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DRAFT RED HERRING PROSPECTUS
Dated September 29, 2022
(Please read Section 32 of the Companies Act, 2013)
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

AIROX TECHNOLOGIES LIMITED

CORPORATE IDENTITY NUMBER: U72900MH2012PLC236206

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Unit No. D-27, 5th Floor, Empire Mall Private Limited (PTC), Chikalthana, Aurangabad 431 006, Maharashtra, India	**Sankalp Kandi** *Company Secretary and Compliance Officer*	+91 240 6602 686 compliance@airoxtechnologies.com	www.airoxtechnologies.com

PROMOTERS OF OUR COMPANY: SANJAY BHARATKUMAR JAISWAL AND ASHIMA SANJAY JAISWAL

DETAILS OF THE OFFER

Type	Offer For Sale size	Total Offer size	Eligibility and Reservation
Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 7,500 million	Up to ₹ 7,500 million	The Offer is being made pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), as our Company did not fulfil requirement under Regulation 6(1) of the SEBI ICDR Regulations. For further details, see '***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***' on page 246. For details in relation to share reservation among QIBs, NIIs and RIIs, see '***Offer Structure***' on page 263.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

Name of Selling Shareholders	Type	Number of Equity Shares Offered/ Amount	Weighted Average Cost of Acquisition per Equity Share* (In ₹)
Sanjay Bharatkumar Jaiswal	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 5,250 million	0.37
Ashima Sanjay Jaiswal	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 2,250 million	0.37

* *As certified by M/s DMKH & Company, Chartered Accountants, by way of their certificate dated September 29, 2022.*

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price, the Cap Price and the Offer Price, as determined by our Company and the Promoter Selling Shareholders, in consultation with the book running lead managers ("**BRLMs**"), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in '***Basis for Offer Price***' beginning on page 74, should not be considered 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 or 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 this Offer 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 this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to '***Risk Factors***' beginning on page 21.

ISSUER'S AND PROMOTER SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft 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 Draft 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. Further, each of the Promoter Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that the statements specifically made or confirmed by such Promoter Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and/or its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. However, each of the Promoter Selling Shareholders, severally and not jointly, assumes no responsibility for any other statement, including, *inter alia*, any of the statements made by or relating to our Company or its business, or by any other Promoter Selling Shareholders, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being the BSE and the NSE. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

JM FINANCIAL	**JM Financial Limited**	**Contact person**: Prachee Dhuri	**Tel**: +91 22 6630 3030; +91 22 6630 3262 **E-mail**: airox.ipo@jmfl.com
ICICI Securities	**ICICI Securities Limited**	**Contact person**: Gaurav Mittal	**Tel**: +91 22 6807 7100 **E-mail**: airox.ipo@icicisecurities.com

REGISTRAR TO THE OFFER

Link Intime India Private Limited	**Contact person**: Shanti Gopalkrishnan	**Tel**: + 91 22 4918 6000; **E-mail**: airox.ipo@linkintime.co.in

BID/OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD	[●]*	**BID/ OFFER OPENS ON**	[●]*	**BID/ OFFER CLOSES ON**	[●]**#

* *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

\# *UPI mandate end time and date shall be at 5:00 pm on [●].*

DRAFT RED HERRING PROSPECTUS
Dated September 29, 2022
(Please read Section 32 of the Companies Act, 2013)
(*This Draft Red Herring Prospectus will be updated upon filing with the RoC)*
100% Book Built Offer

AIROX TECHNOLOGIES LIMITED

Our Company was incorporated as "Airox Technologies Private Limited" on September 26, 2012, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 26, 2012, issued by the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**"). Upon the conversion of our Company into a public limited company, pursuant to a resolution passed by our Shareholders on April 25, 2022, the name of our Company was changed to "Airox Technologies Limited" and a fresh certificate of incorporation dated May 18, 2022, was issued by the RoC. For details in relation to the changes in the registered office of our Company, see '***History and Certain Corporate Matters***' on page 139.

Corporate Identity Number: U72900MH2012PLC236206
Registered and Corporate Office: Unit No. D-27, 5th Floor, Empire Mall Private Limited (PTC), Chikalthana, Aurangabad 431 006, Maharashtra, India
Contact Person: Sankalp Kandi, Company Secretary and Compliance Officer; **Tel.**: +91 240 6602 686
E-mail: compliance@airoxtechnologies.com; **Website**: www.airoxtechnologies.com

PROMOTERS OF OUR COMPANY: SANJAY BHARATKUMAR JAISWAL AND ASHIMA SANJAY JAISWAL

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF AIROX TECHNOLOGIES LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") THROUGH AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 7,500 MILLION (THE "OFFER FOR SALE" OR THE "OFFER"), COMPRISING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 5,250 MILLION BY SANJAY BHARATKUMAR JAISWAL AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,250 MILLION BY ASHIMA SANJAY JAISWAL (TOGETHER, THE "PROMOTER SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHEREIN THE REGISTERED AND CORPORATE OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer 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 websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). The Offer is being made through the Book Building Process, in compliance with Regulation 6(2) of SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company and the Promoter Selling Shareholders in consultation with the BRLMs (the "**Anchor Investor Portion**"), of which one-third shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to the Anchor Investors (the "**Anchor Investor Allocation Price**"). Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors (the "**Non-Institutional Category**") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer shall be available for allocation to Retail Individual Investors (the "**Retail Category**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see '***Offer Procedure***' beginning on page 266.

RISKS IN RELATION TO FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10. The Offer Price/ Floor Price/ Cap Price, as determined and justified by our Company and the Promoter Selling Shareholders in consultation with the BRLMs in accordance with the SEBI ICDR Regulations and as stated in '***Basis for Offer Price***', beginning on page 74, should not be taken to be indicative of the market price of the Equity Shares after such 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. Further, each of the Promoter Selling Shareholders accept responsibility for and confirms that the statements made or confirmed by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer 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 this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and this Offer, including the risks involved. The Equity Shares 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to '***Risk Factors***' beginning on page 21.

ISSUER'S AND PROMOTER SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft 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 Draft 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. Further, each of the Promoter Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that the statements and undertakings specifically made or confirmed by such Promoter Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and/or its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. However, each of the Promoter Selling Shareholder, severally and not jointly, assumes no responsibility for any other statement, including, *inter alia*, any of the statements made by or relating to our Company or its business, or by any other Promoter Selling Shareholders, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see '***Material Contracts and Documents for Inspection***' on page 292.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
JM FINANCIAL	ICICI Securities	LINKIntime
JM Financial Limited 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel.:** +91 22 6630 3030, +91 22 6630 3262 **E-mail**: airox.ipo@jmfl.com **Investor grievance email:** grievance.ibd@jmfl.com **Contact person:** Prachee Dhuri **Website:** www.jmfl.com **SEBI Registration:** INM000010361	**ICICI Securities Limited** ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail :** airox.ipo@icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com **Contact person:** Gaurav Mittal **Website:** www.icicisecurities.com **SEBI Registration**: INM000011179	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai 400 083, Maharashtra, India **Tel:** +91 22 4918 6000 **E-mail:** airox.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Investor grievance e-mail:** airox.ipo@linkintime.co.in **Contact person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/OFFERPROGRAMME

ANCHOR INVESTOR BID/ OFFER PERIOD	[●]*	BID/ OFFER OPENS ON	[●]*	BID/ OFFER CLOSES ON	[●]**#

* *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.*

***Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

\# *UPI mandate end time and date shall be at 5:00 pm on [●].*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended 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 Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Unless the context otherwise requires, all references to 'we', 'us' and 'our' are to our Company.

*Notwithstanding the foregoing, terms in '**Statement of Special Tax Benefits**', '**Industry Overview**', '**Key Regulations and Policies in India**', '**Financial Information**', '**Outstanding Litigation and Material Developments**' and '**Main Provisions of the Articles of Association**', beginning on pages 76, 79, 136, 163, 240 and 286, respectively, will have the meaning ascribed to such terms in those respective sections.*

General Terms

Term	Description
Company or Issuer	Airox Technologies Limited, a public limited company incorporated under the Companies Act, 1956.

Company Related Terms

Term	Description
Articles or Articles of Association	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board, as described in '***Our Management***' on page 142.
Auditors or Statutory Auditors	The current statutory auditors of our Company, namely, Price Waterhouse Chartered Accountants LLP.
Board or Board of Directors	The board of directors of our Company (including any duly constituted committee thereof). For details, see '***Our Management***' on page 142.
Chief Financial Officer or CFO	The chief financial officer of our Company, namely Radhamohan Garg. For details, see '***Our Management***' on page 142.
Class A Equity Shares	Class A non-voting equity shares of ₹ 10 each.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Sankalp Kandi. For details, see '***Our Management***' on page 142.
CRISIL	CRISIL Limited.
CRISIL Report	Report on '*Assessment of Medical Oxygen Manufacturing Industry in India*' released in September 2022, prepared by CRISIL Research, a division of CRISIL Limited, commissioned and paid for by our Company, a copy of which is available on the website of our Company at https://airoxtechnologies.com/airoxIndustryReports
CSR Committee	The corporate social responsibility committee of our Board, as described in '***Our Management***' on page 142.
Director(s)	The director(s) on our Board. For details, see '***Our Management***' on page 142.
ESOP Scheme 2014	Employee Stock Option Plan 2014.
ESOP 2022	AIROX Employee Stock Option Plan 2022, as amended.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Independent Director(s)	The independent director(s) on our Board, namely, Janardhan Pralhadrao Gupta and Ravi Shivramakrishna Raman. For details, see '***Our Management***' on page 142.
IPO Committee	The committee constituted by our Board for the Offer.
Key Management/ Managerial Personnel	Key management/ managerial personnel of our Company in terms of the SEBI ICDR Regulations and as disclosed in '***Our Management***' on page 142.
Managing Director	The managing director of our Company, namely Sanjay Bharatkumar Jaiswal. For details, see '***Our Management***' on page 142.
Memorandum of Association	The memorandum of association of our Company, as amended from time to time.
Non-Executive Director	The non-executive director on our Board, namely, Ashima Sanjay Jaiswal. For details, see '***Our Management***' on page 142.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in '***Our Management***' on page 142.

Term	Description
Promoters	The promoters of our Company, namely, Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal.
Promoter Group	The individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations. For details, see '***Our Promoters and Promoter Group***' on page 157.
Registered and Corporate Office	Unit No. D-27, 5th Floor, Empire Mall Private Limited (PTC), Chikalthana, Aurangabad 431 006, Maharashtra, India.
Registrar of Companies or RoC	The Registrar of Companies, Maharashtra at Mumbai.
Restated Financial Information	Restated financial information of our Company as at and for the years ended March 31, 2022, March 31, 2021, and March 31, 2020 comprising the restated statement of assets and liabilities as at March 31, 2022, March 31, 2021, and March 31, 2020, the restated statement of profit and loss for the years ended March 31, 2022, March 31, 2021, and March 31, 2020, the restated statement of changes in equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the restated statement of cash flows for the years ended March 31, 2022, March 31, 2021, and March 31, 2020, notes to the restated financial information and statement of adjustments to audited financial statements for the year ended March 31, 2022 and to special purpose financial statements for the years ended March 31, 2021 and March 31, 2020, prepared in accordance with Section 26 of the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI.
Risk Management Committee	The risk management committee of our Board, as described in '***Our Management***' on page 142.
Shareholders	The holders of the Equity Shares from time to time.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in '***Our Management***' on page 142.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form.
Allot or Allotment or Allotted	Allotment of Equity Shares pursuant to the transfer of the Offered Shares by the Promoter Selling Shareholders pursuant to the Offer for Sale to the successful Bidders.
Allotment Advice	Advice or intimation of Allotment sent to the Bidders who have Bid in the Offer after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom an Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs during the Anchor Investor Bid/Offer Period.
Anchor Investor Application Form	The 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 the Prospectus.
Anchor Investor Bid/ Offer Period or Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, to Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company and the Promoter Selling Shareholders in consultation with the BRLMs 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.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not

Term	Description
	later than two Working Days after the Bid/ Offer Closing Date.
ASBA or Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and will include amounts blocked by UPI Bidders using the UPI mechanism.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII Bidder blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI mechanism to the extent of the Bid Amount of the Bidder/Applicant.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	Any Bidder (other than an Anchor Investor) in the Offer who intends to submit a Bid.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, the Refund Bank, the Public Offer Account Bank and the Sponsor Bank.
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in '***Offer Procedure***' on page 266.
Bid(s)	An indication by a Bidder (other than an Anchor Investor) to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable. In the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bidder or Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated SCSB Branches 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.
Bid Lot	[●] Equity Shares.
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Members of the Syndicate and communicated to the designated intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Members of the Syndicate and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.

Term	Description
	Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, being JM Financial and I-Sec.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker, provided that Retail Individual Investors may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
CAN or Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
CDP or Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the lists available on the websites of the BSE and the NSE.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Cut-Off Price	Offer Price, which shall be any price within the Price Band, finalised by our Company and the Promoter Selling Shareholders in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The details of the Bidders including the Bidder’s address, name of the Bidder’s father/ husband, investor status, occupation, bank account details and UPI ID, as applicable.
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, respectively) as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfers funds from the Escrow Account, and funds blocked by the SCSBs and Sponsor Bank are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Red Herring Prospectus following which the Equity Shares will be Allotted in the Offer.
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs and Non-Institutional Bidders Bidding with an application size of up to ₹ 500,000 (not using the UPI Mechanism) by authorising 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 Bidders 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, respectively) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 29, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price

Term	Description
	at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
Escrow and Sponsor Bank Agreement	The agreement dated [●] amongst our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Bank, and the Refund Bank(s) for among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof.
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Escrow Account(s) will be opened, in this case being [●].
First or sole Bidder	The Bidder whose name shall be mentioned in the Bid cum 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, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs.
I-Sec	ICICI Securities Limited.
JM Financial	JM Financial Limited.
Materiality Policy	Policy for identification of group companies, material outstanding civil litigations proceedings of our Company, our Promoters and our Directors and material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolution dated September 29, 2022.
Maximum RII Allottees	Maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
Mutual Fund Portion	[●] 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 Offer Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Proceeds	Proceeds of the Offer less Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see '***Objects of the Offer***' beginning on page 72.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Non-Institutional Bidder(s) or Non-Institutional Investor(s)	Bidders that are not QIBs or RIIs and who have Bid for Equity Shares for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for Applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (b) two-thirds portion shall be reserved for Applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Applicants in the other sub-category of, subject to valid Bids being received at or above the Offer Price.
Offer	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 7,500 million through the Offer for Sale by the Promoter Selling Shareholders.
Offer Agreement	The agreement dated September 29, 2022 among our Company, the Promoter Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The Offer for Sale by Sanjay Bharatkumar Jaiswal of up to [●] Equity Shares aggregating up to ₹ 5,250 million and Ashima Sanjay Jaiswal of up to [●] Equity

Term	Description
	Shares aggregating up to ₹ 2,250 million.
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders other than Anchor Investors in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus.
Offer Proceeds	The gross proceeds of this Offer based on the total number of Equity Shares Allotted under this Offer and the Offer Price.
Offered Shares	Up to [●] Equity Shares aggregating up to ₹ 7,500 million being offered for sale by the Promoter Selling Shareholders in the Offer.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof. The Price Band and minimum Bid Lot, as decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located**)**, each with wide circulation, at least two Working Days prior to the Bid/ Offer 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 websites. Provided that the Cap Price shall be at least 105% of the Floor Price and shall not be greater than 120% of the Floor Price.
Pricing Date	The date on which our Company and Promoter Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The bank account opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
Public Offer Account Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Offer.
QIB Bid/ Offer Closing Date	In the event our Company and the Promoter Selling Shareholders in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date.
QIB Portion	The portion of the Offer being not less than 75% of the Offer or [●] Equity Shares, which shall be available for allocation to QIBs (including Anchor Investors) on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three working days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank	The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registrar Agreement	The agreement dated September 29, 2022 entered into between our Company, the Promoter Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registered Brokers	Stock brokers 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 eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
Registrar to the Offer or Registrar	Link Intime India Private Limited
RTAs or Registrar and Share	The registrar and share transfer agents registered with SEBI and eligible to procure

Term	Description
Transfer Agents	Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Bidder(s) or Retail Individual Investor(s) or RII(s) or RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion	The portion of the Offer being not more than 10% of the Offer consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, which shall not be less than the minimum Bid Lot subject to availability in the retail portion, and the remaining Equity Shares to be Allotted on a proportionate basis.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other websites and updated from time to time.
Promoter Selling Shareholders	Together, Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal.
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement.
Share Escrow Agreement	The agreement to be entered into between our Company, the Promoter Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders.
Sponsor Bank	Bank registered with SEBI which will be appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and/ or payment instructions of the UPI Bidders into the UPI, the Sponsor Bank.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement to be entered into between our Company, the Registrar to the Offer, the Promoter Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations.
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members.
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Promoter Selling Shareholders, entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.
UPI Bidders	Collectively, individual investors who applied as Retail Individual Bidders in the Retail Portion and 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 are required to use UPI Mechanism and are required to provide their UPI ID in the Bid cum 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 website 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 Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI

Term	Description
	circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated 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 in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that shall be used by UPI Bidders to make a Bid in the Offer in accordance with UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, the expression "Working Day" shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI.

Technical/ Industry Related Abbreviations

Term	Description
ASU	Air Separation Units
ATF	Advanced Technology Fractionators
CAGR	Compound Annual Growth Rate
CE	Conformité Européenne
CFM	Cubic Feet Per Minute
ERP	Enterprise Resource Planning
GVA	Gross Value Added
HP	Horsepower
ICU	Intensive Care Unit
IP	Indian Pharmacopoeia
ISO	International Standards Organization
KV	Kilovolt
Kw/Hr	Kilowatt-hour
LPM	Litres Per Minute
MIG	Metal inert gas
MT	Metric Tonnes
Nm^3/Hr	Normal Meter Cubed Per Hour. Unit used to measure gas flow rate
O2	Oxygen
PLC	Programmable Logic Controller
PM	Particulate Matter
PM CARES	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund
PSA	Pressure Swing Adsorption
R&D	Research and Development
TIG	Tungsten inert gas
US FDA	U.S. Food and Drug Administration
y-o-y	Year on Year

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting.
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
BSE	BSE Limited.
Category II FPI	FPIs registered as "Category II foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
Companies Act	The Companies Act, 1956 and the Companies Act, 2013, as applicable.
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force.
CSR	Corporate Social Responsibility.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, read with regulations framed thereunder.
DDT	Dividend distribution tax
DIN	Director Identification Number.
DP ID	Depository Participant's Identity Number.
DP or Depository Participant	A depository participant as defined under the Depositories Act.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
FCNR	Foreign currency non-resident account.
FDI	Foreign Direct Investment.
FDI Circular	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
Financial Year or Fiscal or Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations.
GoI or Government or Central Government	The Government of India.
GST	Goods and services tax.
HUF	Hindu undivided family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards of the International Accounting Standards Board.
Income Tax Act	The Income-tax Act, 1961, read with the rules framed thereunder.
Income Tax Rules	The Income-tax Rules, 1962.
Ind AS	The Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standard) Rules, 2015, as amended.
Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended and the Companies (Accounts) Rules, 2014, as amended
IPO	Initial public offering.
IST	Indian Standard Time.
MCA	The Ministry of Corporate Affairs, Government of India.
Mn or mn	Million.
MSME	Micro, Small and Medium Enterprises
N.A.	Not applicable.
NAV	Net asset value (per Equity Share) means total equity, as restated divided by number of Equity Shares outstanding at the end of the year/ period.
NEFT	National Electronic Fund Transfer.
NRI	A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
NSDL	National Securities Depository Limited.

