue under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter or Promoter Group of our Company.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. **For Individual Bidders**

   Individual Investor who applies for 2 lots with minimum application size of above Rs 2 lakhs. In case of revision of Applications, the Individual Bidders have to ensure that the Application Price exceeds ₹ 2,00,000.

2. **For Other than Individual Bidders (Non-Institutional Applicants and QIBs):**

   The Application must be for more than two lots and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

   In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application is for more than two lots for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

METHOD OF BIDDING PROCESS

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the

same shall be advertised in all editions Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and Hindu Tamil Thisai, The Tamil Regional Newspaper (Tamil being the official language of Tamil Nadu, where our Registered Office is situated) each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions Financial Express, an English national daily newspaper , all editions of Jansatta, a Hindi national daily newspaper and Hindu Tamil Thisai, The Tamil Regional Newspaper (Tamil being the official language of Tamil Nadu, where our Registered Office is situated) each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.

b) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Buildup of the Book and Revision of Bids".

d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

e) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.

f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.

g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d. Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price

Band. Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants

Option to Subscribe in the Issue

a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.

b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders:

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in all editions Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Hindu Tamil Thisai, The Tamil Regional Newspaper (Tamil being the official language of Tamil Nadu, where our Registered Office is situated) each with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

BIDS BY HUFS

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

BIDS BY MUTUAL FUNDS

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

BIDS BY ELIGIBLE NRIS

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non- repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 270. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

BIDS BY FPIS

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for Individual trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or

Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments(as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivate instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and

(ii). Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which finalized the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that finalized the multi- investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "MIM Structure"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

BIDS BY BANKING COMPANIES

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by

RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non- financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid- up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see *"Key Industrial Regulations and Policies"* beginning on page 146

BIDS BY SCSBS

SCSBs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

BIDS BY SYSTEMICALLY IMPORTANT NBFCS

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the

group, whichever is lower; and

c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

BIDS BY ANCHOR INVESTORS

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs
3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
    - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
    - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
    - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject toa minimum Allotment of 100.00 Lakhs per Anchor Investor.
6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown

graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.

10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30days from the date of Allotment.

11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.

12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.

2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Individual Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the

Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:
Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of: a. In case of resident Anchor Investors: ― "Airfloa Rail Technology Limited Anchor R Account– Anchor Account- R"

b) In case of Non-Resident Anchor Investors: ― "Airfloa Rail Technology Limited- Anchor NR Account – Anchor Account- NR"

c) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
    i. the applications accepted by them,
    ii. the applications uploaded by them
    iii. the applications accepted but not uploaded by them or
    iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
    (i) The applications accepted by any Designated Intermediaries
    (ii) The applications uploaded by any Designated Intermediaries or
    (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
   - Name of the Bidder;
   - IPO Name:
   - Bid Cum Application Form Number;
   - Investor Category;
   - PAN (of First Bidder, if more than one Bidder);
   - DP ID of the demat account of the Bidder;
   - Client Identification Number of the demat account of the Bidder;
   - Number of Equity Shares Applied for;
   - Bank Account details;
   - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch wherethe ASBA Account is maintained; and
   - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having acceptedthe Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Individual Bidders and Individual Bidders, applications would not be rejected except on the technicalgrounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application detailswith Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID,

Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.

b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

Withdrawal of Bids

a) No category is allowed to withdraw their bids at any stage.

Price Discovery and Allocation

a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price.

b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentageof Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in theRHP. For details in relation to allocation, the Bidder may refer to the RHP.

c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other categoryor combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the DesignatedStock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.

e) In case if the Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue, it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an IB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an IB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum ApplicationForm is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form forall your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form shouldcontain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary accountheld in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. IBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank accountlinked UPI ID (only for IBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blockingfunds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of IBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes ("CBDT") notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in theDepository database;
22. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being usedfor making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. IBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which IBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to finalized blocking of funds equivalent to the revised Bid Amount in the IB's ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
25. IBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of themandate using his/her UPI PIN, an IB may be deemed to have verified the attachment containing the application details of the IB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (IBs bidding using theUPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of www.sebi.gov.in); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
4. Do not Bid at Cut-off Price;
5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
6. Do not submit the Bid for an amount more than funds available in your ASBA account.
7. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum ApplicationForms in a colour prescribed for another category of a Bidder;
8. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
9. If you are a IB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
11. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not submit the General Index Register (GIR) number instead of the PAN;
13. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
17. Do not submit a Bid using UPI ID, if you are not a IB;
18. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
19. Do not Bid for Equity Shares in excess of what is specified for each category;
20. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulationsor maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount)at any stage, if you are a QIB or a Non-Institutional Bidder. IBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
22. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
23. If you are an IB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
24. Do not Bid if you are an OCB; and
25. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled "*General Information*" and "*Our Management*" beginning on pages 59 and 157, respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled "*General Information*" beginning on page 59.