Term	Description
NSE	National Stock Exchange of India Limited.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number.
PAT	Profit after tax.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
RTGS	Real time gross settlement.
SCRA	The Securities Contracts (Regulation) Act, 1956.
SCRR	The Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI SBEB & SE Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
State Government	The government of a state in India.
Stock Exchanges	Collectively, the BSE and NSE.
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations.
Year/ Calendar Year	The 12 month period ending December 31.

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

Certain Conventions

All references in this Draft Red Herring Prospectus to 'India' 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 Draft Red Herring Prospectus is in IST. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

Currency and Units of Presentation

All references to *"Rupee(s)"*, *"Rs."* or *"₹"* or *"INR"* are to Indian Rupees, the official currency of the Republic of India. All references to *"U.S. Dollar(s)"* or *"USD"* or *"US Dollar"* are to United States Dollars, the official currency of the United States of America.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of U.S. Dollar into Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be considered as a representation that such U.S. Dollar amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of U.S. Dollar amounts into Rupee amounts, are as follows:

(*in ₹*)

Currency	Exchange rate as on		
	March 31, 2022	March 31, 2021	March 31, 2020
USD	75.81	73.50	75.39

Source: www.fbil.org.in

Financial and Other Data

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Information.

There are significant differences between Indian GAAP, Ind AS, 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 Draft 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 Draft 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, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited.

Our Company's fiscal year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular fiscal year (referred to herein as "**Fiscal**", "**Fiscal Year**") are to the 12 months period ended March 31 of that particular year, unless otherwise specified.

All the figures in this Draft Red Herring Prospectus have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in '***Risk Factors***', '***Our Business***' and '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' on pages 21, 119 and 216, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Financial Information.

Non-GAAP Financial Measures

This Draft Red Herring Prospectus contains certain non-GAAP financial measures including but not limited to EBITDA and EBITDA Margin that are not required by, or presented in accordance with Ind AS. We compute and disclose such non-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-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.

Industry and Market Data

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Accordingly, no investment decision should be made solely on the basis of such information.

The extent to which industry and market data set forth in this Draft 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in '***Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.***' on page 35.

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "*Assessment of Medical Oxygen Manufacturing Industry in India*" released in September 2022 ("**CRISIL Report**") prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated February 8, 2022, and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. Further, CRISIL, vide their consent letter dated September 27, 2022 ("**Letter**") has accorded their no objection and consent to use the CRISIL Report. CRISIL, vide their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoters or our Key Managerial Personnel. The CRISIL Report is available on the website of our Company at https://airoxtechnologies.com/airoxIndustryReports.

CRISIL has required us to include the following disclaimer in connection with the CRISIL Report:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Airox Technologies Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their* *regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval*."

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements, which include statements with respect to our business strategy, our revenue and profitability, our goals and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements generally can be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***goal***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***projected***", "***should***" "***will***", "***will continue***", "***seek to***", "***will pursue***" or other words or phrases of similar import. Similarly, statements that describe our expected financial conditions, results of operations, strategies, objectives, prospects, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses 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 and globally which have an impact on our 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, incidence of any natural calamities and/or acts of violence, changes in laws, regulations and taxes and changes in competition in our industry.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Inability to predict future demand for our products or the future impact of the COVID-19 pandemic on our business, operating results, cash flows and/or financial condition;
- Dependency on our strategic partner for the supply of molecular sieves and vessels and any fluctuations in the price, availability and quality of the raw materials could cause delay and increase our costs which may have an adverse effect on our business and operations;
- Dependency on the continued supply of raw materials;
- Manufacturing defects in our products, which may cause us to lose our customers and subject us to product liability claims and damage to our reputation, results of operations and financial condition;
- Any shutdown or slowdown of operations at our manufacturing facility and underutilisation of our manufacturing capacities;
- Majority of our total revenue is attributable to sale of specific products such as the PSA oxygen generators and its spare parts and any decrease in volume of these products sold by us may have an adverse effect on our business, results of operations, financial condition and cash;
- Inability to maintain our leadership in the medical oxygen manufacturing industry;
- Inability to replicate the success of our products and systems that we have had in the medical oxygen manufacturing industry in the new industries that we are targeting for future growth;
- Failure to maintain strong working relationships with healthcare professionals; and
- Inability to successfully build an export business.

For a further discussion of factors that could cause our actual results to differ from our expectations, see '***Risk Factors***', '***Our Business***' and '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' on pages 21, 119 and 216, respectively. 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.

Forward-looking statements reflect our views as of the date of this Draft 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 the 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. None of our Company, Directors, the Promoter Selling Shareholders, and the BRLMs or 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. There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

In accordance with regulatory requirements of SEBI and as prescribed under applicable law, our Company will ensure that investors in India are informed of material developments from the date of filing of the Red Herring Prospectus until the date of Allotment. Each of the Promoter Selling Shareholders will ensure that investors are informed of material developments in relation to the statements and undertakings specifically undertaken or confirmed by it in the Red Herring Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by each of the Promoter Selling Shareholders, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Promoter Selling Shareholder.

SUMMARY OF THE OFFER DOCUMENT

*This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled '**Risk Factors**', '**The Offer**', '**Capital Structure**', '**Objects of the Offer**', '**Industry Overview**', '**Our Business**', '**Restated Financial Information**', '**Outstanding Litigation and Material Developments**', '**Offer Procedure**' and '**Main Provisions of the Articles of Association**' beginning on at pages 21, 49, 60, 72, 79, 119, 163, 240, 266 and 286, respectively, of this Draft Red Herring Prospectus.*

Summary of Business

We are a market leader with a market share of 50-55%, in terms of operational private hospital PSA medical oxygen market, as of Fiscal 2022 *(Source: CRISIL Report)*. Our current portfolio includes PSA oxygen generators, auto change over systems and oxygen analyser. Our oxygen generators use advanced technologies as we have dedicated processes and specialised molecular sieves for the PSA oxygen generators, which have been customised for Indian environmental and electricity conditions. We are present in 28 states and three union territories in India and are further evaluating our expansion into overseas markets.

For further information, see '***Our Business***' on page 119.

Summary of Industry

The demand of medical oxygen is expected to grow at a CAGR of 7-8% from Fiscal 2020 to Fiscal 2027 in terms of volume (*Source: CRISIL Report*). Over 80% of the hospitals in India procure medical oxygen through cylinders (*Source: CRISIL Report*). More than half of the demand of medical oxygen is expected to be met through PSA method by Fiscal 2027 (*Source: CRISIL Report*). Despite the cost-effective nature of PSA method and other advantages compared with the traditional medical oxygen procurement methods, the penetration level of PSA oxygen generators is low (*Source: CRISIL Report*).

For further information, see '***Industry Overview***' on page 79.

Promoters

Our Promoters are Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal.

For further details, see '***Our Promoters and Promoter Group***' on page 157.

Offer Size

Offer for Sale of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 7,500 million. The Offer constitutes [●]% of the post-Offer paid-up Equity Share capital of our Company.

For further details, see '***The Offer***', '***Other Regulatory and Statutory Disclosures***' and '***Offer Structure***' beginning on page 49, 246 and 263, respectively.

Objects of the Offer

Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) to carry out the Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 7,500 million by the Promoter Selling Shareholders; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

For further details, see '***Objects of the Offer***' on page 72.

Aggregate pre-Offer Shareholding of Promoters, members of the Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of our Promoters (who are also the Promoter Selling Shareholders), and members of the Promoter Group, as a percentage of the pre-Offer shareholding of our Company is set out below.

S. No.	Name	Pre-Offer	
		Number of Equity Shares	Percentage of pre-Offer capital
Promoters (also the Promoter Selling Shareholders)			
1.	Sanjay Bharatkumar Jaiswal	15,680,525	70.37
2.	Ashima Sanjay Jaiswal	6,601,820	29.62
	Total	**22,282,345**	**99.99**

As on the date of this Draft Red Herring Prospectus, none of the members of the Promoter Group hold any Equity Shares.

Summary of Selected Financial Information derived from our Restated Financial Information

The following details of our Equity Share capital, net worth, revenue from operations, restated profit, restated earnings per Equity Share, net asset value per Equity Share (basic and diluted) and total borrowings as at March 31, 2022, March 31, 2021, and March 31, 2020 and for the Fiscals 2022, 2021 and 2020 are derived from the Restated Financial Information (except as stated in the notes below).

(in ₹ million, except share data)

Particulars	As at March 31, 2022 and for Fiscal 2022	As at March 31, 2021 and for Fiscal 2021	As at March 31, 2020 and for Fiscal 2020
Equity Share capital	222.82	44.64	44.64
Net worth	1,075.19	177.09	16.39
Revenue from operations	2,265.97	729.87	171.25
Restated profit for the year	900.38	158.73	7.60
Net asset value per Equity Share	48.25	39.67	3.67
Restated earnings per Equity Share - Basic	40.34	7.11	0.34
Restated earnings per Equity Share - Diluted	40.34	7.11	0.34
Total borrowings	-	72.04	63.82

Notes:
1. *Net worth means the aggregate of paid-up equity share capital and other equity (all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account as per the Restated Financial Information).*
2. *Net asset value per Equity Share is calculated by dividing net worth by number of Equity Shares outstanding at the end of the year.*
3. *Total borrowings include current and non-current borrowings.*

For further details, see '***Restated Financial Information***' on page 163.

Qualifications of the Auditors which have not been given effect to in the Restated Financial Information

There are no qualifications which have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings involving our Company, our Promoters and our Directors, as disclosed in this Draft Red Herring Prospectus as per the Materiality Policy, is provided below.

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate amount involved* *(in ₹ million)*
Company						
By our Company	2	Nil	Nil	N.A.	1	33.15
Against our Company	Nil	2	Nil	N.A.	Nil	5.29
Directors						
By our Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Directors	Nil	Nil	Nil	N.A.	Nil	Nil

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate amount involved* *(in ₹ million)*
Promoters						
By the Promoters	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil

**Amount to the extent quantifiable.*

For further details of the outstanding litigation proceedings, see '***Outstanding Litigation and Material Developments***' beginning on page 240.

There are no group companies or subsidiaries of our Company, as on the date of this Draft Red Herring Prospectus.

Risk Factors

Please see '***Risk Factors***' beginning on page 21. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Contingent Liabilities

The following is a summary table of our contingent liabilities as per Ind AS 37 as at March 31, 2022 as indicated in our Restated Financial Information.

(in ₹ million)

S. No.	Particulars	As on March 31, 2022
1.	Income tax matters	1.57
2.	Sales tax and service tax matters	12.36
	Total	**13.93**

For further details, please see '***Restated Financial Information – Note 34 – Contingent liabilities and commitments***', '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' and '***Outstanding Litigation and Material Developments***' beginning on pages 204, 216 and 240, respectively.

Summary of Related Party Transactions

The following is the summary of transaction with related parties for the Fiscals 2022, 2021 and 2020, as per the requirements under Ind AS 24.

(₹ in million)

Related parties with whom transactions have taken place	Nature of transaction	Fiscal 2022	Fiscal 2021	Fiscal 2020
Sanjay Bharatkumar Jaiswal	Lease payments - principal	1.98	1.98	1.17
Ashima Sanjay Jaiswal	Lease payments - principal	0.90	0.90	0.24
Sanjay Bharatkumar Jaiswal	Lease payments - interest	0.25	0.36	0.44
Ashima Sanjay Jaiswal	Lease payments - interest	0.16	0.21	0.24
Sanjay Bharatkumar Jaiswal	Managerial remuneration	19.20	9.60	4.80
Ashima Sanjay Jaiswal	Managerial remuneration	19.20	9.60	2.70
Sanjay Bharatkumar Jaiswal	Acquisition of right of use assets	-	-	1.30
Sanjay Bharatkumar Jaiswal	Security deposit given	-	-	4.70
Sanjay Bharatkumar Jaiswal	Lease liabilities	2.83	4.57	6.19
Ashima Sanjay Jaiswal	Lease liabilities	2.07	2.81	3.50
Sanjay Bharatkumar Jaiswal	Security deposit receivable*	5.42	5.06	4.70
M/s. Hotel Avon International	Promotional expenses	0.14	0.02	-
Sanjay Bharatkumar Jaiswal	Other receivables	5.72	-	-
Ashima Sanjay Jaiswal	Other receivables	2.41	-	-

**Includes unwinding of interest.*

Note: In addition to hypothecation of our Company's fixed assets and current assets, Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal has also given personal guarantee in the form of providing mortgage of certain properties held by them for the credit facilities availed by our Company from the Bank of Maharashtra and Kotak Bank Limited.

For details of the related party transactions in accordance with Ind AS 24, see *'**Restated Financial Information – Note 33 – Related Party Disclosures**'* on page 203.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Details of price at which specified securities were acquired by our Promoters (who are also the Promoter Selling Shareholders), members of the Promoter Group and Shareholders with special rights in the last three years preceding the date of this Draft Red Herring Prospectus

The details of price at which specified securities were acquired by our Promoters (who are also the Promoter Selling Shareholders) in the last three years preceding the date of this Draft Red Herring Prospectus.

Name of the Promoters (also the Promoter Selling Shareholders)	Nature of specified securities	Face value (in ₹)	Date of acquisition	Number of Equity Shares	Acquisition price per Equity Share (in ₹)*
Sanjay Bharatkumar Jaiswal	Equity Shares	10	September 30, 2021	12,544,420	Nil
Ashima Sanjay Jaiswal	Equity Shares	10	September 30, 2021	5,281,460	Nil

* *As certified by M/s DMKH & Company, Chartered Accountants, by way of their certificate dated September 29, 2022.*

None of the members of the Promoter Group have acquired specified securities in the last three years preceding the date of this Draft Red Herring Prospectus. Further, there are no other Shareholders with special rights, as on the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoters (who are also the Promoter Selling Shareholders) in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the Equity Shares were acquired by our Promoters (who are also the Promoter Selling Shareholders) in the one year preceding the date of this Draft Red Herring Prospectus is as follows.

S. No.	Name of the Promoter (also the Promoter Selling Shareholder)	Number of Equity Shares acquired in the one year preceding the date of the Draft Red Herring Prospectus	Weighted average price per Equity Share (in ₹)*
1.	Sanjay Bharatkumar Jaiswal	12,544,420	Nil
2.	Ashima Sanjay Jaiswal	5,281,460	Nil

* *As certified by M/s DMKH & Company, Chartered Accountants, by way of their certificate dated September 29, 2022.*

Average Cost of Acquisition of Equity Shares for the Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share by our Promoters (who are also the Promoter Selling Shareholders) as on the date of this Draft Red Herring Prospectus is.

S. No.	Name of the Promoter (also the Promoter Selling Shareholder)	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*
1.	Sanjay Bharatkumar Jaiswal	15,680,525	0.37
2.	Ashima Sanjay Jaiswal	6,601,820	0.37

* *As certified by M/s DMKH & Company, Chartered Accountants, by way of their certificate dated September 29, 2022.*

Details of pre-IPO Placement

Not Applicable.

Issue of Equity Shares for consideration other than cash or bonus issue in the last one year

Except for the bonus allotment made on September 30, 2021, our Company has not issued any Equity Shares for consideration other than cash or bonus issue in the one year preceding the date of this Draft Red Herring Prospectus. For details, see '***Capital Structure***' beginning on page 60.

Split / Consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not sought for any exemptions from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below may not be exhaustive or the only ones relevant to us, the Equity Shares or the industry segments in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently do not deem material may arise or may become material in the future. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, 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 investors may lose all or part of their investment. Furthermore, some events may be material collectively rather than individually.

*In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with '**Industry Overview**', '**Our Business**', '**Key Regulations and Policies**', '**Management's Discussion and Analysis of Financial Condition and Results of Operations**' and '**Outstanding Litigation and Material Developments**' on pages 79, 119, 136, 216 and 240, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.*

*Unless the context requires otherwise, all financial information included herein is derived from our Restated Financial Information included in '**Financial Information**' beginning on page 163.*

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Assessment of Medical Oxygen Manufacturing Industry in India" released in September 2022 **("CRISIL Report")** prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated February 8, 2022, and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. The CRISIL Report is available on the website of our Company at https://airoxtechnologies.com/airoxIndustryReports. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Risks relating to our Business

1. ***The outbreak of COVID-19 led to an increase in awareness and demand of our products and an increase in our revenue. We cannot predict future demand for our products or the future impact of the COVID-19 pandemic on our business, operating results, cash flows and/or financial condition. Our inability to manage our future growth may have an adverse impact on our business and financial condition.***

   In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. During the first half of 2020, COVID-19 spread to a majority of countries across the world, including India. Patients suffering from severe COVID-19 symptoms do need medical oxygen as part of their treatment. There have been multiple waves of COVID-19 infections globally, including in India. Between March 2021 and May 2021, there had been a significant resurgence in the daily number of new COVID-19 infections primarily caused by the Delta variant. Due to the COVID-19 crisis, there was a nation-wide demand for medical oxygen, especially from hospitals. The demand for medical oxygen in India peaked to nearly 9,000 tonne/day during the second wave of COVID-19 crisis as compared to the peak requirement of 3,000 tonne/day during the first wave of COVID-19 crisis (*Source: CRISIL Report*).

   Our presence in the medical oxygen manufacturing industry allowed us to work in collaboration with the Central Government, various state governments and private hospitals to provide for adequate supply of medical oxygen to hospitals throughout the country. Additionally, we have also worked in collaboration with various companies by virtue of the CSR initiatives undertaken by them for the supply of PSA oxygen generators to hospitals throughout the country. As a manufacturer of PSA oxygen generators, we have experienced steady growth in Fiscals 2021 and 2022 due to significantly increased demand for medical oxygen caused by the COVID-19 pandemic. As a result, the sale for our PSA oxygen generators increased from 42 units in Fiscal 2020 to 155 units in Fiscal 2021 and to 285 units in Fiscal 2022.

Our revenue also increased, in particular, most recently during the resurgence in COVID-19 cases during April-May 2021. Our revenue from operations increased from ₹ 171.25 million in Fiscal 2020 to ₹ 729.87 million in Fiscal 2021 and to ₹ 2,265.97 million in Fiscal 2022, representing a CAGR of 136.52% during the last three Fiscals. See also, '***Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations***' on page 230. In Fiscal 2021, we received orders from various state governments and hospitals. With the recognition of establishment of medical oxygen generators as a CSR activity by the Government of India, our sales have increased due to addition of major corporates such as Reliance Foundation and Toyota Industries Engine India Private Limited, to our list of customers. We may not be able to maintain such growth rate in the future periods, irrespective of the state of the COVID-19 pandemic.

The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the future resurgence, severity and transmission rate of the virus, the emergence of new variants, the extent and effectiveness of lockdowns and other containment actions, new vaccines and the timing and scale of their implementation in India and the impact that these and other factors have on our customers and suppliers. Such uncertainty precludes any prediction as to the ultimate impact that the COVID-19 pandemic will have on economic and market conditions, demand for our products and services, or our business results.

As the spread and impact of COVID-19 pandemic recedes in India due to higher vaccinations, better medical treatment and enhanced immunity amongst people, the enhanced demand for medical oxygen caused by the COVID-19 pandemic may also decrease. While as an aftermath of the COVID-19 pandemic, particularly by the second wave caused by the Delta variant, government as well as private hospitals have increased their oxygen adequacy and overall demand for PSA oxygen generators have increased, we cannot assure that we will be able to continue our rate of growth and our inability to manage our future growth rate may have a material adverse impact on our business, results of operations and financial condition.

2. We are dependent on our strategic partner for the supply of molecular sieves and vessels. Any fluctuations in the price, availability and quality of the raw materials could cause delay and increase our costs which may have an adverse effect on our business and operations.

We have a long-standing strategic relationship with AirSep Corporation, an international provider of molecular sieves and vessels, pursuant to which we import vessels and sieves from AirSep Corporation. We are an authorized and exclusive distributor of the products manufactured by AirSep Corporation in India and other agreed countries for a period of 10 years from April 13, 2022. We are dependent on AirSep Corporation for the success of our PSA oxygen generators business. The sieves are also the most critical component in the PSA oxygen generators as they are utilised for separation of oxygen from other gases during the generation process. We import sieves and vessels from AirSep Corporation, which are major raw materials used for manufacturing PSA oxygen generators. The durability and efficiency of our oxygen generators are dependent on these sieves and vessels. As of March 31, 2022, March 31, 2021, and March 31, 2020, we imported 449, 175 and 39 number of vessels and sieves from AirSep Corporation, respectively. Fluctuations in the price, availability and quality of sieves and vessels which are supplied by AirSep Corporation and used by us in the manufacturing of our products could have a material adverse effect on our cost of sales. The prices for such products depend largely on the market prices for the raw materials used to produce them. Further, AirSep Corporation may allocate their resources to service other customers ahead of us and we may also be adversely impacted by delays in arrival of shipments from them due to weather conditions at the loading or unloading port.

Any failure of AirSep Corporation to deliver these sieves and vessels in necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our business operations and our ability to deliver orders on time and at the desired level of quality. Further, AirSep Corporation carries out its business and operations from the United States and any adverse change in the policies by the U.S. government will have an impact on the Company's profitability, which may adversely affect our business, results of operations and financial condition.

3. ***We are dependent on continued supply of raw materials, the supply and cost of which can be subject to significant variation due to factors outside our control.***

In Fiscals 2022, 2021 and 2020, our materials and related costs (consisting of cost of raw materials consumed, purchase of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress), amounted to ₹ 829.27 million, ₹ 387.64 million and ₹ 99.81 million, respectively, accounting for 36.10%, 52.92% and 57.90%, respectively, of our total income in the same periods. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, transportation and labour costs, labour unrest, natural disasters, import duties, tariffs and currency exchange rates, and any unanticipated variation in any of these factors could have a material adverse effect on our operations. In particular, exchange rate fluctuations have regularly impacted our costing.

We rely on our domestic and imported suppliers for certain raw materials such as molecular sieves and vessels, air compressors, oxygen receiver tank and air receiver tank, pre-filter and post-filter cartridges, etc. Expenses incurred for the supply of raw materials from our top three suppliers account for a significant percentage of our total materials and related costs. For instance, in Fiscals 2022, 2021 and 2020, such expenses from our top three suppliers amounted to ₹ 786.82 million, ₹ 298.62 million and ₹ 54.85 million, which as a percentage of our total materials and related costs represented 68.34%, 56.65% and 56.18%, respectively. We cannot assure you that in the case of supply delays or failures attributable to our suppliers, we will be adequately compensated. If a supplier fails to or is unable to deliver raw materials to us as scheduled or if the supply to our manufacturing facility is delayed or otherwise disrupted, we may not be able to make alternative arrangements, either in a timely manner or at all, and such alternative arrangements may be more costly to us.

Our raw material suppliers may fail to deliver products of acceptable quality within stipulated schedules, which may adversely affect our operations. Although we have in place an in-house supplier approval process which takes into account repeat orders, and our relationships with our suppliers and quality of the services provided by them, we cannot assure you that this process would enable us to identify reliable suppliers. We may be required to replace a supplier if the raw materials do not meet our safety, quality or performance standards or if a supplier should unexpectedly discontinue operations due to reasons beyond its or our control (including financing constraints caused by credit market conditions). In addition, in the event the raw materials provided by our suppliers do not meet the relevant quality control checks, the performance of our products may be impacted. In particular, at times these defects may not be captured by our quality management systems and inferior products may be marketed to our customers. Any such instances may adversely affect our reputation, business, financial condition, cash flows and results of operations.

We may be required to include details of the suppliers of the key raw material used in our products when seeking regulatory approvals for our products. If there is a disruption in our supply chain such that the named supplier is no longer able to provide us with raw materials we may be required to seek regulatory approval afresh or alternatively perform additional studies and tests on the new source of the raw material/component. Even if we are able to make arrangements with alternative suppliers and obtain requisite customer/regulatory approvals, we could incur increased expenditure in procuring the raw materials from alternative sources, which could result in reduced profit margins.

If we are unable to obtain adequate supplies of raw materials in a timely manner or on commercially acceptable terms, or if there are significant increases in the prices of the raw materials, our business and results of operations may be materially and adversely affected. To the extent that we are unable to secure adequate supplies of raw materials which meet our quality standards or are unable to pass on the price increases to our distributors, our results of operations and financial condition may be adversely affected.

4. ***If our products have manufacturing defects, we may lose our customers and may be subject to product liability claims and cause damage to our reputation, results of operations and financial condition.***

Our business depends on delivering PSA oxygen generators as well as other products such as oxygen analysers and auto change over systems of consistent quality to our customers, which we believe has been a key factor for our customers to purchase from us. We import molecular sieves and vessels from Airsep Corporation. The sieves manufactured by Airsep Corporation are approved by US FDA and have CE Medical Devices Class II certification. Our Company has also received ISO 13485:2016 and ISO

9001:2015 certifications for manufacturing and service of PSA oxygen systems and ATF based mobile oxygen systems and manufacture, sales, installations and after sales services of hyperbaric chambers. There may be defects in our products which may result in product recalls, large-scale repair and remediation claims and other losses to our customers. For instance, one of our customers discontinued the usage of our PSA oxygen generator due to certain defects in 2015. While the customer had entered into an annual maintenance contract with a third party for the upkeep and maintenance of the PSA oxygen generator, our Company had to refund the purchase consideration to the customer in good faith.

While we have obtained a product liability insurance to account for any claims in relation to manufacturing defects, we may incur costs to replace or repair defective products, defend related litigation and claims on product negligence and liability or compensate our customers for losses or damage caused by these defects. Further, our products could become subject to contamination, tampering, mislabelling or other damage due to reasons such as inappropriate storage/ installation conditions or accidents during transportation or installation. In addition, quality defects may cause us to lose customers to our competitors. We may also have to expend resources to defend ourselves in the event that claims or legal proceedings are instituted directly against us.

Furthermore, we could also be the subject of complaints from customers who are dissatisfied with the quality and cost of the products we offer. The existence of any such complaints may harm our professional standing and market reputation. While we seek to mitigate such risks by striving to deliver quality products by operating and establishing a manufacturing facility with advanced infrastructure and technology as well as by employing skilled and experienced personnel and also provide after sales and maintenance services, there is no assurance that we will be successful in doing so in the future. Our reputation, results of operation and financial condition may be materially and adversely damaged if we are unable to ensure the delivery of consistent quality products to our customers.

5. ***The shutdown or slowdown of operations at our manufacturing facility and underutilisation of our manufacturing capacities may have a material adverse effect on our results of operations.***

We have recently, in March 2022, shifted our operations to our new manufacturing facility situated in Aurangabad, Maharashtra. Our manufacturing facility is subject to various operating risks, including the breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning on March 25, 2020. Our two previous manufacturing facilities which were also situated in Aurangabad, were shut down on account of the COVID-19 induced lockdown, however, operations were resumed within 48 hours, given that we are engaged in manufacturing of PSA oxygen generators, which are responsible for the generation and continuous supply of medical oxygen which was categorized as an essential public health commodity in accordance with guidelines released by the Government of India. The lockdown was lifted subsequently with progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Although we take precautions to minimise the risk of any significant operational issues at our manufacturing facility, the occurrence of any of these risks could adversely affect our operations by causing production at our manufacturing facility to cease or slow down. Capacity utilisation rates at our manufacturing facility are subject to various factors including availability of raw materials, power, water, efficient working of machinery and equipment and optimal production planning. Our total manufacturing operating expenses contributed to 39.72%, 58.96% and 77.03% of our total income from operations for Fiscals 2022, 2021 and 2020, respectively. Out total manufacturing operating expenses includes cost of raw material consumed, changes in inventory, employee benefits expenses, depreciation on plant and machinery, repair and maintenance expenses (plant and machinery), power and fuel and insurance.

Further, any significant malfunction or breakdown of our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair our manufacturing assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate manufacturing assets to replace them. Any inability to utilise our manufacturing facility, to its full or optimal capacity, non-utilisation of such capacity or inability to adapt to technological changes may adversely affect our results of operations and financial condition.

6. ***Our Statutory Auditors have included a disclaimer of opinion in their audit report on the financial statements of our Company as at March 31, 2022 on the adequacy and operating effectiveness of internal financial controls.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. While we take reasonable steps to establish and maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud, our Statutory Auditors have included a disclaimer of opinion in their audit report on the financial statements of our Company as at March 31, 2022 on the adequacy and operating effectiveness of internal financial controls, with reference to criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. Our Statutory Auditors have stated that they were unable to obtain sufficient appropriate evidence to provide a basis for their opinion on whether our Company had adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by our Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Our Statutory Auditors have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in the audit of the financial statements of our Company for the year ended March 31, 2022, and the disclaimer does not affect their opinion on the financial statements of our Company as at March 31, 2022.

Post March 31, 2022, our Company has undertaken several measures to establish essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. These measures include physical verification of inventories at reasonable intervals and maintaining proper records of sale/ purchase of goods and services. Further, two of the Independent Directors of our Company, are also on the Audit Committee of our Company.

There is no assurance that the audit reports of our Company for any future fiscal periods will not contain any qualification, emphasis of matter, disclaimer of opinion or other observations at such future time which affects our results of operations in such future periods.

7. ***A majority of our total revenue is attributable to sale of PSA oxygen generators. Any decrease in volume of PSA oxygen generators sold by us may have an adverse effect on our business, results of operations, financial condition and cash flows.***

For Fiscals 2022, 2021 and 2020, the sale of PSA oxygen generators amounted to ₹ 2,153.14 million, ₹ 670.26 million and ₹ 134.47 million, accounting for 95.02%, 91.83% and 78.52%, respectively, of our total revenue. Our customers may use other manufacturers and suppliers of PSA oxygen generators as alternative sources for meeting their oxygen demand. Our ability to continue receiving purchase orders from our existing customers for PSA oxygen generators will depend on our ability to price our PSA oxygen generators at competitive levels, in addition to ensuring sufficient manufacturing capacity for our existing and new customers and delivering timely and high-quality PSA oxygen generators. Thus, any decrease in the volume of PSA oxygen generators sold, due to factors which may not be in our control or otherwise, may have an adverse effect on our business, results of operations, financial condition and cash flows.

8. ***We may not be able to maintain our leadership in the medical oxygen manufacturing industry which may adversely effect our business prospects and results of operations.***

We are an established player with an experience of more than one decade in the PSA oxygen generation market and have been able to capture and penetrate the Indian medical oxygen generation market to become a market leader with around 30-31% of market share as of Fiscal 2022, in terms of total installed operational PSA oxygen generators in India, which includes both government and public sector hospital PSA medical oxygen market (*Source: CRISIL Report*). The medical oxygen manufacturing industry is highly competitive. We face competition from companies, such as Atlas Capco (India) Limited, Absstem Technologies LLP, Med Freshe Private Limited, MVS Engineering Private Limited, Oxair Gas Systems India Private Limited, Pec Therm Private Limited, Sam Gas Projects Private Limited, Summits Hygronics Private Limited, Trident Pneumatics Private Limited, and Uttam Air Products Private Limited, which either operate in the same line of business as us or offer same products (*Source: CRISIL Report*). While there are significant barriers to entry to the medical oxygen manufacturing industry such as the large amount of capital expenditure required for acquiring machinery and developing complex manufacturing capabilities and technical know-how, the competitors may win market share from us by providing lower cost solutions to our customers. Our success depends on our ability to configure, ramp up and ramp down production to respond to new product innovations and consumer trends. We may face pricing pressure from our customers as a result of intense competition in their end markets, their strong bargaining power, emerging technologies and product maturity. As a consequence, our customers are constantly seeking to reduce their costs. While we focus on reducing our costs to address pricing pressure, we may not be able to achieve proportionate reductions in costs or sustain our current rate of cost reduction. We expect these pressures on pricing and costs in the medical oxygen manufacturing industry to continue. Even if we change our pricing policies in response to competition, we may still not be successful in retaining our customers and market position in the medical oxygen manufacturing industry. Any broad-based change in our prices and pricing policies may reduce our revenues and profitability which in turn may adversely affect our business, results of operations and financial condition.

9. We may not be able to replicate the success that our products and systems have had in the medical oxygen manufacturing industry in the new industries we are targeting for future growth.

We will continue to expand our product portfolio and strive to provide differentiated offerings to our customers. For instance, our Company manufactures refrigerating dryers as a component for oxygen generators. We intend to sell refrigerating dryers independently in the market as it is used widely in automobile, chemical and pharmaceutical industries. See '***Our Business – Strategies – Expand our product offerings***' on page 125. The success of our entry into new industries depends on a number of factors, including a sufficient understanding of these industries and their end markets, timely and successful product development by us, and market acceptance of the products and systems we manufacture and the services we offer. We will also need to further build the capabilities of our personnel and ramp up our manufacturing facility to build our business in these industries, market our existing capabilities and the service offerings we are developing to new customers in those industries and strengthen our research and development capabilities to be able to provide value added services to those customers. If we fail to achieve these objectives, our business and prospects may be materially and adversely affected, and our revenue and profitability may decrease. Furthermore, our strategic objectives in these industries are premised on their projected growth. If those industries do not grow as expected, or if our customers in those industries experience a sustained decline in demand for their products, our order volumes could decline, which could in turn materially and adversely affect our business, financial condition and results of operations.

10. Failure to maintain strong working relationships with healthcare professionals could adversely impact our product development and sales and marketing efforts.

If we fail to maintain our strong working relationships with physicians/ surgeons and other healthcare professionals, many of our products may not be developed and marketed in line with the needs and expectations of the professionals who use and support our products. The research, development, marketing and sales of many of our new and improved products is dependent upon our maintaining working relationships with physicians/surgeons as well as other healthcare professionals, including hospital purchasing agents, who are becoming increasingly instrumental in making purchasing decisions for our products. We rely on these professionals to provide us with considerable knowledge and experience regarding our products and the marketing and sale of our products. If we are unable to maintain our strong relationships with these professionals or continue to receive their advice and input, the development and sales of our products could suffer, which could have a material adverse effect on our financial condition and results of operations.

11. We may not be able to successfully build an export business.

We are present in 28 states and three union territories in India, and are further evaluating our expansion into overseas markets, such as in Bangladesh, Nepal, Bhutan, Philippines, African continent and Indonesia. If we export our products overseas, we will be exposed to risks that include: (i) compliance with a wide variety of foreign laws, including those relating to export and import duties and trade barriers; (ii) unexpected changes in regulatory requirements and adverse trade policies; (iii) political and economic instability; (iv) legal or political constraints on our ability to maintain or increase prices; and (v) fluctuations in currency exchange rates. We will be selling our products in these markets through a network of distributors. There can be no assurance that we will be able to successfully expand, maintain or manage our distribution network in these markets. In addition, the costs associated with entering and establishing ourselves in new markets, and expanding these operations, may be higher than expected, and we may face significant competition in these regions. Entry into new international markets requires considerable time of the management of our Company, start-up expenses, expenditure on capital improvements and modification of our existing operations before any significant revenue is generated. Therefore, we may not be able to successfully build an export business and our initial operations in new markets may be unprofitable, which could have a material adverse effect on our business, financial condition and results of operations.

12. We do not have long-term sale agreements for our products. Any deterioration in demand of any of our key products could have an adverse effect on our business, results of operations, financial condition and cash flows.

Considering the nature of our businesses, we do not typically enter into long term sale contracts with our customers for majority of our products and there can be no assurance that our existing customers will continue to purchase our products. Our customers purchase our products through purchase orders. Our customers place orders with us from time to time, on a transaction basis, for the purchase of our products. The loss of any of our key customers or a significant decrease in orders received from such customers as a result of termination of purchase orders or increased competition or delays or defaults in payment by our customers or the tightening of payment periods to our suppliers may adversely affect our results of operations and cash flows.

We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Any increase in raw material prices may result in corresponding increases in our product costs. Our failure to maintain long-term relationships with our customers could adversely affect our ability to deliver our products to our partners in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

13. Our inability to expand or effectively manage our distribution network may have an adverse effect on our business, results of operations and financial condition.

We sell our products through a network of distributors who are primarily associated with the healthcare sector. For PSA oxygen generators business, as of March 31, 2022, we had a network of 16 distributors in India. The competition for distributors is intense in our industry and many of our competitors continue to expand their distribution networks. There can be no assurance that we will be able to successfully expand, maintain or manage our distribution network and strengthen our relationship with our significant distributors in the future. If our competitors offer our distributors more favourable terms or have more products available to meet their needs or utilize the leverage of broader product lines to be sold through them, these distributors may de-emphasize or decline to distribute our products. If we lose any of our distributors to competitors, we may lose some or all favourable arrangements with distributors and could result in weakening or termination of our relationships with other distributors and sub-distributors. Further, most of our distributors are not contractually bound to provide us with a specific volume of business and can terminate our relationship with or without cause, with short or no advance notice and without compensation, thereby adversely affecting our distribution network. Any loss of such significant distributors may adversely affect our business, results of operations and financial condition.

In order to expand the sales volume of our products, it is essential that we continue to expand the density as well as the geographic reach of our existing distribution network and ensure that our products have a large customer base. If we are unable to continue to expand our distribution network, our business, cash flows and results of operations may also suffer.

14. Our manufacturing facility is located in Maharashtra. Any adverse or unfavourable events affecting Maharashtra may affect operations in our manufacturing facility.