GROUNDS FOR TECHNICAL REJECTION

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by IBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by IBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Bids accompanied by stock invest, money order, postal order or cash; and
13. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by IBs uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see *"General Information"* beginning on page 59.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). 'T' being issue closing date. In partial modification to circulars dated March 16, 2021 and April 20, 2022, the compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company may choose to close this Issue within three (03) working days, in accordance with the timeline provided under the aforementioned circular. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

Names of entities responsible for finalized on the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND

CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted fromthe Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Biddersmay refer to the RHP.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders other than Individual Investors who applies for minimum application size, non institutional investors and Anchor Investors may be on proportionate basis. No Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

a) For Individual Investors

Bids received from the Individual Investors at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Individual Investors will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Individual Investors who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of the face value of ₹ 10/- each at or above the Offer Price, full Allotment shall be made to the Individual Investors to the extent of their valid Bids.
If the aggregate demand in this category is greater than [●] Equity Shares of the face value of ₹10/- each at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of ₹10/- each and in multiples of [●] Equity Shares of face value of ₹10/- each thereafter. For the method of proportionate Basis of Allotment, refer below.

b) For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Offer Price.

Subject to the availability of shares in non-institutional investors' category, the allotment of specified securities to each non-institutional investor shall not be less than the minimum application size in non-institutional investor category, and the remaining shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of SEBI ICDR, 2018.

The Issue Size less allotment to QIBs and Individual Investors shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of the face value of ₹10/- each at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares of the face value of ₹10/- each at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of the face value of ₹10/- each and in multiples of [●] Equity Shares of the face value of ₹10/- each thereafter. For the method of proportionate Basis of Allotment refer below.

c) For QIBs

Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

1. In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Funds exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (2) below;

2. In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares of face value of ₹10/- each on a proportionate basis, up to a minimum of [●] Equity Shares of face value of ₹10/- each and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, up to a minimum of [●] Equity Shares of face value of ₹10/- each and in multiples of [●] Equity Shares of face value of ₹10/- each thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares of face value of ₹10/- each.

d) Allotment to Anchor Investor

1. Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and allocation to Anchor Investors shall be on a discretionary basis and subject to:

  - a maximum number of two Anchor Investors for allocation up to ₹2 crores;
  - a minimum number of two Anchor Investors and a maximum number of 15 Anchor Investors for allocation of more than ₹2 crores and up to ₹25 crores subject to minimum allotment of ₹1 crores per such Anchor Investor; and
  - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

2. A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

3. In the event that the Offer Price is higher than the Anchor Investor Allocation Price:

   Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay- in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

4. In the event the Offer Price is lower than the Anchor Investor Allocation Price:

   Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

5. Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:

   In the event of the Offer Being Over-Subscribed, the Issuer may finalize the Basis of Allotment in consultation with the BSE (The Designated Stock Exchange). The allocation may be made in marketable lots on a proportionate basis as set forth hereunder:

   a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by the number of Shares applied for).
   b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
   c) For Bids where the proportionate allotment works out to less than [●] Equity Shares of the face value of ₹10/- each the allotment will be made as follows:

      - Each successful Bidder shall be allotted [●] Equity Shares of face value of ₹10/- each; and
      - The successful Bidder out of the total bidders for that category shall be determined by drawing lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.

   d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] Equity Shares of face value of ₹10/- each, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] Equity Shares of face value of ₹10/- subject to a minimum allotment of [●] Equity Shares of face value of ₹10/- each.

   e) If the Shares allotted on a proportionate basis to any category is more than the Equity Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares of face value of ₹10/- each, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Red Herring Prospectus.

Flow of events from the closure of Bidding period (T DAY) till Allotment:

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allotees as per process mentioned below:

Process for generating list of allotees: -

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by DSE is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these application s will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allotees, partial allotees and non- allottees, prepare the fund transfer letters

and advice the SCSBs to debit or unblock the respective accounts.

Individual Investor means an investor who applies for Minimum 2 lots and value exceeding ₹ 2,00,000 . Investors may note that in case of oversubscription, allotment shall be on a proportionate basis and will be finalized in consultation with BSE.

The authorized employee of the Designated Stock Exchange along with the Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

The Executive Director / Managing Director of BSE Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Issuance of Allotment Advice

1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.

2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

   The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.

3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

Instructions for Completing the Bid Cum Application Form

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE Limited i.e. https://www.bseindia.com/. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE Limited i.e. https://www.bseindia.com/

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository, the demographic details

including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 3 (three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company may choose to close this Issue within three (03) working days, in accordance with the timeline provided under the aforementioned circular.