Our manufacturing facility is located in Aurangabad in Maharashtra. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected by adverse or unfavourable events affecting Maharashtra. For instance, Maharashtra has witnessed natural calamities such as droughts and floods in recent years. While our manufacturing facility and operations have not been significantly impacted by such events, there is no assurance that we will not be affected by such natural calamities or other adverse events affecting Maharashtra, in the future. Furthermore, any significant social, political or economic disruption or civil disruptions in Maharashtra, or changes in the policies of the state or local governments or the Government of India, could require us to incur significant capital expenditure, or change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

15. ***We rely on third-party transportation providers for the supply of our raw materials and the distribution of our products. Any deficiency or interruption in their services could adversely affect our business and reputation.***

As a manufacturer of PSA oxygen generators, our success depends on the uninterrupted supply and transportation of the various raw materials required in the manufacture of our products and delivery of our products from manufacturing facility to our customers, or intermediate delivery points such as our warehouses, that are subject to various uncertainties and risks. We transport our raw materials and our finished products by road, sea and air. We rely on our suppliers and third-party consignment agencies to deliver our raw materials and finished products. We do not enter into fixed-term contracts with such consignment agencies. Orders for transportation of our products and raw material are typically placed on a consignment basis. Transportation strikes may therefore have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any compensation received from insurers or consignment agencies may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our consignment agencies. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

16. ***Our performance may be adversely affected if we are not successful in managing our inventory or working capital.***

We estimate demand for our products based on projections, our understanding of anticipated consumer spending. An inability to effectively plan and manage inventory turnover may result in excess or insufficient inventory or fulfilment capacity, resulting in increased costs and impairment charges. Such an inability to accurately forecast product demand or effectively manage such inventory would result in unexpected costs and adversely affect our business operations. If we do not effectively plan our production and related inventory requirements, and our assumptions are proven to be inaccurate (in particular, where such assumptions relate to projected customer demand), we may suffer shortages of required raw materials and consequently be forced to cease production. Further, we may order supplies in excess of our requirements, which may result in our working capital being tied up in inventory for a longer period of time than anticipated. In the event of such over-production, we may face difficulties with storage and other inventory management issues which may adversely affect our results of operations, profitability, business and competitiveness.

17. ***Our operations are subject to evolving health, safety and environmental laws and regulatory standards. Non-compliance with and changes in any of the applicable laws, rules or regulations, including pricing, safety, health and environmental laws, may adversely affect our business, results of operations and financial condition and cash flows.***

We are subject to a wide range of laws and government regulations, including in relation to safety, health, labour and environmental protection. These laws and regulations impose controls on water release or discharge, the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials and exposure to hazardous substances with respect to our employees, along with other aspects of our manufacturing operations. For example, under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, there are limits on the quantities of various pollutants discharge that our manufacturing facility may release into the air and water. Environmental laws and regulations in India have become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of applicable environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facility. While there have been no actions undertaken by the relevant authorities/ courts in relation to any alleged environmental/ safety/ labour related non-compliances in the past, including in the previous three Fiscals, there may be violations in the future which could have an adverse effect on our business, results of operations and financial condition.

Further, the Ministry of Health and Family Welfare has released the Draft Drugs, Medical Devices and Cosmetics Bill, 2022 ("**Drugs Bill, 2022**"). If enacted, the Drugs Bill, 2022 would consolidate the laws relating to the import, manufacture, distribution and sale of drugs and medical devices, and we may become subject to more stringent or additional compliance requirements.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. Our costs of complying with current and future environmental laws and other regulations may adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims. The amount and timing of costs under environmental laws are difficult to predict.

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, health and safety, hiring and termination of employees and work permits. These include the Minimum Wages Act, 1948, Payment of Wages Act, 1936, Payment of Gratuity Act, 1972, Payment of Bonus Act, 1965, Employee's State Insurance Act, 1948, Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**"), Maternity Benefit Act, 1961, Child Labour (Prohibition and Regulation) Act, 1986 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, etc. These regulations may also apply to facilities and services we provide to our employees. Additionally, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business and operations in the future. We may also incur significant cost in relation to compliance with such laws, when implemented. For further details, see '***Government and Other Approvals***' on page 244. A failure by us to comply with the relevant labour regulations, could lead to enforced shutdowns, penalties and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. For instance, we received a show cause notice on May 2, 2022, from the Assistant Provident Fund Commissioner, Regional Office, Aurangabad, Maharashtra in relation to the non-extension of benefits amounting to ₹ 0.27 million under the EPF Act to certain employees of our Company on account of their non-enrolment under the Employees' Provident Fund Scheme. While our Company has paid the outstanding dues as directed by the concerned authorities, we cannot assure that we will not receive such notices in the future. We may also be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to labour, safety, health and environmental matters, the costs of which may be significant. Furthermore, we expect the focus on environmental, social and corporate governance matters, particularly for publicly listed companies, to intensify. This will require greater accountability to our public (including institutional) shareholders, as well as our customers and, possibly, their ultimate consumers. We expect the compliance and reporting costs of environmental, social and corporate governance matters to increase. If we are unable to achieve and demonstrate the required level of environmental, social and corporate governance compliance, our business and reputation will be adversely affected.

18. ***We may be subject to significant health and safety risks and hazards in the operation of our manufacturing facility.***

Our manufacturing facility may be subject to certain inherent operational hazards. We remain exposed to the risk of accidents despite being subject to such legal requirements and safety standards. Our employees also often work near heavy items, mechanized equipment and moving vehicles at our manufacturing facility and in the transportation of materials to and from our facility. From time to time, we may be subject to operational accidents which may disrupt operations at our manufacturing facility in Aurangabad and frustrate our ability to plan and utilize our production capacities. Further, accidents may result in property damage, environmental pollution, personal injuries or fatalities, the imposition of civil and criminal penalties or other government action against us or our employees. Any such outcomes and significant breakdown of our machineries may entail repair and maintenance costs and cause delays at our manufacturing facility, which could have a material adverse effect on the productivity of our manufacturing facility, our reputation, and the profitability of our business. See also **'– *Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability***' on page 31.

19. ***We may not be able to anticipate and adapt to rapid technological changes and continue offering high quality products and services.***

The medical oxygen manufacturing industry is characterised by rapid technological changes, evolving industry standards, and the frequent introduction of new products and enhancements. As a result, our customers consistently require up-to date machinery and technology in line with the latest industry trends. Our ability to continue using our technology resources to improve our production efficiency depends on factors both within and outside our control and may be constrained by the distinct characteristics and production requirements of individual products or specific customers, as well as the need to incur additional expenditure that may be required to upgrade existing technology. If we or our customers are unable to anticipate and rapidly adapt to technological changes, our business and results of operations will be materially and adversely affected.

20. ***Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.***

We have two trademarks pertaining to our brand name, and , both of which are registered under class 10 with the Register of Trade Marks under the Trade Marks Act, 1999, as amended. Our current and future trademarks are subject to expiration, and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew registration of certain trademarks and loss of such trademarks could have an adverse effect on our business, results of operations, financial condition and cash flows. For further details, see '***Government and Other Approvals***' on page 244.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. Our Company has served a cease and desist notice to Airox Avalon LLP for the infringement and unauthorized usage of our Company's registered trademark, "AIROX", passing off and unfair trade practices. We believe that there may be other companies or vendors using our tradename or brand names. Although there have not been such incidents in the past, any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights. Any claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. The risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses. In addition, if we are required to alter our technologies or cease production of affected items, our revenue could be adversely affected.

21. There are outstanding legal proceedings involving our Company. Any adverse outcome in such legal proceedings may affect our business, results of operations and financial condition.

There are outstanding legal proceedings against our Company, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section '***Outstanding Litigation and Material Developments***' on page 240) involving our Company, Promoters and Directors.

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate amount involved* *(in ₹ million)*
Company						
By our Company	2	Nil	Nil	N.A.	1	33.15
Against our Company	Nil	2	Nil	N.A.	Nil	5.29
Directors						
By our Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil

**Amount to the extent quantifiable.*

For further information, see '***Outstanding Litigation and Other Material Developments***' on page 240.

These legal proceedings may or may not be decided in our favor. Further, as at March 31, 2022, we have not made any provisioning as necessary to be made by us for any possible liabilities arising out of these litigation. Additional liability may also arise out of these proceedings. Adverse decisions in such proceedings may have an adverse effect on our business, results of operations, cash flows, financial condition and growth strategy.

22. Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability.

Our operations are subject to hazards inherent in storing and transporting our products such as work accidents, fire, earthquakes, flood and other *force majeure* events, acts of terrorism and explosions, including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. Our principal types of insurance coverage include coverage for our stocks that includes all normal risks associated with our business, including fire, burglary, earthquake and terrorism. We typically maintain standard fire and burglary insurance policies for our stocks and also obtain marine insurance policies for transit of goods. We have also obtained a product liability insurance policy. These insurance policies are generally valid for a year and are renewed annually. Our insurance cover for our fixed tangible assets and inventory as of March 31, 2022, was ₹ 53.10 million and ₹ 400 million, respectively, representing 53.38% and 75.53% of the total value of our fixed tangible assets and inventory, respectively. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see '***Our Business – Insurance***' on page 134.

23. Any delay or inability in obtaining, renewing or maintaining our permits, licenses, registrations and approvals could result in an adverse effect on our results of operations.

Our operations are subject to extensive government regulations and we are required to obtain and maintain a number of statutory and regulatory registrations, permits and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our facilities. The regulatory licenses that we require are typically granted for a limited term and are subject to renewal at the end of such terms. For details, see '***Government and Other Approvals***' on page 244. We cannot assure that we will be able to obtain or renew all necessary licenses and registrations as and when required, within a reasonable time, or at all.

Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance of standards that are subject to inspection and may require us to incur substantial expenditure. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to significant compliance costs or liabilities or could affect our ability to continue our operations. Further, in the event certain accreditations, are made compulsory, either by law or as a condition for empanelment, our business and operations may be adversely affected until such time we receive such accreditations.

If we fail to obtain or renew any applicable approvals, licenses, registrations or consents in a timely manner, we may not be able to undertake certain operations of our business, or at all, which may affect our business, results of operations and financial condition. We cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, any suspension, revocation or termination of one or more of our operational licenses may also lead to consequences under the terms of our other licenses. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or consents, or any suspension or revocation of any of the approvals, licenses, registrations or consents that have been or may be issued to us, may adversely affect our business, results of operations and financial condition.

Further, we have received ISO 13485:2016 certification for manufacturing and service of PSA oxygen system and ATF based mobile oxygen systems and manufacturing, sales, installation and after sales services of hyperbaric chamber. Receipt of such quality certifications is important for the success and wide acceptability of our products. If we fail to comply with the requirements for applicable quality standards, or if we are otherwise unable to obtain or renew such quality certifications in the future, in a timely manner, or at all, our business and prospects may be adversely affected.

24. There have been certain instances of non-compliances in the past. We may be subject to regulatory actions and penalties for any such past or future non-compliance and our business, financial condition and reputation may be adversely affected.

There have been certain instances of non-compliances in the past by our Company. For example, there were delays in filing of form CHG-1 in Fiscal 2020 for a period of 153 days due to technical difficulties and form CHG-4 in Fiscal 2021 with respect to the working capital and cash credit facilities availed from our lenders. Consequently, our Company paid an additional fee of ₹ 3,600 and ₹ 1,800 in pursuance of the delays in filing of Form CHG-1 and Form CHG-4, respectively. In the past, we have also had instances of non-compliance under the Maharashtra Stamp Act, 1958, where there were inadvertent delays in payment of stamp duty in relation to various allotments of Equity Shares of the Company made to our Shareholders.

In this regard, we have filed an application for adjudication with the Collector of Stamps, Aurangabad, Maharashtra on April 18, 2022, which is pending adjudication.

Our Company had issued bonus shares in Fiscals 2016, 2019 and 2021 in contravention of Section 63(2) of the Companies Act, 2013, without taking into consideration defaults in the payment of statutory dues to the employees such as contributions to provident fund, gratuity and bonus. An application was filed for compounding of such non-compliance by our Company in relation to the issuance of bonus shares in Fiscals 2016, 2019 and 2021 and the said non-compliance was compounded vide order dated August 30, 2022, by the Registrar of Companies and Adjudicating Officer, Maharashtra, Mumbai upon payment of compounding fees. Further, in relation to such non-compliance with the labour laws, our Company has taken the following steps:

(a) Employees' Provident Funds & Miscellaneous Provisions Act, 1952: Our Company inadvertently had not paid its share and employee's share of provident fund for certain employees since their joining. Subsequent to the year ended March 31, 2022, the provident fund officer visited and inspected the records of our Company, and our Company has paid the dues amounting to ₹ 0.83 million for the period from April 2013 to April 2022, as ascertained by the Provident Fund office.

(b) Employees' State Insurance Act, 1948: Our Company had not obtained registration under the Employees' State Insurance Act, 1948, and consequently not paid the dues payable to the authorities in respect to its employees covered thereunder. Our Company has obtained a registration under the Employees' State Insurance Act, 1948 which is effective from April 1, 2022. For the years prior to the registration, our Company, with the involvement of external consultants, has determined and recorded total liability of ₹ 1.74 million, ₹ 1.51 million and ₹ 1.41 million on March 31, 2022, March 31, 2021, and March 31, 2020, respectively, for the expected liability including interest and penalties for non-registration and non-payment of dues for the respective years. Our Company has approached the relevant authorities for their assessment of the dues for the previous years and are awaiting their response.

(c) The Payment of Bonus Act, 1965: Our Company had not paid the statutory bonus payable to its eligible employees for the period of April 2013 to March 2021. Our Company, with the involvement of external consultants has determined and recorded total liability of ₹ 4.59 million, ₹ 3.79 million and ₹ 3.14 million as on March 31, 2022, March 31, 2021, and April 01, 2020, respectively, for the expected liability. Subsequent to the year ended March 31, 2022, our Company has made payment aggregating to ₹ 2.39 million to the existing employees and is making efforts to identify the erstwhile employees and settle their dues, as applicable.

We cannot assure you that, in future, we will not be subjected to any liability on account of such non-compliances. If we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition and results of operations. Further, there can be no assurance that there will be no such delays or non-compliances in the future and our Company will not be subject to adverse actions by the authorities.

25. Implementation of pricing policies by the Government or other authorities could adversely affect our business, results of operations and financial condition.

The prices that we charge for our products could become subject to recommended or maximum prices set by the Government or other authorities. For example, the government could introduce "price lists" for essential products and services that could be mandatory or, even if not mandatory, result in guidance for the prices we charge for our products. The implementation of such policies may limit our ability to charge customers higher prices for our services or to pass on our cost to the customers, which may have an adverse effect on our business, results of operations and financial condition.

26. We face foreign exchange risks that could adversely affect our results of operations.

We import molecular sieves and vessels from AirSep Corporation, which is situated in the United States. We are therefore exposed to fluctuations in exchange rates against the Indian Rupee. While we seek to pass on all losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on this account. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

27. We are dependent on our Promoters, Directors and other Key Managerial Personnel, including our service engineers and sales and marketing team. Any loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are dependent on our Promoters, Directors and other Key Managerial Personnel as well as persons with technical expertise for setting our strategic business direction and managing our business. We believe that the inputs and experience of our Promoters are valuable for the development of our business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Any loss or interruption in the services of our key management personnel or senior management could significantly affect our ability to effectively manage our operations and to meet our strategic objectives. In addition, we could incur additional expenses and need to devote significant time and resources to recruit and train replacement personnel, which could further disrupt our business and growth.

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals and retain our service engineers and sales and marketing professionals. Recruiting and retaining capable personnel, particularly those with expertise and experience in our industry, are vital to our success. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

28. We have certain contingent liabilities which, if materialized, may adversely affect our financial condition.

As of March 31, 2022, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for in our results of operations were as follows:

(in ₹ million)

S. No.	Particulars	As on March 31, 2022
1.	Income tax matters	1.57
2.	Sales tax and service tax matters	12.36
	Total	**13.93**

We have not made provisions for the above contingent liabilities, as they are either possible obligations whose existence will be confirmed only by future uncertain events outside the control of our Company or are present obligations where the outflow of economic resources may not be probable or cannot be measured reliably. If a significant portion of these liabilities materialize, we may have to fulfil our payment obligations, which could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities, see '***Restated Financial Information – Note 34 – Contingent liabilities and commitments***' on page 204.

29. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions principally include remuneration to our Directors and Key Managerial Personnel. For further information relating to our related party transactions, see '***Restated Financial Information – Note 33 – Related party disclosures***' on page 203. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might not have obtained more favourable terms had such transactions been entered into with unrelated parties.

While we shall endeavour to conduct all related party transactions post listing of the Equity Shares subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. While the Company will endeavour to duly address such conflicts of interest as and when they may arise, we cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects or may potentially involve any conflict of interest**.**

30. Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.

We have availed the services of an independent third-party research agency, CRISIL Limited, appointed by us pursuant to an engagement letter dated February 8, 2022 entered into with our Company, to prepare an industry report titled "*Assessment of Medical Oxygen Manufacturing Industry in India*" (the "**CRISIL Report**"), that has been exclusively commissioned and paid for by us, for purposes of inclusion of such information in this Draft Red Herring Prospectus. The CRISIL Report is available on the website of our Company at https://airoxtechnologies.com/airoxIndustryReports. The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amount may differ materially from those included in this Draft Red Herring Prospectus. Also see '***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data***' on page 12.

31. Our manufacturing facility, including our Registered Office and Corporate Office, are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms or at all.

Our Registered and Corporate Office is situated on leased premises, which has been sub-leased from S.A. Medical, a sole proprietorship of our Promoter and Managing Director, Sanjay Bharatkumar Jaiswal, for a term commencing on September 3, 2021 until October 3, 2022. The term of the sub-lease has been further extended until July 4, 2025 by way of an agreement dated September 26, 2022. Further, our manufacturing facility, located at Aurangabad, Maharashtra, India, is sub-leased from Aurangabad Industrial Township Limited for a period of 95 years from February 9, 2021. For further details, see '***Our Business – Property***' on page 135. While we renew these lease agreements and deeds periodically in the ordinary course of business, in the event that these existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, sizes or locations, our business and results of operations may be adversely affected.

32. We may require additional financing or may be required to furnish bank guarantees in future, which we may not be able to do in a timely manner or on favourable terms.

We may require additional capital or financing from time to time. While we have historically been able to finance our capital expenditure through equity contributions from our Promoters, Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal and by availing external debt financing, this may not be the case once we are a publicly listed company. We have had no external borrowings as at March 31, 2022, and minimal external borrowings as at March 31, 2021 and March 31, 2020 which amounted to ₹ 72.04 million and ₹ 63.82 million, respectively. While we have the capacity to take on financial leverage, our ability to obtain external financing is subject to a variety of uncertainties, including our financial condition, results of operations, cash flows and liquidity of the domestic and international capital and lending markets. In addition, our loan agreements may contain financial covenants that restrict our ability to incur additional indebtedness without our lenders' consent. Any indebtedness that we may incur in the future may also contain operating and financing covenants that could be restrictive. Further, financing may not be available in a timely manner or in amounts or on terms acceptable to us, or at all. If we are required to raise equity financing, this could result in dilution to our Shareholders. Any failure to raise additional funds on favourable terms or in a timely manner or at all could severely restrict our liquidity and have a material adverse effect on our business and results of operations.

Our Company is also required to furnish bank guarantees in the ordinary course of business in relation to the fulfilment of purchase orders, as and when required. Under these bank guarantees, the lenders have agreed to the payment of an amount not exceeding the guaranteed amount in the event that our Company commits a breach/default of any of its contractual obligations in relation to the purchase orders. In the event that any such bank guarantees are invoked and if we are unable to meet our guarantee requirements, then legal proceedings may be initiated against us or we may incur additional costs.

33. Our Promoters together may be able to exert control over our Company after completion of the Offer, which may limit your ability to influence the outcome of matters submitted for approval of our Shareholders.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 99.99% of the share capital of our Company. After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company, and will continue to exercise control over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our Memorandum of Association and Articles of Association, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these Shareholders. In addition, potential new investors may be disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in the hands of our Promoters, which in turn could materially and adversely affect the trading price of the Equity Shares of our Company.

34. Our Promoters may have interests in our Company other than reimbursement of expenses incurred or regular remuneration or benefits.

Our Promoters, Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their holding of Equity Shares in our Company. Our Promoters may not exercise their rights as Shareholders to the benefit and best interest of our Company and may be deemed to be interested in our Registered and Corporate Office premises taken on lease by our Company. For more details, see '***Our Management — Interest of Directors***' on page 145.

35. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends 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, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the 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 and will depend on factors that our Board deems relevant, including among others, our profits, cash flow requirements, capital requirements, contractual obligations and restrictive covenants in financing arrangements of our Company. As on the date of this Draft Red Herring Prospectus, our Company has adopted a formal dividend policy pursuant to a resolution of our Board dated May 20, 2022. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on

Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

36. Our Company will not receive any proceeds from the Offer. Our Shareholders selling Equity Shares in the Offer will receive all proceeds from the Offer as part of the Offer for Sale.

The Offer consists of an offer for sale of up to [●] Equity Shares aggregating up to ₹ 7,500 million by the Promoter Selling Shareholders. The proceeds from the Offer will be paid to the Promoter Selling Shareholders, in proportion of the respective portion of their Offered Shares, and we will not receive any such proceeds. The entire proceeds from the Offer will be received by Our Promoter Selling Shareholders. For further details, see '***Objects of the Offer***' and '***Capital Structure***' on pages 72 and 60, respectively.

37. The average cost of acquisition of Equity Shares by the Promoter Selling Shareholders could be lower than the floor price of the IPO Price Band.

The Promoter Selling Shareholders' average cost of acquisition of Equity Shares in our Company may be lower than the floor price of the Price Band as may be decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs. For further details regarding average cost of acquisition of Equity Shares by the Promoter Selling Shareholders in our Company and built-up of Equity Shares by our Promoters in our Company, please refer to '***Summary of the Offer Document - Average Cost of Acquisition of Equity Shares for the Promoters and the Selling Shareholders***' and '***Capital Structure***' on pages 19 and 60, respectively.

Risks Relating to India

38. Political, economic, regulatory or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in India is also affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

39. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

41. 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. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions and economic developments globally could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

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. In response to such developments, regulators implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation.

42. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the tax rate (on gross basis) for Indian companies from 30% to 22% (exclusive of applicable health and education cess and surcharge). Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Finance Act, 2020 ("**Finance Act**"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime. For instance, dividend distribution tax ("**DDT**") will not be payable 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 resident as well as non-resident and are likely be subject to tax deduction at source. The 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 from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017 and all subsequent changes and amendments thereto.

Further, the Government of India has announced the Union Budget for Fiscal 2023 and the Finance Act, 2022 received the President's assent on March 30, 2022. The Finance Act, 2022, proposes to introduce various amendments to taxation laws in India. As such, there is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or on the industry in which we operate. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, 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 affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business.

43. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportionate rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. Further, a rise in inflation in other countries, such as in the United States of America or United Kingdom, may lead to an increase in the interest rates in India and depreciation in the value of the Rupee which in turn make the raw materials imported by our Company costlier.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The RBI has enacted certain policy measures and has recently increased the repo rates to curb inflation. However, these policies and steps taken by the RBI may not be successful. In February 2022, hostilities between Russia and Ukraine commenced. The market price of oil has risen sharply since the commencement of these hostilities which may have an inflationary effect in India. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs.

Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to control the increase in our expenses related to salaries or wages payable to our employees, reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

44. ***A third party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or 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 investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. 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 our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance.

45. ***Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is a company incorporated under the laws of India. All of our Company's Directors and officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered**.**

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favor a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, 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 or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

Risks Relating to the Equity Shares and this Offer

46. ***The trading volume and market price of the Equity Shares may be volatile following the Offer.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;

- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

47. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Promoter Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under '***Basis for the Offer Price***' on page 74 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price**.**

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see '***Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running Lead Managers***' on page 252. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

48. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, 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 Offer. 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.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after the Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports;

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

49. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

50. Investors may be subject to Indian taxes arising out of income arising on the sale of 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 as well as STT.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument ("**MLI**"), if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

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 resident as well as non-resident. The 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.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

51. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are credited with the Equity Shares after the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer, the credit of such Equity Shares to the applicant's demat account with depository participant and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to complete within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

52. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoters 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 our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

53. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see '***Restrictions on Foreign Ownership of Indian Securities***' on page 285.

54. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Financial Information for Fiscals 2022, 2021 and 2020, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial information, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

55. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their bids.

56. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution.

However, if the law of the jurisdiction in which the investors are located, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportionate interest in our Company would be reduced.

57. The requirements of being a publicly listed company may strain our resources.

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will, among other things, require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a publicly listed company, we 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 our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's 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.

SECTION III – INTRODUCTION

SUMMARY FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with '***Financial Information***' and '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' beginning on pages 163 and 216, respectively. The following tables set forth summary financial information derived from our Restated Financial Information.

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AIROX TECHNOLOGIES LIMITED
(Formerly known as Airox Technologies Private Limited)
Restated Statement of Assets and Liabilities

(All amounts are in ₹ Million, unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Assets			
Non current assets			
Property, plant and equipment	99.47	16.67	18.03
Right-of-use assets	29.25	33.22	20.76
Capital work-in-progress	-	-	-
Intangible assets	-	-	-
Financial assets			
Security deposits	5.85	5.27	4.69
Other financial assets	18.63	21.46	1.69
Current tax assets (net)	-	-	0.52
Deferred tax assets (net)	12.50	31.62	7.52
Other non current assets	2.08	-	-
Total non-current assets	**167.78**	**108.24**	**53.21**
Current assets			
Inventories	529.57	207.53	68.02
Financial assets			
i) Investments	533.72	0.10	-
ii) Trade receivables	115.58	266.65	33.32
iii) Cash and cash equivalents	25.96	43.61	12.32
iv) Bank balances other than cash and cash equivalents	4.41	1.58	0.59
v) Other financial assets	10.26	3.40	-
Other current assets	79.18	4.40	7.75
Total current assets	**1,298.68**	**527.27**	**122.00**
Total assets	**1,466.46**	**635.51**	**175.21**
Equity and liabilities			
Equity			
Equity share capital	222.82	44.64	44.64
Other equity			
Reserves and surplus	852.37	132.45	(28.25)
Total equity	**1,075.19**	**177.09**	**16.39**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	-	8.00	6.73
ii) Lease liabilities	2.58	5.92	7.24
Contract liabilities	50.36	47.99	6.68
Employee benefit obligations	3.97	2.96	2.47
Total non-current liabilities	**56.91**	**64.87**	**23.12**
Current liabilities			
Financial liabilities			
i) Borrowings	-	64.04	57.09
ii) Lease liabilities	3.34	3.04	2.81
iii) Trade payables			
a.Total outstanding dues of micro and small enterprises	3.67	43.56	1.82
b.Total outstanding dues of creditors other than micro and small enterprises	133.74	143.00	27.95
iv) Other financial liabilities	2.98	-	-
Contract liabilities	98.98	44.75	30.57
Employee benefit obligations	0.38	0.29	0.25
Current tax liabilities (net)	48.80	66.66	-
Other current liabilities	42.47	28.21	15.21
Total current liabilities	**334.36**	**393.55**	**135.70**
Total liabilities	**391.27**	**458.42**	**158.82**
Total equity and liabilities	**1,466.46**	**635.51**	**175.21**

AIROX TECHNOLOGIES LIMITED
(Formerly known as Airox Technologies Private Limited)
Restated Statement of Profit and Loss

(All amounts are in ₹ Million, unless stated otherwise)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	2,265.97	729.87	171.25
Other income	31.44	2.68	1.14
Total income (I)	**2,297.41**	**732.55**	**172.39**
Expenses			
Cost of Raw materials consumed	788.37	462.02	92.13
Changes in inventories of finished goods and stores and spares	40.90	(74.38)	7.68
Employee benefit expense	82.08	43.91	32.86
Depreciation and amortisation expense	6.26	5.76	5.00
Finance costs	13.40	14.07	7.96
Other expenses [includes net impairment losses of financial assets of ₹ 4.80 million (March 31, 2021: ₹ 18.27 million and March 31, 2020: ₹ NIL)]	161.20	66.15	18.50
Total expenses (II)	**1,092.21**	**517.53**	**164.13**
Restated profit before tax (III=I-II)	**1,205.20**	**215.02**	**8.26**
Income tax expense			
Current tax	285.69	80.04	1.70
Deferred Tax	19.13	(23.75)	(1.04)
Total tax expense (IV)	**304.82**	**56.29**	**0.66**
Restated profit for the year (III-IV)	**900.38**	**158.73**	**7.60**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations	(0.16)	0.20	(0.12)
Income tax relating to these items	0.04	(0.05)	0.03
Restated other comprehensive income/(loss) for the year, net of tax	**(0.12)**	**0.15**	**(0.09)**
Restated total comprehensive income for the year	**900.26**	**158.88**	**7.51**
Restated earnings per equity share - Basic and Diluted (in ₹) (Face value of share - ₹ 10 each)	**40.34**	**7.11**	**0.34**

AIROX TECHNOLOGIES LIMITED

(Formerly known as Airox Technologies Private Limited)

Restated Statement of Cash Flows

(All amounts are in ₹ Million, unless stated otherwise)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities			
Net profit before tax	1,205.20	215.02	8.26
Adjustments for:			
Depreciation and amortisation expenses	6.26	5.76	5.00
Unwinding of discount on security deposit	(0.39)	(0.38)	-
Fair value gain on valuation of investments	(1.33)	-	-
Realised (gain) / Loss on Mutual Fund Investments	(26.30)	-	-
Provision for expected credit loss	1.82	0.01	-
Interest income from financial assets	(0.29)	(0.34)	(0.24)
Interest on delayed payments of taxes	12.31	8.35	-
Interest expense on lease liability	0.49	0.63	0.71
Interest and other finance cost	0.60	5.09	7.25
Operating profits before working capital changes	**1,198.37**	**234.14**	**20.98**
Adjustments for changes in:			
(Increase)/ Decrease in Inventories	(322.06)	(139.51)	2.18
(Increase)/ Decrease in trade receivables	149.25	(233.34)	18.33
(Increase)/ Decrease in Other financial assets	1.94	(3.65)	(4.00)
(Increase)/ Decrease in other current assets	(82.91)	3.35	(6.06)
Increase/(Decrease) in employee benefit obligations	1.10	0.53	0.85
Increase/ (Decrease) in Trade payables	(49.12)	156.69	(9.53)
Increase/(Decrease) in Other current liabilities and non current liabilities	58.46	60.29	2.23
	(243.34)	**(155.64)**	**4.00**
Cash generated from operations before tax	**955.03**	**78.50**	**24.98**
Income taxes paid	(303.55)	(12.86)	(2.22)
Net cash generated from operating activities	**651.48**	**65.64**	**22.76**
Cash flow from investing activities			
Purchase of property, plant and equipment	(84.18)	(0.52)	(4.99)
Redemption of mutual funds	1,104.53	(0.10)	-
Investment in mutual funds	(1,610.52)	-	-
Acquisition of right of use asset	-	(13.09)	(10.95)
Payment for investments in fixed deposits	(1.36)	(37.01)	(0.64)
Proceeds from maturity of fixed deposits	0.75	16.68	-
Net cash flow used in investing activities	**(590.78)**	**(34.04)**	**(16.58)**
Cash Flow from financing activities			
Proceeds from long term borrowings	0.33	9.67	5.13
Repayment of long term borrowings	(8.33)	(8.40)	(3.20)
Proceeds from short term borrowings	2,465.10	562.49	216.14
Repayment of short term borrowings	(2,529.14)	(555.54)	(209.20)
Lease payments including interest	(3.54)	(3.44)	(1.70)
Interest Paid other than on lease liabilities	(0.60)	(5.09)	(7.25)
Buy back of shares	(2.17)	-	-
Net cash flow used in financing activities	**(78.35)**	**(0.31)**	**(0.08)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(17.65)**	**31.29**	**6.10**
Opening Cash and cash equivalents	43.61	12.32	6.22
Closing Cash and cash equivalents	**25.96**	**43.61**	**12.32**
Details of non-cash investing and financing activities:			
The following are the non-cash investing and financing activities:			
Bonus issue of shares	178.57	-	-
Acquisition of right of use asset	-	1.75	12.25

THE OFFER

The following table summarises the Offer details:

Offer of Equity Shares by way of an Offer for Sale by the Promoter Selling Shareholders(1) (2)	Up to [●] Equity Shares aggregating up to ₹ 7,500 million
The Offer consists of:	
A. QIB Portion(3) (5)	Not less than [●] Equity Shares
Of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
Of which:	
Mutual Fund Portion (5% of the Net QIB Portion)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion(4)(5)	Not more than [●] Equity Shares
C. Retail Portion(5)	Not more than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	22,282,350 Equity Shares
Equity Shares outstanding after the Offer	22,282,350 Equity Shares
Use of Net Proceeds	Our Company will not receive any proceeds from the Offer for Sale. For further details, please see '***Objects of the Offer***' on page 72.

(1) *The Offer has been authorized by resolution of our Board of Directors at their meeting held on February 3, 2022. Further, our Board has taken on record the consent of the Promoter Selling Shareholders for participation in the Offer for Sale pursuant to its resolution dated September 29, 2022.*

(2) *Each Promoter Selling Shareholder has confirmed that the Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations. Each of the Promoter Selling Shareholders confirms compliance with and will comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable. Each Promoter Selling Shareholder has authorized the inclusion of their respective portion of the Offered Shares in the Offer for Sale. For details of authorizations received for the Offer for Sale, see '**Other Regulatory and Statutory Disclosures**' beginning on page 246.*

(3) *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company and the Promoter Selling Shareholders in consultation with the BRLMs 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 under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see '**Offer Procedure**' on page 266.*

(4) *Not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category.*

(5) *Subject to valid Bids being received at or above the Offer 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 at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange subject to applicable law. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section '**Terms of the Offer**' on page 257.*

Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder and Non-Institutional Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the Non-Institutional Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see '***Offer Procedure***' beginning on page 266.

GENERAL INFORMATION

Our Company was incorporated as "Airox Technologies Private Limited" on September 26, 2012, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 26, 2012, issued by the RoC. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a resolution passed by our Shareholders on April 25, 2022, the name of our Company was changed to "Airox Technologies Limited" and a fresh certificate of incorporation dated May 18, 2022 was issued by the RoC.

Corporate Identity Number: U72900MH2012PLC236206

Registration Number: 236206

Registered and Corporate Office of our Company

Unit No. D-27, 5th Floor
Empire Mall Private Limited (PTC)
Chikalthana, Aurangabad 431 006
Maharashtra, India
Tel: +91 240 6602 686
Website: www.airoxtechnologies.com

For details of change in the registered office of our Company, see '***History and Certain Corporate Matters – Changes in the registered office***' on page 139.

Address of the Registrar of Companies

Our Company is registered with the RoC located at the following address:

Registrar of Companies, Maharashtra at Mumbai
Everest, 5th Floor, 100 Marine Drive
Mumbai 400 002, Maharashtra, India

Board of Directors of our Company

Details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus are set forth below:

Name and Designation	DIN	Address
Sanjay Bharatkumar Jaiswal *Managing Director*	05359656	Shreeja Bunglow, Plot No. 209, N-1, Sector B, Aurangabad 431 003, Maharashtra, India
Ashima Sanjay Jaiswal *Non-Executive Director*	05359660	Shreeja Bunglow, Plot No. 209, N-1, Sector B, Aurangabad 431 003, Maharashtra, India
Janardhan Pralhadrao Gupta *Independent Director*	07029205	419 N-3 CIDCO, Aurangabad 431 003, Maharashtra, India
Ravi Shivramakrishna Raman *Independent Director*	03377622	Plot no G–48, Sector N-4, CIDCO, Aurangabad 431 003, Maharashtra, India

For brief profiles and further details of our Directors, see '***Our Management***' on page 142.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus shall be submitted to SEBI on cfddil@sebi.gov.in in accordance with SEBI circular dated March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*" and will be filed with SEBI electronically on the platform provided by SEBI at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act would be filed with the RoC, and a copy of the Prospectus shall be filed with the RoC as required under Sections 26 and 32 of the Companies Act and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Company Secretary and Compliance Officer

Sankalp Kandi is the Company Secretary and Compliance Officer of our Company. His contact details are set forth below:

Sankalp Kandi
Unit No. D-27, 5th Floor
Empire Mall Private Limited (PTC)
Chikalthana, Aurangabad 431 006
Maharashtra, India
Telephone: +91 240 6602 686
E-mail: compliance@airoxtechnologies.com

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All offer-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or first bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Telephone: + 91 22 6630 3030, +91 22 6630 3262
E-mail: airox.ipo@jmfl.com
Website: www.jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400025
Maharashtra, India
Telephone: +91 22 6807 7100
E-mail: airox.ipo@icicisecurities.com
Investor grievance e-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com

Contact Person: Gaurav Mittal
SEBI Registration No.: INM000011179

Statement of inter-se allocation of responsibilities amongst the BRLMs

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

S. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary etc. Due diligence of Company's operations/management/business /legal etc., drafting and design of this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus, abridged prospectus and application form. The Book Running Lead Managers shall ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of the Red Herring Prospectus, Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities.	JM Financial, I-Sec	JM Financial
2.	Drafting and approval of statutory advertisement.	JM Financial, I-Sec	JM Financial
3.	Drafting and approval of all publicity material other than statutory advertisements including corporate advertisements, brochures, filing of media compliance report with SEBI, etc.	JM Financial, I-Sec	I Sec
4.	Appointment of Registrar to the Offer, printer to the Offer, and advertising agency (including coordination for their agreements).	JM Financial, I-Sec	JM Financial
5.	Appointment of all other intermediaries and including co-ordination for all other agreements.	JM Financial, I-Sec	I-Sec
6.	Preparation of road show presentation and FAQs for the road show team.	JM Financial, I-Sec	I-Sec
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • International Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule.	JM Financial, I-Sec	I-Sec
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Domestic Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule.	JM Financial, I-Sec	JM Financial
9.	Conduct non-institutional marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing and public relations strategy; and • Formulating strategies for marketing to Non-Institutional Investors.	JM Financial, I-Sec	I-Sec
10.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows; • Finalising collection centres; • Finalising application form; • Finalising centres for holding conferences for brokers etc.; and • Follow – up on distribution of publicity. Issue material including form, Red Herring Prospectus/Prospectus and deciding on the quantum of the Offer material.	JM Financial, I-Sec	JM Financial
11.	Managing anchor book related activities, coordination with Stock Exchanges for anchor intimation, submission of letters regulators post completion of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	JM Financial, I-Sec	I-Sec