BASIS OF ALLOTMENT

Allotment will be made in consultation BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

i. Each successful applicant shall be allotted [●] equity shares; and

ii. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.

5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the BSE Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non- Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Equity Shares in Dematerialised Form with NSDL/CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on July 18, 2024.

b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on June 05, 2024.

c) The Company's Equity shares bear an ISIN No. INE0XBS01012.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

PRE-ISSUE AND PRICE BAND ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Hindu Tamil Thisai, The Tamil

Regional Newspaper (Tamil being the regional language of Tamil Nadu, where our Registered Office is situated) each with wide circulation).

In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING

a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or before the filing of Red Herring Prospectus.

b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who:

I. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

II. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

III. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such anevent, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed;

and

- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) ("**DPIIT**"), issued the FDI Policy, which is effective from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Under the current FDI Policy, 100% foreign direct investment is permitted in the Railway Infrastructure and Defense Sector, under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Issue Procedure – Bids by Eligible NRIs***" and "***Issue Procedure – Bids by FPIs***" on page 240.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see "***Issue Procedure***" on page 240

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sales occur.

The Equity Shares have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX - DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

AIRFLOA RAIL TECHNOLOGY LIMITED

Company to be governed by these Articles

1. The Regulations contained in Table F, in the First Schedule to the Companies Act, 2013 (Table F), as are applicable to a Public Company Limited by Shares, shall apply to this Company, so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there are no specific provisions in these Articles.

The regulations for the management of the Company and for the observance by the members thereto and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alterations of, or addition to, its regulations by Resolution, as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

General Powers

2. Wherever in the Act or other laws, it has been provided that the company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is authorized by its articles, then and in that case, this Article authorizes and empowers the Company and its board of directors to have such rights, privileges or authorities to carry such transaction as have been permitted by the Act, without there being any specific article in that behalf and it shall be deemed that the said rights, privileges or authorities are existing in these Articles

Act to override these Articles in case of inconsistency

3. Notwithstanding anything contained in these Articles, if any provision of these Articles is inconsistent with the provisions of the Act or any other laws or becomes inconsistent or repugnant with the provisions of the Act or any other laws on account of any amendment or modification or statutory re-enactment thereof, the Company shall be governed and bound by, and the Board shall be deemed to be authorized by these Articles to comply with, the provisions of the Act or any other laws to the extent of inconsistency or repugnancy.

Interpretation Clause

I.

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- **"Act"** means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013, along with the relevant Rules made there under. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.
- **"Annual General Meeting"** shall mean a General Meeting of the holders of Equity Shares held annually and any adjournment thereof in accordance with the applicable provisions of the Act.
- **"Articles"** shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.
- **"Auditors"** shall mean and include those persons appointed as such for the time being by the Company.

- **"Board" or "Board of Directors"** shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.
- **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles and Act.
- **"Business Day"** shall mean a day on which scheduled commercial banks are open for normal banking business;
- **"Capital" or "Share Capital"** shall mean the authorized share capital of the Company.
- **"Charge"** means an interest or lien created on the property or assets of a Company or any of its undertakings or both as security and includes a mortgage.
- **"Chairman / Chairperson"** shall mean Chairman of Board of Directors.
- **"Company" or "this Company"** shall mean **AIRFLOA RAIL TECHNOLOGY LIMITED**
- **"Company Secretary" or "Secretary"** shall means a Company Secretary as defined in Section (c) of subsection (1) of Section 2 of the Company Secretary Act, 1980 and who is appointed by a Company to perform the functions of a Company Secretary under this Act.
- **"Debenture"** includes debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not.
- **"Depositories Act"** shall mean The Depositories Act, 2018 and shall include any statutory modification or re-enactment thereof.
- **"Director"** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.
- **"Dividend"** shall include interim dividends.
- **"Document"** includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.
- **"Encumbrance"** shall mean any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;
- **"Equity Share Capital"** shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.
- **"Equity Shares"** shall mean fully paid-up equity shares of the Company having a par value per equity shares of the Company, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.
- **"Executor" or "Administrator"** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- **"Extraordinary General Meeting"** shall mean an extraordinary general meeting of the members duly called and constituted and adjourned holding in accordance with the provisions of the Articles and Act.
- **"Financial Year"** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- **"Law/Laws"** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.
- **"Memorandum"** shall mean the Memorandum of Association of the Company, as amended from time to time.
- **"Member"** – means duly registered holder for the time being of the shares of the Company and in case of shares held in dematerialized form, such person whose name is entered as a beneficial owner in the records of a depository
- **"Month"** means a calendar month.