S. No.	Activity	Responsibility	Co-ordination
12.	Managing the book and finalization of pricing in consultation with Company	JM Financial, I-Sec	JM Financial
13.	Post bidding activities including management of escrows accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Promoter Selling Shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI.	JM Financial, I-Sec	I-Sec

Syndicate Members

[●]

Legal Advisors to the Offer

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110020 Delhi, India
Telephone: +91 11 4159 0700

Legal Counsel to the BRLMs as to Indian Law

J. Sagar Associates
Vakils House
18 Sprott Road, Ballard Estate
Mumbai 400 001
Maharashtra, India
Telephone: +91 22 4341 8600

Domestic Legal Counsel to the Promoter Selling Shareholders

DSK Legal, Advocates & Solicitors
1203 BA, One World Centre, Tower 2B
Floor 12B, 841, Senapati Bapat Marg
Elphinstone Road, Mumbai 400 013
Maharashtra, India
Telephone: +91 22 6658 8000

Special International Legal Counsel to the BRLMs

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318
Telephone: +65 6311 0030

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6000
E-mail: airox.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail: airox.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Offer

Escrow Collection Bank

[●]

Public Offer Account Bank

[●]

Refund Bank

[●]

Sponsor Bank

[●]

Statutory Auditors to our Company

Price Waterhouse Chartered Accountants LLP
Address: 7th Floor, Business Bay
Tower – A, Wing 1
Airport Road, Yerwada
Pune 411 006
Maharashtra, India
Telephone: +91 20 4100 4444
E-mail: neeraj.s@pwc.com
Peer Review number: 012639
ICAI Firm Registration number: 012754N/N500016

Changes in Auditors

Except as disclosed below, there have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of the Auditors	Date of Change	Reason for Change
CNA & Associates, Chartered Accountants **Address:** C-303/304, 'FORTIUS', Space Olympia Sutgirni Chowk, Garkheda Parisar Aurangabad 431 009 Maharashtra, India **Tel:** +91 240 2983 032 **Email**: cna.incometax@gmail.com **Firm Registration No**: 128929W **Peer Review No**: Not Applicable	March 11, 2022	Resignation due to other commitments
Price Waterhouse Chartered Accountants LLP **Address:** 7th Floor, Tower A – Wing 1, Business Bay Airport Road, Yerwada Pune 411 006 Maharashtra, India **Tel:** +91 20 4100 4444, +91 20 4100 6161 **Email**: neeraj.s@pwc.com **Firm Registration No**: 012754N/N500016 **Peer Review No**: 012639	March 16, 2022	Appointment to fill the vacancy created due to resignation of the previous statutory auditors

Bankers to our Company

Bank of Maharashtra
JM Gandhi Building, Kranti Chowk
Near Mahesh TVS, Adalat Road
Aurangabad 431 001
Maharashtra, India
Telephone: +91 240 2331 446
E-mail: brmgr301@mahabank.co.in
Website: https://bankofmaharashtra.in
Contact Person: Umakant Kesgire

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at 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 Branches of the SCSBs with which an ASBA Bidder (other than UPI Bidders using the UPI Mechanism), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum 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.

SCSBs and mobile applications enabled for UPI Mechanism

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, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be 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 and is also available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted under the ASBA process 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 Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

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 websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Grading of the Offer

As the Offer is an offer for sale of Equity Shares by the Promoter Selling Shareholders, no credit agency registered with SEBI has been appointed for grading for the Offer.

Monitoring Agency

As the Offer is an offer for sale of Equity Shares by the Promoter Selling Shareholders, our Company is not required to appoint a monitoring agency for this Offer.

Expert

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

Our Company has received written consent dated September 29, 2022, from Price Waterhouse Chartered Accountants LLP, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus, and as an “expert” as defined under the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report dated September 29, 2022, relating to the Restated Financial Information included in this Draft Red Herring Prospectus.

Our Company has received written consent dated September 29, 2022, from M/s DMKH & Company, Chartered Accountants, to include their name as required under Section 26 of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and referred to as an “expert” as defined under Section 2(38) of the Companies Act and for inclusion of statement of special tax benefits dated September 29, 2022 in this Draft Red Herring Prospectus.

Our Company has received written consent dated September 29, 2022 from Shrikant Kondo, Independent Chartered Engineer, to include his name as required under Section 26 of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and referred to as an “expert” as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as an independent chartered engineer, in relation to the certificate dated September 29, 2022 certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facility.

The secretarial auditors of our Company, namely KMP and Associates, have pursuant to their certificate dated September 29, 2022, given consent to our Company for being referred to as an "expert" as defined under Section 2(38) of the Companies Act, in respect of the certificate on compliance of ESOP 2022 with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Appraising Entity

As the Offer is an offer for sale of Equity Shares by the Promoter Selling Shareholders, our Company is not required to appoint a monitoring agency for this Offer.

Credit Rating

As the Offer is an offer for sale of Equity Shares by the Promoter Selling Shareholders, credit rating is not required.

Debenture Trustees

As the Offer is an offer for sale of Equity Shares by the Promoter Selling Shareholders, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidder on the basis of this Draft Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band which will be decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and minimum Bid lot which will be decided by our Company, in consultation with the BRLMs and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective website. The Offer Price shall be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs, or in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bid/Offer Period. Except Allocation to Retail Individual Bidders, Non-Institutional Bidders and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. For further details on method and process of Bidding, see *'**Offer Procedure**'* and '***Offer Structure***' on pages 266 and 263, respectively.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For an illustration of the Book Building Process, price discovery process and allocation, see '***Offer Procedure***' on page 266.

Underwriting Agreement

After the determination of the Offer Price and determination of allocation of Equity Shares, but prior to filing of the Prospectus with the RoC, our Company and the Promoter Selling Shareholders will enter into the Underwriting Agreement with the Underwriters and the Registrar for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be Underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amounts are provided for indicative purposes only and would be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has approved the execution of the Underwriting Agreement by our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

(in ₹, except share data)

S.No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A)	**AUTHORISED SHARE CAPITAL**(1)		
	23,000,000 Equity Shares	230,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	22,282,350 Equity Shares	222,823,500	-
C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer for Sale of up to [●] Equity Shares each aggregating up to ₹ 7,500 million(2)	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	22,282,350 Equity Shares	222,823,500	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		69,750
	After the Offer		69,750

**To be updated upon finalisation of the Offer Price.*

*(1) For details in relation to the changes in the authorised share capital of our Company, see '**History and Certain Corporate Matters – Amendments to the Memorandum of Association**' on page 139.*

*(2) The Promoter Selling Shareholders confirm that the Offered Shares are eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. The Promoter Selling Shareholders have confirmed and authorized their participation in the Offer for Sale. For details on authorisation of the Promoter Selling Shareholders in relation to their respective portion of the Offered Shares, see '**The Offer**' and '**Other Regulatory and Statutory Disclosures**' on pages 49 and 246, respectively. The Offer has been authorised by our Board pursuant to a resolution at its meeting held on February 3, 2022.*

Notes to Capital Structure

1. **Equity Share Capital history of our Company**

(a) The following table sets forth the history of the Equity Share capital of our Company:

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
September 26, 2012	Initial subscription to the Memorandum of Association	8,000 Equity Shares were allotted to Sanjay Bharatkumar Jaiswal and 2,000 Equity Shares were allotted to Ashima Sanjay Jaiswal	10,000	10	10	Cash
March 31, 2014	Conversion of unsecured loans to Equity Shares	569,050 Equity Shares were allotted to Sanjay Bharatkumar Jaiswal and 240,950 Equity Shares were allotted to Ashima Sanjay Jaiswal	810,000	10	10	Other than cash
March 21, 2016	Bonus issue (in the ratio of two Equity Shares for every one Equity Share held)	1,154,100 Equity Shares were allotted to Sanjay Bharatkumar Jaiswal, and 485,900 Equity Shares were allotted to Ashima Sanjay Jaiswal	1,640,000	10	N.A.	N.A.
March 30, 2019	Bonus issue (in the ratio of 100 Equity Shares for every 123 Equity Shares held)	1,404,955 Equity Shares were allotted to Sanjay Bharatkumar Jaiswal, and 591,515 Equity Shares were allotted to Ashima Sanjay Jaiswal	1,996,470	10	N.A.	N.A.
September 30, 2021	Bonus issue (in the ratio of	12,544,420 Equity Shares were allotted to	17,825,880	10	N.A.	N.A.

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration
	four Equity Shares for every one Equity Share held)	Sanjay Bharatkumar Jaiswal, and 5,281,460 Equity Shares were allotted to Ashima Sanjay Jaiswal				

(b) The following table sets forth the history of the Class A Equity Share capital of our Company:

Date of allotment/ (buy-back)	Nature of allotment/ (buy-back)	Details of allottees/ shareholders and Class A Equity Shares allotted/ (bought-back)	Number of Class A Equity Shares allotted/ (bought-back)	Face value per Class A Equity Share (₹)	Offer price per Class A Equity Share (₹)	Nature of consideration
December 1, 2015	Exercise of stock options pursuant to ESOP 2014	500 Class A Equity Shares were allotted to Vinay Deshpande, 300 Class A Equity Shares were allotted to Rajeshkumar Sinha, 150 Class A Equity Shares were allotted to Sanjay Wagh, 150 Class A Equity Shares were allotted to Avindra Kumar Sharma, 150 Class A Equity Shares were allotted to Naveen Sharma and 300 Class A Equity Shares were allotted to Mahesh Joshi	1,550	10	55	Cash
March 21, 2016	Bonus issue (in the ratio of two Class A Equity Shares for every one Class A Equity Share held)	1,000 Class A Equity Shares were allotted to Vinay Deshpande, 600 Class A Equity Shares were allotted to Rajeshkumar Sinha, 300 Class A Equity Shares were allotted to Sanjay Wagh, 300 Class A Equity Shares were allotted to Naveen Sharma and 600 Class A Equity Shares were allotted to Mahesh Joshi.	2,800	10	N.A.	N.A.
March 30, 2019	Bonus issue (in the ratio of 100 Equity Shares for every 123 Equity Shares held)	1,217 Class A Equity Shares were allotted to Vinay Deshpande, 731 Class A Equity Shares were allotted to Rajeshkumar Sinha, 365 Class A Equity Shares were allotted to Sanjay Wagh, 122 Class A Equity Shares were allotted to Avindra Kumar Sharma, 365 Class A Equity Shares were allotted to Naveen Sharma and 730 Class A Equity Shares were allotted to Mahesh Joshi.	3,530	10	N.A.	N.A.

Date of allotment/ (buy-back)	Nature of allotment/ (buy-back)	Details of allottees/ shareholders and Class A Equity Shares allotted/ (bought-back)	Number of Class A Equity Shares allotted/ (bought-back)	Face value per Class A Equity Share (₹)	Offer price per Class A Equity Share (₹)	Nature of consideration
September 30, 2021	Bonus issue (in the ratio of four Equity Shares for every one Equity Share held)	10,868 Class A Equity Shares were allotted to Vinay Deshpande, 6,524 Class A Equity Shares were allotted to Rajeshkumar Sinha, 3,260 Class A Equity Shares were allotted to Sanjay Wagh, 1,088 Class A Equity Shares were allotted to Avindra Kumar Sharma, 3,260 Class A Equity Shares were allotted to Naveen Sharma and 6,520 Class A Equity Shares were allotted to Mahesh Joshi.	31,520	10	N.A.	N.A.
March 29, 2022	Buy-back of Class A Equity Shares	Buy-back of 13,585 Class A Equity Shares from Vinay Deshpande, 9,515 Class A Equity Shares from Rajeshkumar Sinha, 4,075 Class A Equity Shares from Sanjay Wagh, 4,075 Class Equity Shares from Naveen Sharma and 8,150 Class A Equity Shares from Mahesh Joshi.	(39,400)	10	55	Cash

2. Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

3. ***Shares issued for consideration other than cash or by way of bonus issue***

Except as stated below, our Company has not issued any Equity Shares and Class A Equity Shares for consideration other than cash or by way of bonus issue at any time since incorporation:

Date of allotment	Nature of allotment	Details of allottees/ shareholders and equity shares allotted	Number of equity shares allotted	Face value per equity share (₹)	Offer price per equity share (₹)	Nature of consideration
Equity Shares						
March 31, 2014	Conversion of unsecured loans to Equity Shares	569,050 Equity Shares were allotted to Sanjay Bharatkumar Jaiswal and 240,950 Equity Shares were allotted to Ashima Sanjay Jaiswal	810,000	10	10	Other than cash
March 21, 2016	Bonus issue (in the ratio of two Equity Shares for every one Equity Share held)	1,154,100 Equity Shares were allotted to Sanjay Bharatkumar Jaiswal, and 485,900 Equity Shares were allotted to Ashima Sanjay Jaiswal	1,640,000	10	N.A.	N.A.
March 30, 2019	Bonus issue (in the ratio	1,404,955 Equity Shares were allotted to	1,996,470	10	N.A.	N.A.

Date of allotment	Nature of allotment	Details of allottees/ shareholders and equity shares allotted	Number of equity shares allotted	Face value per equity share (₹)	Offer price per equity share (₹)	Nature of consideration
	of 100 Equity Shares for every 123 Equity Shares held)	Sanjay Bharatkumar Jaiswal, and 591,515 Equity Shares were allotted to Ashima Sanjay Jaiswal				
September 30, 2021	Bonus issue (in the ratio of four Equity Shares for every one Equity Share held)	12,544,420 Equity Shares were allotted to Sanjay Bharatkumar Jaiswal, and 5,281,460 Equity Shares were allotted to Ashima Sanjay Jaiswal	17,825,880	10	N.A.	N.A.
Class A Equity Shares						
March 21, 2016	Bonus issue (in the ratio of two Class A Equity Shares for every one Class A Equity Share held)	1,000 Class A Equity Shares were allotted to Vinay Deshpande, 600 Class A Equity Shares were allotted to Rajeshkumar Sinha, 300 Class A Equity Shares were allotted to Sanjay Wagh, 300 Class A Equity Shares were allotted to Naveen Sharma and 600 Class A Equity Shares were allotted to Mahesh Joshi.	2,800	10	N.A.	N.A.
March 30, 2019	Bonus issue (in the ratio of 100 Equity Shares for every 123 Equity Shares held)	1,217 Class A Equity Shares were allotted to Vinay Deshpande, 731 Class A Equity Shares were allotted to Rajeshkumar Sinha, 365 Class A Equity Shares were allotted to Sanjay Wagh, 122 Class A Equity Shares were allotted to Avindra Kumar Sharma, 365 Class A Equity Shares were allotted to Naveen Sharma and 730 Class A Equity Shares were allotted to Mahesh Joshi.	3,530	10	N.A.	N.A.
September 30, 2021	Bonus issue (in the ratio of four Equity Shares for every one Equity Share held)	10,868 Class A Equity Shares were allotted to Vinay Deshpande, 6,524 Class A Equity Shares were allotted to Rajeshkumar Sinha, 3,260 Class A Equity Shares were allotted to Sanjay Wagh, 1,088 Class A Equity Shares were allotted to Avindra Kumar Sharma, 3,260 Class A Equity Shares were allotted to Naveen Sharma and 6,520	31,520	10	N.A.	N.A.

Date of allotment	Nature of allotment	Details of allottees/ shareholders and equity shares allotted	Number of equity shares allotted	Face value per equity share (₹)	Offer price per equity share (₹)	Nature of consideration
		Class A Equity Shares were allotted to Mahesh Joshi.				

4. ***Shares issued out of revaluation reserves***

Our Company has not issued any shares out of revaluation reserves since its incorporation.

5. ***Issue of Equity Shares pursuant to Sections 230 to 234 of the Companies Act, 2013***

Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.

6. ***Issue of Equity Shares at a price lower than the Offer Price in the last year***

Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

7. ***Issue of Equity Shares under employee stock option schemes***

For details of Equity Shares issued by our Company pursuant to the exercise of options which have been granted under the employee stock option schemes, see '***– Equity Share Capital history of our Company***' and '***– Employee Stock Option Scheme***' on pages 60 and 70, respectively.

8. ***History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding (including Promoters' contribution)***

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 22,282,345 Equity Shares, which constitute 99.99 % of the issued, subscribed and paid-up Equity Share capital of our Company. All the Equity Shares held by our Promoters are in dematerialised form. The details regarding our Promoters' shareholding is set forth below.

a) Build-up of Promoters' shareholding in our Company

Set forth below is the build-up of our Promoters' shareholding since the incorporation of our Company.

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
Sanjay Bharatkumar Jaiswal							
September 26, 2012	8,000	10	10	Cash	Subscription to the Memorandum of Association	0.04	[●]
March 31, 2014	569,050	10	10	Other than cash	Conversion of unsecured loans to Equity Shares	2.55	[●]
March 21, 2016	1,154,100	10	N.A.	N.A.	Bonus issue (in the ratio of two Equity Shares for every one	5.18	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
					Equity Share held)		
March 30, 2019	1,404,955	10	N.A.	N.A.	Bonus issue (in the ratio of 100 Equity Shares for every 123 Equity Shares held)	6.30	[●]
September 30, 2021	12,544,420	10	N.A.	N.A.	Bonus issue (in the ratio of four Equity Shares for every one Equity Share held)	56.30	[●]
Total (A)	**15,680,525**					**70.37**	[●]
Ashima Sanjay Jaiswal							
September 26, 2012	2,000	10	10	Cash	Subscription to the Memorandum of Association	0.01	[●]
March 31, 2014	240,950	10	10	Other than cash	Conversion of unsecured loans to Equity Shares	1.08	[●]
March 21, 2016	485,900	10	N.A.	N.A.	Bonus issue (in the ratio of two Equity Shares for every one Equity Share held)	2.18	[●]
March 30, 2019	591,515	10	N.A.	N.A.	Bonus issue (in the ratio of 100 Equity Shares for every 123 Equity Shares held)	2.65	[●]
September 30, 2021	5,281,460	10	N.A.	N.A.	Bonus issue (in the ratio of four Equity Shares for every one Equity Share held)	23.70	[●]
March 30, 2022	5	10	1,200	Cash	Transfer of 1 Equity Share each to Gajendra Balakrishna Joshi, Ram Bhagwan Karhale, Ajeet Srivastava, Gaurang Patel and	Negligible	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
					Jigarkumar Mevada		
Total (B)	**6,601,820**					**29.62**	[●]
Total (A+B)	**22,282,345**					**99.99**	[●]

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or are otherwise encumbered.

b) ***Shareholding of our Promoters and the member of our Promoter Group***

Name of shareholder	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage of pre-Offer Equity Share capital	Number of Equity Shares	Percentage of post-Offer Equity Share capital
Promoters (also the Promoter Selling Shareholders)				
Sanjay Bharatkumar Jaiswal	15,680,525	70.37	15,680,525	[●]
Ashima Sanjay Jaiswal	6,601,820	29.62	6,601,820	[●]
Total	**22,282,345**	**99.99**	**22,282,345**	[●]

As on the date of this Draft Red Herring Prospectus, none of the members of the Promoter Group hold any Equity Shares.

c) ***Details of minimum Promoters' contribution locked in for eighteen months or any other period as may be prescribed under applicable law***

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of eighteen months or any other period as may be prescribed under applicable law, from the date of Allotment ("**Promoter's Contribution**"). Our Promoter's shareholding in excess of 20% shall be locked in for a period of six months from the Allotment. As on the date of this Draft Red Herring Prospectus, our Promoters hold 22,282,345 Equity Shares, constituting 99.99% of our Company's issued, subscribed and paid-up Equity Share capital, all of which are eligible for Promoters' Contribution.

Our Promoters have given consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Details of Promoters' Contribution are as provided below:

Name of the Promoter	Number of Equity Shares held	Number of Equity Shares locked-in**	Date of allotment/ transfer#	Face value per Equity Share (₹)	Allotment/ Acquisition price per Equity Share (₹)	Nature of transaction	% of the post-Offer paid-up Capital	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Name of the Promoter	Number of Equity Shares held	Number of Equity Shares locked-in**	Date of allotment/ transfer#	Face value per Equity Share (₹)	Allotment/ Acquisition price per Equity Share (₹)	Nature of transaction	% of the post-Offer paid-up Capital	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.
 # Equity Shares were fully paid-up on the date of allotment/acquisition.
*** Subject to finalisation of Basis of Allotment.*

The Equity Shares that are being locked-in are not and will not be in-eligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In particular, these Equity Shares do not and shall not consist of:

(i) Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;

(ii) Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm; and

(iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

d) Details of share capital locked-in for six months or any other period as may be prescribed under applicable law

In terms of Regulation 17 of the SEBI ICDR Regulations, except for the Promoters' Contribution which shall be locked-in as above, the entire pre-Offer Equity Share capital of our Company (including those Equity Shares held by our Promoters in excess of Promoter's Contribution), shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked-in for a period of six months from the date of Allotment or any other period as may be prescribed under applicable law. Further, in terms of Regulation 17 of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-in for a period of six months from the date of Allotment, provided (i) that such Equity Shares shall be locked-in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund of category I or category II or foreign venture capital investor.

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, may be transferred to Promoters or members of the Promoter Group or to any new Promoters, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer or any other period as may be prescribed under applicable law, may be transferred to any other person holding Equity Shares which are locked -in, subject to the continuation of the lock-in the hands of the transferee for the remaining period and compliance with the provisions of the Takeover Regulations.

In terms of Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

e) Lock-in of Equity Shares Allotted to Anchor Investors

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

f) Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, the members of our Promoter Group and/or our Directors and their relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Except as disclosed below, none of our Promoters, members of our Promoter Group, our Directors or their relatives have sold or purchased any Equity Shares of our Company during the six months preceding the date of this Draft Red Herring Prospectus:

Name	Sale/ Purchase	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue Price per Equity Share (in ₹)	Date of sale/ purchase
Ashima Sanjay Jaiswal	Transfer of 1 Equity Share each to Gajendra Balakrishna Joshi, Ram Bhagwan Karhale, Ajeet Srivastava, Gaurang Patel and Jigarkumar Mevada	5	10	1,200	March 30, 2022

9. ***Our shareholding pattern***

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoters and Promoter Group	2	22,282,345	-	-	22,282,345	99.99	22,282,345	-	22,282,345	99.99	-	99.99	-	-	-	-	22,282,345
(B)	Public	5	5	-	-	5	Negligible	5	-	5	Negligible	-	Negligible	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**7**	**22,282,350**	**-**	**-**	**22,282,350**	**100**	**22,282,350**	**-**	**22,282,350**	**100**	**-**	**100**	**-**	**-**	**-**	**-**	**22,282,345**

10. ***Shareholding of our Directors and Key Managerial Personnel in our Company***

Except as stated below, none of our Directors or Key Managerial Personnel hold any Equity Shares.

Name	Number of Equity Shares	% of pre-Offer Equity Share capital (%)*
Sanjay Bharatkumar Jaiswal	15,680,525	70.37
Ashima Sanjay Jaiswal	6,601,820	29.62

11. ***Details of shareholding of the major shareholders of our Company***

(a) As on the date of this Draft Red Herring Prospectus, our Company has seven equity shareholders.

(b) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus:

S. No.	Shareholder	Number of Equity Shares	% of pre-Offer Equity Share capital
1.	Sanjay Bharatkumar Jaiswal	15,680,525	70.37
2.	Ashima Sanjay Jaiswal	6,601,820	29.62
	Total	**22,282,345**	**99.99**

(c) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Shareholder	Number of Equity Shares	% of pre-Offer Equity Share capital
1.	Sanjay Bharatkumar Jaiswal	15,680,525	70.37
2.	Ashima Sanjay Jaiswal	6,601,820	29.62
	Total	**22,282,345**	**99.99**

(d) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Shareholder	Number of Equity Shares	% of pre-Offer Equity Share capital
1.	Sanjay Bharatkumar Jaiswal	3,136,105	70.25
2.	Ashima Sanjay Jaiswal	1,320,365	29.58
	Total	**4,456,470**	**99.83**

(e) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Shareholder	Number of Equity Shares	% of pre-Offer Equity Share capital
1.	Sanjay Bharatkumar Jaiswal	3,136,105	70.25
2.	Ashima Sanjay Jaiswal	1,320,365	29.58
	Total	**4,456,470**	**99.83**

12. **Employee Stock Option Scheme**

As on the date of this Draft Red Herring Prospectus, our Company has only one ESOP scheme, namely AIROX Employee Stock Plan 2022 ("**ESOP 2022**").

ESOP 2022 was approved pursuant to a Board resolution dated March 30, 2022, and Shareholder's resolution dated April 4, 2022, and was further amended pursuant to Board resolution and Shareholders' resolution, each dated September 20, 2022. Under ESOP 2022, no options have been granted as on the date of this Draft Red Herring Prospectus. ESOP 2022 is in compliance with the SEBI SBEB & SE Regulations.

13. 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 Draft Red Herring Prospectus.

14. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of the Equity Shares being offered through this Offer.

15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.

16. None of the BRLMs and their respective associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares in the Company as on the date of this Draft Red Herring Prospectus.

17. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.

18. No person connected with the Offer, including, but not limited to, our Company, the Promoter Selling Shareholders, 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.

19. Except for the issuance of Equity Shares pursuant to exercise of employee stock options under ESOP 2022, 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 this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

20. Except for the issuance of Equity Shares pursuant to exercise of employee stock options under ESOP 2022, there is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the Equity Shares or issue of Equity Shares or convertible securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Offer Opening Date.

21. The BRLMs, and any person related to the BRLMs or the Syndicate Members, cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associate of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs, or AIFs sponsored by entities which are associates of the BRLMs, or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs.

22. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

23. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

OBJECTS OF THE OFFER

The objects of the Offer are to (i) carry out the Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 7,500 million by the Promoter Selling Shareholders; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

Our Company expects that listing of the Equity Shares will enhance our visibility and brand and provide liquidity to its existing Shareholders. Listing will also provide a public market for the Equity Shares in India.

Utilisation of the Offer Proceeds by the Promoter Selling Shareholders

Our Company will not receive any proceeds from the Offer ("**Offer Proceeds**"). All the Offer Proceeds (net of any Offer related expenses to be borne by the Promoter Selling Shareholders) will be received by the respective Promoter Selling Shareholders, in proportion to the Equity Shares offered by them in the Offer for Sale. For details, see '***The Offer***' and '***Other Regulatory and Statutory Disclosures***' on pages 49 and 246, respectively.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. Other than (a) listing fees, which will be borne by our Company, and (b) fees and expenses in relation to the legal counsel to the Promoter Selling Shareholders which shall be borne by the respective Promoter Selling Shareholder, all the expenses relating to the Offer, including the underwriting commissions, procurement commissions, if any, and brokerage due to the underwriters and sub-brokers or stock brokers, advertising, printing, road show expenses, accommodation and travel expenses, costs for legal counsel, registrar fees and bank charges, fees to be paid to the Book Running Lead Managers or any intermediaries, fees payable to SEBI or Stock Exchanges or Depositories, etc., and payments to consultants and advisors, shall be borne by the Promoter Selling Shareholders in proportion to the Equity Shares offered by each of them as part of the Offer. The cost and expenses to be borne by the Promoter Selling Shareholders and the Company and the mechanism for the same shall be as agreed in the Offer Agreement.

The estimated Offer expenses are as follows:

(₹ in million)

S. No	Activity	Estimated amount(1)	As a % of total estimated Offer Expenses(1)	As a % of Offer Size(1)
1.	BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
2.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
3.	Selling commission/processing fee for SCSBs and Bankers to the Offer and fee payable to the Sponsor Bank for Bids made by RIIs using UPI(2)(3)(4)	[●]	[●]	[●]
4.	Brokerage and selling commission and bidding charges for the Members of the Syndicate, Registered Brokers, RTAs and CDPs (5)(6)(7)(8)	[●]	[●]	[●]
5.	Advertising and marketing expenses	[●]	[●]	[●]
6.	Other expenses (i) Listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees, (ii) Other regulatory expenses, (iii) Printing and stationary expenses (iv) Fees payable to the legal counsel (v) Fees payable to other advisors to the Offer (vi) Miscellaneous	[●]	[●]	[●]
Total estimated Offer Expenses		[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured by the SCSBs, would be as follows:

*Portion for Retail Individual Investors**	[●] *% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Investors**	[●] *% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.*

(3) *No uploading/processing fees shall be payable by our Company and the Promoter Selling Shareholders to the SCSBs on the Bid cum Application Forms directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

Portion for Retail Individual Investors	*₹[●] per valid application (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹[●] per valid application (plus applicable taxes)*

(4) *The Processing fees for applications made by Retail Individual Investors using the UPI Mechanism would be as follows:*

Members of the Syndicate / RTAs / CDPs	*₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

**For each valid application*

(5) *Selling commission on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

Portion for Retail Individual Investors	*[●] % of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors	*[●] % of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(6) *The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

(7) *Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIIs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [•] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIIs and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for RIIs**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable taxes)*

**Based on valid applications*

(8) *The processing fees for applications made by Retail Individual Investors 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 the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.*

Monitoring of Utilisation of Funds

As the Offer is an Offer for Sale of Equity Shares by the Promoter Selling Shareholders, our Company will not receive any proceeds from the Offer. Accordingly, a monitoring agency is not required to be appointed for the Offer in terms of the SEBI ICDR Regulations.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of the Offered Shares proposed to be sold in the Offer for Sale by the Promoter Selling Shareholders, none of our Directors, Key Managerial Personnel, members of the Promoter Group will receive any portion of the Offer Proceeds, and there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds entered into or to be entered into by our Company with our Promoters, Directors, Key Managerial Personnel or Promoter Group.

BASIS FOR OFFER PRICE

The Price Band will be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs. The Offer Price will also be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should refer to '***Risk Factors***', '***Our Business***', '***Restated Financial Information***' and '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' beginning on pages 21, 119, 163 and 216, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

1. Leading providers of PSA oxygen generators in India;
2. Strong and growing customer base;
3. Modern and automated manufacturing facility with dedicated research and development team;
4. Wide sales and distribution network and strong service network;
5. Experienced management team with strong industry expertise; and
6. Strong financial performance with consistent growth and profitability.

For further details, see '***Risk Factors***' and '***Our Business***' beginning on pages 21 and 119, respectively.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Financial Information. For further information, see '***Financial Information***' beginning on page 163.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings per Equity Share

Fiscal / period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2022	40.34	40.34	3
March 31, 2021	7.11	7.11	2
March 31, 2020	0.34	0.34	1
Weighted Average	**22.60**	**22.60**	

Notes:

1. Basic EPS (₹) = Basic earnings per share are calculated by dividing the Restated Profit for the year attributable to the owners of our Company by the weighted average number of Equity Shares outstanding during the year.

2. Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the restated profit for the year attributable to the owners of our Company by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year.

3. Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.

4.Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year 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 total number of days during the period.

5.Weighted Average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e., (EPS X Weight) for each year/ Total weights.

*6. The above statement should be read with significant accounting policies and notes on Restated Financial Information as appearing in the section titled '**Financial Information – Restated Financial Information**' on page 163.*

2. Price/Earning ("P/E") Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at Floor Price (no. of times)	P/E at Cap Price (no. of times)
Based on basic EPS	[●]	[●]
Based on diluted EPS	[●]	[●]

3. Industry P/E ratio

There are no listed companies in India whose business portfolio is comparable with that of our business and comparable to our scale of operations. Hence, it is not possible to provide an industry comparison in relation to our Company.

4. Return on Net Worth ("RoNW")

Fiscal ended	RoNW (%)	Weight
March 31, 2022	83.74	3
March 31, 2021	89.63	2
March 31, 2020	46.37	1
Weighted Average	**79.48**	

Notes:

1. *Net worth means the aggregate of paid up equity share capital and other equity (all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account) as per the Restated Financial Information*
2. *Return on Net Worth (%) = Restated Profit for the year attributable to equity shareholders of our Company divided by Net Worth of our Company.*
3. *Weighted average = Aggregate of year-wise weighted Return on Net worth divided by the aggregate of weights i.e. (Return on Net worth x Weight) for each year / Total of weights.*

5. Net Asset Value ("NAV")

Net Asset Value per Equity Share	(₹)
As on March 31, 2022	48.25
After the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
At Offer Price	[●]

Notes:

1. Net Assets Value per Equity Share = Net worth attributable to the owners of our Company / Weighted average Number of Equity shares outstanding during the year.

6. Comparison with Listed Industry Peers

There are no listed companies in India whose business portfolio is comparable with that of our business and comparable to our scale of operations. Hence, it is not possible to provide an industry comparison in relation to our Company.

The Offer Price of ₹ [●] has been determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process. Our Company, as applicable, in consultation with the BRLMs, are justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with '***Risk Factors***', '***Our Business***' and '***Financial Information***' beginning on pages 21, 119 and 163, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section titled '***Risk Factors***' beginning on page 21 and any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

Date: September 29, 2022

The Board of Directors
Airox Technologies Limited
Unit No. D-27, 5th Floor
Empire Mall Private Limited (PTC)
Chikalthana, Aurangabad - 431 006
Maharashtra, India

Dear Sir/Madam,

Sub: Statement of possible special tax benefit (the "Statement") available to Airox Technologies Limited (the "Company"), and to its shareholders prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (the "SEBI ICDR Regulations) in connection with the proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") of the Company (such offering, the "Offer")

We, DMKH & Co, Chartered Accountants, hereby confirm that the enclosed **Annexure A**, prepared by the Company and initiated by us for identification purpose ("**Statement**") for the Offer, provides the possible special tax benefits available to the Company and to its shareholders under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, SGST/CGST Act,2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (read with the rules, circulars and notifications issued in connection thereto). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9) (L) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the **Annexure A**. Any benefits under the taxation laws other than those specified in the **Annexure A** are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the **Annexure A** have not been examined and covered by this statement.

The benefits discussed in the enclosed Statement are not exhaustive. The 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 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 Offer.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

We do not express any opinion or provide any assurance as to whether:
a. the Company or its shareholders will continue to obtain these benefits in the future; or
b. the conditions prescribed for availing of the benefits, where applicable 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.

We have conducted our review in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("**ICAI**") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this statement we have complied with the Code of Ethics issued by the ICAI.

We hereby consent to be named an “expert” under the Companies Act, 2013, as amended, and our name may be disclosed as an expert to any applicable legal or regulatory authority insofar as may be required, in relation to the statements contained therein. We further confirm that we are not and have not been engaged or interested in the formation or promotion or management of the Company.

We have carried out our work on the basis of Restated Financial Statements and other documents, public domain and information made available to us by the Company, which has formed substantial basis for this Statement. We were not appointed as the statutory auditor and have not audited the Company. Accordingly, we do not express any form of opinion on the financial statements or other information. Any change in the information made available to us by the Company which forms substantial basis of our verification, subsequent to the issuance of this Statement has not been considered.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We hereby consent to the extracts of this statement and the Statement being used in the Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus and in any other material used in connection with the Offer and other Offer related materials.

Yours faithfully,

For DMKH & Co.
Chartered Accountants
ICAI Firm Registration No: 116886W

CA Manish Kankani
Partner
Membership No. 158020
Peer Review Certificate No. 012661
UDIN: 22158020AWPDMW3404
Date: September 29, 2022
Place: Mumbai, Maharashtra

Annexure A

Statement of Tax Benefits

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9) (L) of the SEBI ICDR Regulations. While the term '*special tax benefits*' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been reviewed and covered by this statement.

I. Special Direct tax benefits available to the Company

No direct tax benefit is available to the Company.

II. Special Indirect tax benefits available to the Company

No indirect tax benefit is available to the Company.

III. Special tax benefits available to Shareholders

No special tax benefit is available to Shareholders.

Notes:

(i) The above Statement of Tax benefits sets out the special tax benefits available to the Company and its shareholders under the tax laws mentioned above.
(ii) The above Statement covers only above-mentioned tax laws benefits and does not cover any general tax benefits under any other law.
(iii) This Statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
(iv) 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.
(v) This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible tax consequences that apply to them in any country other than India.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section has been derived from the report titled "Assessment of Medical Oxygen Manufacturing Industry in India" released in September 2022 (the "**CRISIL Report**"), prepared by CRISIL Limited appointed by us on February 8, 2022, and exclusively commissioned by and paid for by us in connection with the Offer. CRISIL Limited is not in any way related to our Company, our Directors or Promoters. The CRISIL Report is available on the website of our Company at https://airoxtechnologies.com/airoxIndustryReports. The data may have been re-classified by us for the purposes of presentation. See also, '**Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.**' on page 35. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

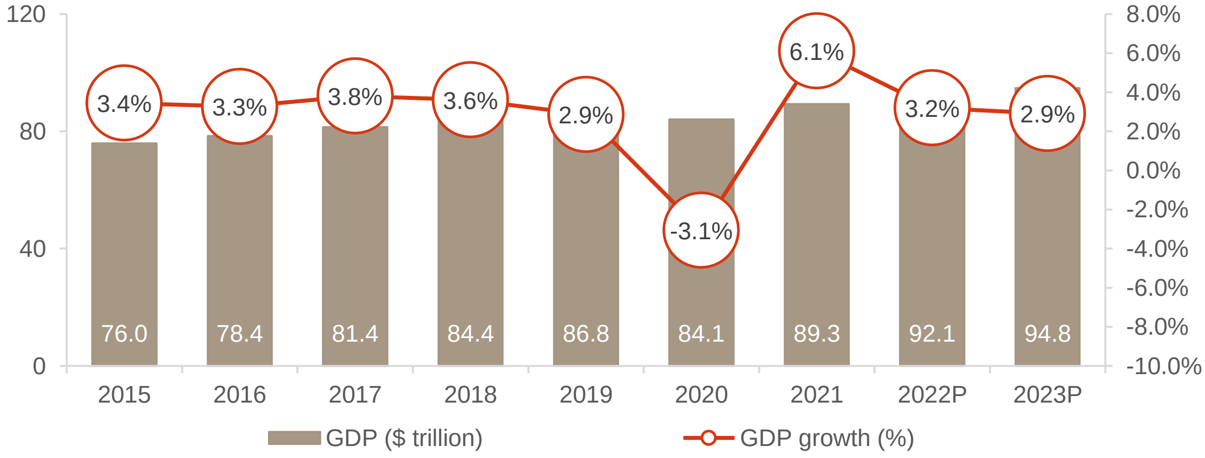
OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

Global GDP review and outlook

Global gross domestic product ("**GDP**") rebounded strongly in 2021 on account of policy support and vaccination drives after dropping in 2020. GDP growth is expected to moderate to 3.2% y-o-y rise in 2022. According to the International Monetary Fund ("**IMF**") July 2022 update, global growth is expected to moderate from 6.1% in 2021 to 3.2% in 2022 and 2.9% in 2023. This is 0.4% and 0.7% points lower for 2022 and 2023 than projected in April 2022. Economic damage from the Russia-Ukraine conflict will contribute to a slowdown in global growth in 2022. According to IMF, the economic damage from the ongoing war in Ukraine has contributed to a slowdown in global growth and rising inflation causing damage to various countries. The war has caused a humanitarian crisis in Eastern Europe, and various sanctions being imposed on Russia to end hostilities. In addition, frequent and wider-ranging lockdowns in China have slowed activity as it is a major manufacturing hub, which could cause new bottlenecks in the global supply chain. Further, Russia is a major supplier of oil, gases and metals and Ukraine is a major supplier of wheat and corn, and an anticipated decline in the supply of these essential commodities is likely to spike up the prices in the global commodities market. Also record high inflation in last four decades for USA and some of the major European economies is expected to hit word economy. High uncertainty surrounds the current IMF forecast, and there are downside risks to the global outlook.