- **"Office"** shall mean the registered office for the time being of the Company.
- **"Paid-up"** shall include the amount credited as paid up.
- **"Person"** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- **"Register of Members"** shall mean the register of Shareholders to be kept pursuant to Section 88 of the Act.
- **"Registrar"** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- **"Rules"** shall mean the rules made under the Act and as notified from time to time.
- **"Seal"** shall mean the common seal(s) for the time being of the Company, if any or any other method of authentication of documents as specified under the Act or amendment thereto.
- **"SEBI"** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- **"SEBI Listing Regulations"** shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.
- **"Securities" or "securities"** shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.
- **"Shares" or "shares"** shall mean any share issued in the Share Capital of the Company, including Equity Shares, preference shares and includes stock.
- **"Shareholder" or "shareholder" or "member"** shall mean any shareholder of the Company, from time to time.
- **"Shareholders' Meeting"** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.
- **"Stock Exchanges"** shall mean the BSE Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities will be / are listed.

Interpretation

In these Articles (unless the context requires otherwise):

(a) References to a person shall, where the context permits, include such person's respective successors, legal heirs and permitted assigns.

(b) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(c) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.

(d) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(e) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(f) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(g) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re- enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(h) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

Public Company

II. (1) "public company" means a company which—
(a) is not a private company;
(b) has a minimum paid-up share capital as may be prescribed:
Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles

Share capital and Variation of Rights

III. **1.** Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, -
(a) one certificate for all his shares without payment of any charges; or
(*b*) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(*ii*) Every certificate shall specify the shares to which it relates and the amount of paid-up thereon and shall be signed by two directors or by director and the company secretary, where the company has appointed a company secretary:

Provided that in case the company has a common seal, it shall be affixed in the presence of the persons required to sign certificate.

(*iii*) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (*i*) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without payment of fee if the directors so decide or on payment of not exceeding twenty rupees for each certificate as the directors shall prescribe.

Every Certificate shall be issued in such manner as prescribed under the Act or Rules framed thereunder or under other applicable laws applicable from time to time.

The particulars of every renewed or duplicate share certificate issued shall be entered forthwith in a Register of Renewed and Duplicate Share Certificates maintained in prescribed format indicating against the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross-references in the "Remarks" column.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.

(*ii*) The provisions of Articles (*2*) and (*3*) shall *mutatis mutandis* apply to debentures and other securities of the company.

4. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (*i*) The company may exercise the powers of paying commissions conferred by sub-section (*6*) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(*ii*) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(*iii*) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (*i*) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(*ii*) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *Pari passu* therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, the appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in the Act and Rules framed thereunder.

The Company may provide share-based benefits including but not limited to Stock Options, Stock Appreciation Rights, or any other co-investment share plan and other forms of share-based compensations to Employees including its Directors other than independent directors and such other persons as the rules may allow, under any scheme, subject to the provisions of the Act, the Rules made thereunder and any other law for the time being in force, by whatever name called.

Subject to compliance with applicable provision of the Act and Rules framed thereunder and other applicable laws, the Company shall have power to issue depository receipts and other permissible securities in any foreign country and to seek listing thereof on any foreign stock exchange(s).

Subject to compliance with applicable provisions of the Act and Rules framed thereunder, the Company shall have power to issue any kind of securities or kinds of share capital as permitted to be issued under the Act and rules framed thereunder.

The Company may issue warrants subject to compliance with the provisions of the Act, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modifications or re-enactment thereof and other applicable laws as may be applicable.

The provisions of these Articles relating to share capital and variation of rights thereon shall mutatis mutandis apply to Debentures and other securities of the Company, as applicable.

The Board shall comply with such Rules or Regulations or Requirements of any stock exchange or the Rules made under Securities Contract (Regulations) Act, 1956 or any other Act or Rules as may be applicable for the purpose of these Articles.

Provided that any restriction, condition or prohibition required to be included in the Articles of Association pursuant to any such Rules, Regulations or Requirements of any stock exchange or the Rules made under Securities Contract (Regulations) Act, 1956 or any other Act and which are not incorporated in these Articles shall be deemed have effect as if such restriction, condition or prohibition are expressly provided by or under these Articles.

Company shall not give whether directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company, save as provided by Section 67 of the Act.

If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

Dematerialization

8A. Subject to the provisions of the Act and Rules made thereunder the Company shall Issue its members facility to hold securities issued by it in dematerialized form and will Issue the Securities for subscription in dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any, and the register and index of beneficial owners maintained by the relevant Depository under section 11 of the Depositories Act, 1996, shall be deemed to be the corresponding register and index maintained by the Company.

Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the register of members as a holder of any share or whose names appear as beneficial owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognize any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

Unless otherwise permitted under the Act or the Depositories Act, 1996, the Company shall Issue and allot, and every person subscribing to securities offered by the Company shall hold, the securities in dematerialized form with a Depository. The Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in the records the name of the allottee as the beneficial owner of the security. Such a person who is a beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required Certificates of Securities.

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 90 and such other applicable provisions of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner. (b) Save and otherwise provided above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all liabilities in respect of the securities held by a Depository on behalf of the beneficial owner.

Notwithstanding anything contained in these Articles, where securities issued by the Company are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

Nothing contained in Section 45 of the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a Depository.

Lien

9. **(**i). The company shall have a first and paramount lien

a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(*ii*) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

(iii). That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(*a*) unless a sum in respect of which the lien exists is presently payable; or

(*b*) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (*i*) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(*ii*) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(*iii*) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (*i*) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(*ii*) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

No Shareholder shall exercise any voting right in respect of any shares or Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

Underwriting and Brokerage

12A.

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such reasonable brokerage as may be lawful.

Calls on Shares

13. (*i*) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(*ii*) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(*iii*) A call may be revoked or postponed at the discretion of the Board

(iv) That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits

14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (*i*) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(*ii*) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (*i*) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(*ii*) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board—

(*a*) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(*b*) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of Shares

19. (*i*) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(*ii*) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(*a*) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(*b*) any transfer of shares on which the company has a lien.

21. The Board may decline to recognize any instrument of transfer unless—

(*a*) the instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56;

(*b*) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(*c*) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of Shares

23. (*i*) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(*ii*) Nothing in clause (*i*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (*i*) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(*a*) to be registered himself as holder of the share; or

(*b*) to make such transfer of the share as the deceased or insolvent member could have made.

(*ii*) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (*i*) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(*ii*) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(*iii*) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

In the case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Every holder of securities of the Company who intends to transfer such securities shall get such securities dematerialized before the transfer;
Provided that, requests for effecting transfer of securities shall not be processed by the Company unless the securities are held in the dematerialized form with a depository.

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities issued by the Company, affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

NOMINATION

a) Notwithstanding anything contained in these Articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Act, shall apply in respect of such nomination.

b) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Act, read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014.

c) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.

If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

a) to be registered himself as holder of the security, as the case may be; or

b) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;

c) if the nominee elects to be registered as holder of the security, himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder;

d)a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Forfeiture and Surrender of shares

27. If a member fails to pay any call, or instalment of a call, or any moneys due in respect of any shares either by way of principal or interest on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment any part thereof or other moneys as aforesaid remains unpaid, serve a notice on him or his legal representatives or to any of the Persons entitled to the shares by transmission requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall—

(*a*) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(*b*) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act.

When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

30. (*i*) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(*ii*) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (*i*) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(*ii*) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (*i*) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(*ii*) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(*iii*) The transferee shall thereupon be registered as the holder of the share; and

(*iv*) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

The Board may, at any time, before any share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution, —

(*a*) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(*b*) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(*c*) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(*d*) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

(e) Permission for sub-division/ consolidation of share certificates

36. Where shares are converted into stock, —

(*a*) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(*b*) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(*c*) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law, —

(*a*) its share capital;

(*b*) any capital redemption reserve account; or

(*c*) any share premium account.

Capitalization of Profits

38. (*i*) The company in general meeting may, upon the recommendation of the Board, resolve—

(*a*) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(*b*) that such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(*ii*) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), either in or towards—

(*A*) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(*B*) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(*C*) partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*);

(*D*) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(*E*) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (*i*) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(*a*) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(*b*) generally, do all acts and things required to give effect thereto.

(*ii*) The Board shall have power—

(*a*) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(*b*) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(*iii*) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (*i*) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(*ii*) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

43. (*i*) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(*ii*) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

47. **(**i). The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii). No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii). When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv). Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

48. **(i). Subject to any rights or restrictions for the time being attached to any class or classes of shares**

(ii). on a show of hands, every member present in person shall have one vote; and

(iii). on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

50. (i). In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii). For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

52. Any business other than that upon which a poll has been demanded maybe proceeded with, pending the taking of the poll.

53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid

54. (i). No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii). Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

58. **(a)** Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

(b) The Persons named hereinafter are the Directors of the Company at the time of adoption of new set of Articles:

1. D VENKATESAN
2. D MANIKANDAN
3. V SATHEESH KUMAR
4. MANIKANDAN NANTHINI
5. SUDHANSHOO MANI
6. TILAK RAJ SETH

The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations or any other Law, if applicable to the Company. The Board shall have an optimum combination of executive, Non-executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

(c) Subject to Article 41(a), Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.

(d) The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director.

(e) Whenever the Company enters into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for under-writing, the Directors shall have, subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, the power to agree that such appointer, to appoint by a notice in writing addressed to the Company, one or more persons as a Director or Directors of the Company for such period and upon such conditions as may be mentioned in the agreement. Any Director so appointed is herein referred to as a Nominee Director.

(f) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.

(g) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.

The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.

The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under these Articles. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting but shall be eligible for appointment by the Company as a Director at that Meeting subject to the provisions of the Act.

Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, whose appointment shall be subsequently approved by members in the immediate next general meeting, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.

The office of a Director shall be deemed to be vacated in accordance with Section 167 of the Act

The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be re-appointed a Director by the Board of Directors.

Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.

59. (*i*) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(*ii*) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(*a*) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(*b*) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. (*i*) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(*ii*) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

65. (*i*) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(*ii*) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) At least 4 (four) Board Meetings shall be held in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.

(iv) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed under the Act, which are capable of recording and recognizing the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio-visual means. Any meeting of the Board held through video conferencing or other audio-visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

66. (*i*) The quorum for a meeting of the Board shall, unless otherwise provided under the Act or other applicable laws, be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other permitted means shall also counted for the purposes of this Article. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time.

Explanation: The expressions “interested Director” shall have the meanings given in Section 184(2) of the said Act and the expression “total strength” shall have the meaning as given in Section 174 of the Act.

Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(*ii*) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(iii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

68. (*i*) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

69. (*i*) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(*ii*) The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

70. (*i*) A committee may elect a Chairperson of its meetings.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

71. (*i*) A committee may meet and adjourn as it thinks fit.

(*ii*) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Resolution by Circulation

No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the Directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of Directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution approved by way of circulation shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

Powers of the Board

The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by these Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Managing and Whole-Time Directors

(a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time appoint one or more of their body to be a Managing Director, Joint Managing Director or Managing Directors or Whole-time Director or Whole-time Directors or Manager either for a fixed term or for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company if any) remove or dismiss him or them from office and appoint another or others in his or their place or places.

(b) Subject to the provisions of the Act and these Articles, the Managing Director, or the Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal of any other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole Time Director if he ceases to hold the office of Director from any cause provided that if at any time the number of Directors (including Managing Director or Whole Time

Directors) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole Time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation to the intent that the Directors not so liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

(c) A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.

(d) (a) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board. (b) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers. (c) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles. (d) The Managing Director or Whole-time Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in them to any officers of the Company or any persons/firm/company/ other entity for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit. (e) Notwithstanding anything contained in these Articles, the Managing Director or Whole-time Director is expressly allowed generally to work for and contract on behalf of the Company and specially to do the work of Managing Director or Whole-time Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between them and the Directors of the Company.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

74. Subject to the provisions of the Act, —

(*i*) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(*ii*) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

76. The Seal

Common seal is not mandatory under the Companies Act 2013, therefore not required.

Dividends and Reserve

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

79. (*i*) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(*ii*) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

80. (*i*) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(*ii*) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(*iii*) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

82. (*i*) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be bound to register more than three persons as the joint holders of any share. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsements on any cheque or warrant, or the fraudulent or improper recovery thereof by any other means.

(*ii*) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as is by these Articles otherwise expressly provided or by law otherwise provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.

85. No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest against the company.

Documents and service of Notices

Any document or notice to be served or given by the Company be signed by a Director or such person duly authorized by the Board for such purpose and the signature may be written or printed or lithographed or through electronic transmission.

Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, any Key Managerial Personnel or other Authorized Officer of the Company (digitally or electronically) and need not be under the Common Seal of the Company and the signature thereto may be written, facsimile, printed, lithographed, Photostat.

A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by Registered Post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed: Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.

Accounts

86. (*i*) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(*ii*) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

Winding up

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(*i*) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(*ii*) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(*iii*) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Inspection and Extract of Documents

89. Subject to provisions of the Act and other applicable laws and of these Articles, the Company may allow the inspection of documents, register and returns maintained under the Act to members, creditors and such other persons as are permitted subject to such restrictions as the Board may prescribe and also furnish extract of documents, registers and returns to such persons as are permitted to obtain the same on payment of such fees as may be decided by Board which shall, in no case, exceed the limits prescribed under the Act.

Shares at The Disposal of The Directors

90. (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.

(b) Subject to applicable Law, the Directors are hereby authorized to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for Issue and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and SEBI under SEBI Listing Regulations or any other Law, if applicable to the Company, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.

(c) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

(d) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(e) In accordance with Section 56 and other applicable provisions of the Act and the Rules:
- Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued in the manner prescribed under section 46 of the Act and the Rules framed thereunder. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. A certificate issued under the Seal of the Company, if any, or signed by two Directors or by a Director and the Secretary, specifying the Shares held by any Person shall be prima facie evidence of the title of the Person to such Shares. Where the Shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.

- Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment in case of Shares and 6 (six) months from the date of allotment in case of Debentures, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 17 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled but shall not be bound, to prescribe a charge not exceeding Rs. 20 (Rupees 20).
- The Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot. Where share certificates are issued in either more or less than marketable lots, sub-division or consolidation of share certificates into marketable lots shall be done free of charge.
- A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Further issue of Shares

91. Where at any time the Board or the Company, as the case may be, proposes to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

(i) To the persons who at the date of the Issue are holders of the Equity Shares, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares at that date, by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

(ii)The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days, or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer, within which the offer, if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(v) to employees under any scheme of employees' stock option subject to Special Resolution passed by the shareholders of the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or

(vi) to any person(s), if it is authorized by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder;

(2) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the shareholders in a General Meeting.

(4) Notwithstanding anything contained in Articles hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the government to be reasonable in the

circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the government pass such order as it deems fit.

The Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

The Company may issue securities in any manner whatsoever as the Board may determine including by way of a preferential offer or private placement, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and / or 62 of the Act and rules framed thereunder as amended from time to time.

No fee on transfer or transmission

92. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

Payment in anticipation of call may carry interest

93. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount or the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid In advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

Nomination For Deposits

94. A security holder may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

Nomination in Certain Other Cases

95. Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

Borrowing Powers

96. (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(I) accept or renew deposits from Shareholders;

(II) borrow money by way of issuance of Debentures;

(III) borrow money otherwise than on Debentures;

(IV) accept deposits from Shareholders either in advance of calls or otherwise; and

(V) generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (not by circular resolution) shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the

whole or any part of the property of the Company (including its uncalled Capital), both present and future and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

(d) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board. Company shall have the power to keep in any state or country outside India a branch register of debenture holder's resident in that state or country.

(e) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(f) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

Share Warrants

97. (a) Share warrants may be issued as per the provisions of applicable Law.

(b) Power to issue share warrants

The Company may issue share warrants subject to, and in accordance with the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up on application in writing signed by the persons registered as holder of the share, and authenticated, by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(c) Deposit of share warrant

(I) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

(II) Not more than one person shall be recognized as depositor of the share warrant.

(III) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

(d) Privileges and disabilities of the holders of share warrant

(I) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.

(II) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of Members as the holder of the share included in the warrant, and shall be a Member of the Company.

e) Issue of new Share Warrant or Coupon

The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruct.

Passing of Resolutions by Postal Ballot

98. (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

Special Remuneration for Extra Services Rendered by A Director

99. If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a

fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

Disqualification And Vacation Of Office By A Director

100. (a) A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.

(b) Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

Committees And Delegation By The Board

101. (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations or any other Law, if applicable to the Company. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

(b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(c) The meetings and proceedings of any such Committee of the Board consisting of more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

Acts of Board or Committee Valid Notwithstanding Informal Appointment

102. (a) All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

(b) Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Notice by Advertisement

103. Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

Director's etc. Not liable for certain acts

104. Subject to the provision of the Act, no Director, Manager or Officer of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager or Officer or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the directors or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof, unless the same shall happen through the negligence, default, misfeasance, breach of duty or breach of trust of the relevant Director, Manager or Officer.

General Powers

105. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

Copies of Memorandum and Articles to be sent to Members

106. A copy of the Memorandum and Articles of Association of the Company and of any other document referred to in Section 17 of the Act shall be sent by the Company to a Member at his request on payment of Rs. 100 or such reasonable sum for each copy as the Directors may, from time to time, decide. The fees can be waived off by the Company.

SERIAL NO.	NAME, ADDRESS, DESCRIPTION AND OCCUPATION OF THE SUBSCRIBERS	NO. OF EQUITY SHARES TAKEN BY SUBSCRUBERS	NAME, ADDRESS, DESCRIPTION, AND OCCUPATION OF WITNESS
1	-sd/- D.VENKATESAN, S/o G.DHAKINAMOORTHY No. 12, THIRUVALLUVAR STREET, KEELKATTALAI, CHENNAI – 600 117 AGE:33years OCCUPATION: BUSINESS	100 (ONE HUNDRED ONLY)	-sd/- B. SARAVANA PRASATH, ACA CHARTERED ACCOUNTANT S/o SHRI N. BALABSUBRAMANIAN "SHRI GURU PADHUKA" 18-A, AKBARABAD 2ND STREET, KODAMBAKKAM, CHENNAI – 600 024 OCCUPATION: CHARTERED ACCOUNTANT
2	-sd/- V. REVATHI, W/o D. VENKATESAN No. 12, THIRUVALLUVAR STREET, KEELKATTALAI, CHENNAI - 600 117 AGE:25years OCCUPATION: BUSINESS	100 (ONE HUNDRED ONLY)	

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) or contracts entered into more than two years before the date of this Red Herring Prospectus which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Issue

(a) Issue Agreement dated June 03, 2025 entered between our Company and the Book Running Lead Manager.

(b) Registrar Agreement dated June 03, 2025 entered into amongst our Company and the Registrar to the Issue.

(c) Escrow and Sponsor Bank Agreement dated August 20, 2025 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.

(d) Tripartite Agreement dated July 18, 2024 between our Company, NSDL and the Registrar to the Issue. Tripartite Agreement dated June 05, 2024 between our Company, CDSL and the Registrar to the Issue.

(e) Market Making Agreement dated August 04, 2025 between our Company, Book Running Lead Manager and Market Maker.

(f) Underwriting Agreement dated August 04, 2025 between our Company and the Underwriters.

(g) Syndicate Agreement dated August 04, 2025 between our Company and the Syndicate Member.

(h) Sub-Syndicate Agreement dated August 04, 2025 between our Company and the Sub-Syndicate Member

(i) Monitoring agency agreement dated August 06, 2025 between our Company and the Monitoring Agency.

B. Material Documents

(a) Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended from time to time;

(b) Certificate of incorporation dated December 14,1998, issued by the RoC;

(c) Certificate of Incorporation dated August 27, 2024, issued by the ROC pursuant to change of name of the company;

(d) Fresh certificate of incorporation dated November 15, 2024, issued by RoC at the time of conversion from a private company into a public company;

(e) Resolutions of our Board of Directors dated December 12, 2024, in relation to the Issue and other related matters;

(f) Shareholders' resolution dated December 13, 2024, in relation to this Issue and other related matters;

(g) Resolution of the Board of Directors of the Company dated June 30, 2025 taking on record and approving the Draft Red Herring Prospectus.

(h) Resolution of the Board of Directors of the Company dated August 29, 2025 taking on record and approving the Red Herring Prospectus.

(i) Resolution of the Board of Directors of the Company dated [●] taking on record and approving the Prospectus.

(j) The examination report dated August 21, 2025, of Peer Reviewed Auditors on our Restated Financial Statements (Consolidated) and Restated Financial Statements (Standalone), included in this Red Herring Prospectus;

(k) Copies of the annual reports of the Company for the Fiscals 2024, 2023, 2022;

(l) Statement of Tax Benefits dated August 21, 2025 from the Peer Reviewed Auditors included in this Red Herring Prospectus;

(m) Consent of the Promoters, Directors, the Book Running Lead Manager, the Syndicate Members, the Legal Counsel to our Issue, the Registrar to the Issue, the Company Secretary and Compliance Officer and the Chief Financial Officer, to act in their respective capacities;

(n) Consent of the Statutory Auditors, M/s Varadarajan & Co., Chartered Accountants and Peer Reviewed Auditors, to include their name in this Red Herring Prospectus and as an "*Expert*" defined under Section 2(38) of the Companies Act, 2013, read with Section 26 of the Companies Act, 2013, in respect of the reports of the Peer Reviewed Auditors on the Restated Financial Statements dated August 21, 2025 and the statement of special tax benefits dated August 21, 2025 included in this Red Herring Prospectus;

(o) Due diligence certificate dated August 29, 2025 issued by Book Running Lead Manager BRLM;

(p) In principle listing approval dated August 11, 2025 issued by BSE;

(q) Site visit report conducted by BRLM dated July 18, 2024.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE CHAIRMAN AND MANAGING DIRECTOR OF OUR COMPANY Sd/- _____ **Venkatesan Dakshinamoorthy** **Chairman and Managing Director** **(DIN: 00232210)** Date: August 29, 2025 Place: Chennai	**SIGNED BY THE JOINT MANAGING DIRECTOR OF OUR COMPANY** Sd/- _____ **Manikandan Dakshna moorthy** **Joint Managing Director** **(DIN: 00232275)** Date: August 29, 2025 Place: Chennai
SIGNED BY THE DIRECTOR OF OUR COMPANY Sd/- _____ ***Sathishkumar Venkatesan*** **Whole-time Director** **(DIN: 08561438)** Date: August 29, 2025 Place: Chennai	**SIGNED BY THE NON- EXECUTIVE DIRECTOR OF OUR COMPANY** Sd/- _____ **Nandhini Manikandan** **Non-Executive Director** **(DIN: 08561378)** Date: August 29, 2025 Place: Chennai
SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY Sd/- _____ **Sudhanshu Mani** **Independent Director** **(DIN: 10124439)** Date: August 29, 2025 Place: Chennai	**SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY** Sd/- _____ **Tilak Raj Seth** **Independent Director** Date: August 29, 2025 Place: Chennai
SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY Sd/- _____ **P S Karunakaran** **Chief Financial Officer** Date: August 29, 2025 Place: Chennai	**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY** Sd/- _____ **Thygarajan Sivakumar** **Company Secretary & Compliance Officer** Date: August 29, 2025 Place: Chennai