According to IMF (World Economic Outlook – July 2022), global growth prospects have changed markedly since beginning of the year owing to geopolitical issues. In CY2021, global growth rebounded with a robust growth of 6.1% from -3.1% the previous year, but it is expected to slow in calendar year 2022 to 3.2%.

Trend and outlook for global GDP (2015-23P, in $ trillion)



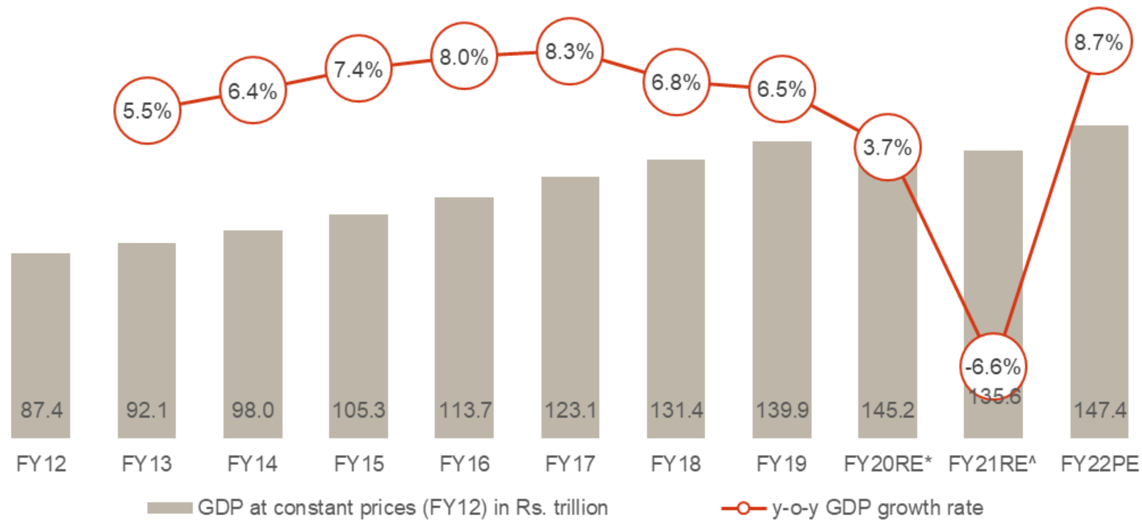
P: Projection
Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL Research

Review of India's GDP growth

GDP logged 6.6% CAGR between Fiscals 2012 and 2020

In 2015, the Ministry of Statistics and Programme Implementation ("**MoSPI**") changed the base year for calculating India's GDP between Fiscals 2005 and 2012. Based on this, the country's GDP logged a ten-year CAGR of 5.4%, growing to Rs. 147 trillion in Fiscal 2022 from Rs. 87 trillion in Fiscal 2012. Fiscal 2021 has been a challenging year for the Indian economy, which was already experiencing a slowdown before the pandemic struck. GDP contracted 6.6% (in real terms) after growing 3.7% in Fiscal 2020. At Rs. 136 trillion in Fiscal 2021, India's GDP (in absolute terms) dipped even below the Fiscal 2019 level of Rs 140 trillion. In Fiscal 2022, the Indian economy revived at 8.7% y-o-y growth with GDP at Rs 147 trillion.

Real GDP growth in India (new GDP series, in Rs trillion)



PE: Provisional estimates RE: Revised estimates
**: second revised estimates*
^: First revised estimates
Source: Provisional estimates of national income 2021-22 and quarterly estimates of GDP for quarter four of 2021-22, 31st May 2022, Central Statistics Office (CSO), MoSPI, CRISIL Research

Fiscal 2023 GDP growth estimated at 7.3%

The on-going Russia-Ukraine war has caused turmoil in commodity markets. While freight costs have moderated of late, they are still elevated when compared with pre-war situation during the beginning of the year. For India, this translates to higher import bills and higher inflation. For the Fiscal 2023, CRISIL Research estimates the GDP growth to be 7.3%. These estimates come at the back of major upside and downside factors discussed below.

Downside factors:

<u>Higher Inflation:</u> The Consumer Price Index ("**CPI**") based inflation print of 7.0% in May 2022 remained a full percentage point above the upper limit of the RBI's 2-6% target. Rising inflation reduces purchasing power and would weigh on revival of consumption, the largest component of GDP.

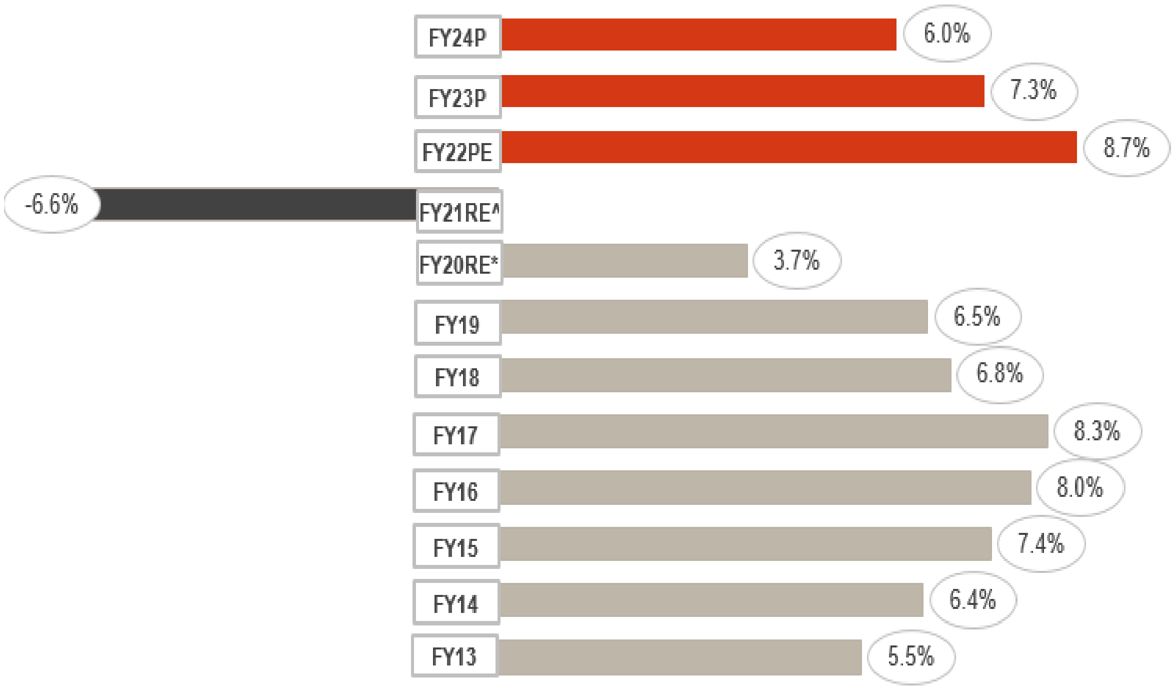
<u>Increasing crude oil prices:</u> India is one of the major importers of crude oil, prices for which are expected to average $105-110/bbl during Fiscal 2023 as per CRISIL estimates, which is a 35% rise over last Fiscal, and the highest since 2013. High commodity prices have a domino effect on Indian GDP.

<u>PFCE:</u> Private final consumption expenditure ("**PFCE**"), the largest demand-side driver, remains weak. The recovery in PFCE has been the slower from the pandemic's impact and it was just 1.4% above its pre-pandemic (Fiscal 2020) level in Fiscal 2022, reflecting the mixed impact of the omicron-led third wave and higher inflation.

Upside factors:

Forecast of normal monsoon: The India Meteorological Department ("**IMD**") has forecast normal rains (103% of the long-period average) during the south-west monsoon this year. Though this augurs well for the agriculture sector and, thereby, rural demand, the spatial and temporal distribution of rainfall is monitorable.

Real GDP Growth



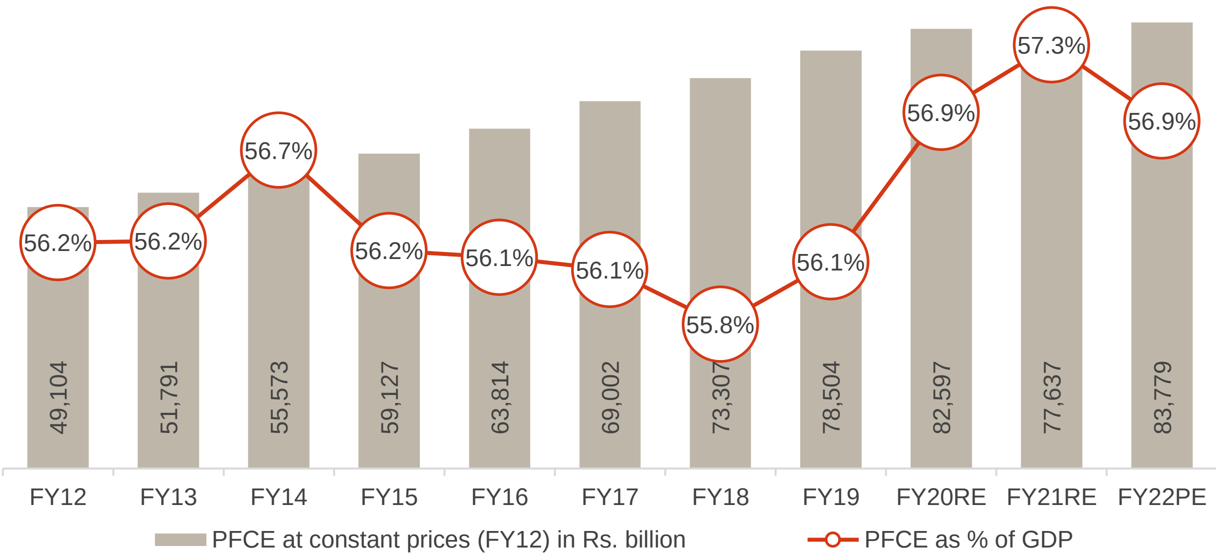
RE: Revised estimates PE: Provisional estimates; P: Projected by CRISIL Research; GDP calls updated as of June 2022
**: second revised estimates*
^: First revised estimates
Source: Provisional estimates of national income 2021-22 and quarterly estimates of GDP for quarter four of 2021-22, 31st May 2022, Central Statistics Office (CSO), MoSPI, CRISIL Research

Review of private final consumption growth

Private final consumption expenditure to maintain dominant share in GDP

Private final consumption expenditure ("**PFCE**") at constant prices clocked 6.7% CAGR between Fiscals 2012 and 2020, maintaining its dominant share in the GDP pie, at ~57% or Rs. 82,597 billion. PFCE, however, declined in Fiscal 2021 to Rs. 77,637 billion on account of the pandemic, when consumption demand was impacted on account of strict lockdowns, employment loss, limited discretionary spending, and disruption in demand-supply dynamics. PFCE increased by 7.9% to Rs. 83,779 billion in Fiscal 2022, but as % of GDP remained low at 56.9% as personal expenditure had negative impact of COVID-19 pandemic and Government spending expenditure saw an increase for boosting the economy from COVID-19 slump.

PFCE (at constant prices, in Rs trillion)



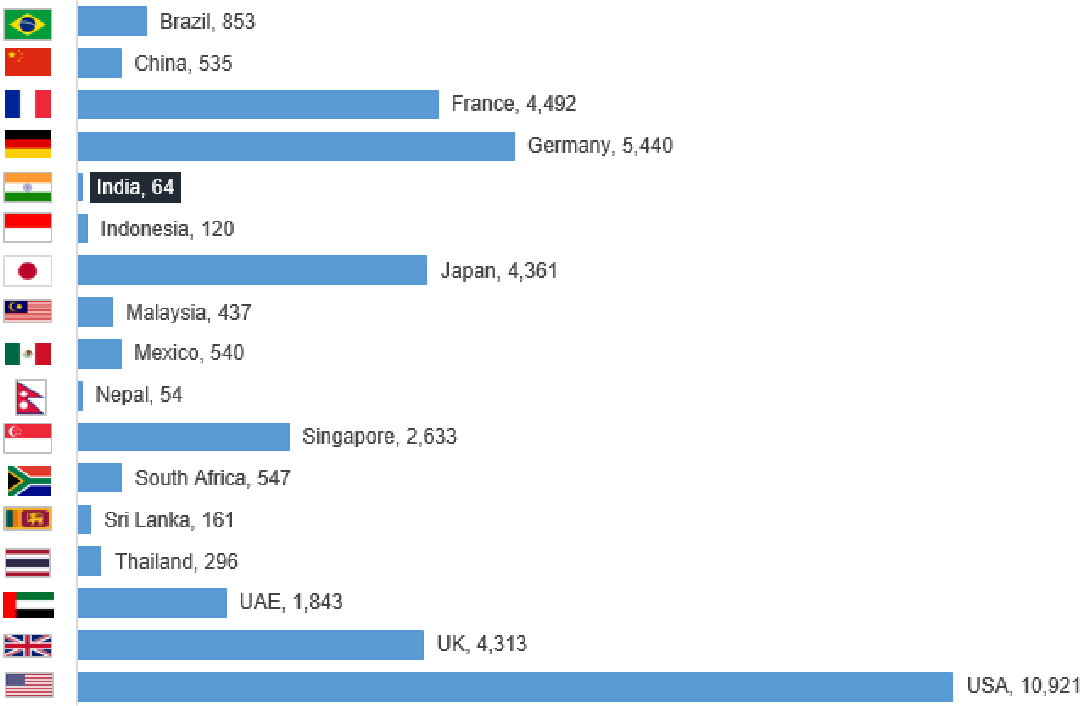
Note: RE - revised estimates, PE: Provisional estimates.

Source: Provisional estimates of national income 2021-22 and quarterly estimates of GDP for quarter four of 2021-22, 31st May 2022, MoSPI, CRISIL Research.

Consumption expenditure to be driven by discretionary items

CRISIL Research estimates that basic items accounted for 40.4% of the total consumption expenditure of Indians in Fiscal 2020, with discretionary items accounting for the remainder 59.6%. It is worth noting that the share of discretionary items in consumption increased to 59.6% in Fiscal 2020 from 53.4% in Fiscal 2012. The increased spending on discretionary items suggests rising disposable income of households.

Per capita current health expenditure (current US$, 2019)



Source: Global Health Expenditure Database - World Health Organization, CRISIL Research

Indians spend too little on healthcare

Global healthcare spending has been rising, in keeping with economic growth. As the economy grows, public and private spending on health increases. Also, greater sedentary work gives rise to chronic diseases, which pushes up healthcare spending. Fast-growing economies with low spending on health are seeing chronic diseases increase dramatically as they move up the income ladder. India lags most of the emerging and developed counties in healthcare expenditure. Its per capita current health expenditure in 2019 was a paltry $64 compared with the major emerging and advanced economies.

OVERVIEW OF OXYGEN DEMAND IN INDIA

Oxygen is the second-largest component in the atmosphere, comprising 20.8% by volume. It combines readily with many elements to form an oxide and is necessary to support combustion. Oxygen is generally liquefied to transport it more efficiently and store it in large volumes. However, most applications use oxygen after it is vapourised to the gaseous form. Liquid oxygen is cryogenic, i.e., it is a liquefied gas with a normal boiling point below –90°C. Liquid oxygen specifically has a boiling point of –183°C. Since the temperature difference between the product and the surrounding environment is substantial, keeping liquid oxygen insulated from the surrounding heat is essential, even in winter. The product also requires special equipment for handling and storage. Liquid storage is less bulky and costly than the equivalent capacity of high-pressure gaseous storage. A typical storage system consists of a cryogenic storage tank, one or more vapourisers and a pressure-control system. The cryogenic tank is constructed, in principle, like a vacuum bottle. There is an inner vessel surrounded by an outer vessel. Between the vessels is an annular space that contains an insulating medium from which all the air has been removed. This space keeps heat away from the liquid oxygen held in the inner vessel. Vapourisers convert the liquid oxygen into a gaseous state. A pressure control manifold then controls the gas pressure that is fed to the process or application. Gaseous oxygen is shipped and stored in high-pressure cylinders, tubes or tube trailers, depending on the quantity required by the user. Cylinders are designed and manufactured according to applicable codes and specifications for the pressures and temperatures involved. The quantity of product a container can hold is determined by its pressure rating and internal volume.

Based on sample set considered by CRISIL, on an average 1.3-1.5 Kw/Hr power is required for generation of oxygen at a flow rate of 1 Nm3/Hr. Medical oxygen needs checks and certification, while industrial oxygen doesn't.

	Medical oxygen	Industrial oxygen
Definition	The oxygen used to treat patients	The oxygen used for industrial purpose
Purpose	To maintain enough oxygen level in blood	Mainly for combustion and gasification processes in industries
Grade	Accepted purity: 93%±3% according the Indian Pharmacopoeia	Generally high purity oxygen is required for industrial purpose (~99.5%)
Handling	Generators or compressors usually are in oil-free or oil-less varieties	Can be generated by oil-lubricated, oil-less or oil-free compressors

Source: CRISIL Research

Medical oxygen is oxygen that is produced and used specifically for medical purposes. Medical oxygen can only be generated by medical air generators or compressors, which are usually oil-free or oil-less varieties. The entire supply chain of medical oxygen, including transport and storage cylinders, strictly controls the presence of water to prevent rusting inside the cylinders. In contrast, industrial oxygen is oxygen used in industries and manufacturing plants for combustion, oxidation, cutting and various chemical reactions. Industrial oxygen is not intended to be inhaled like medical oxygen, and it can be generated by oil-lubricated, oil-less or oil-free compressors. The basic difference between oxygen IP (Indian Pharmacopoeia, medical oxygen) and industrial oxygen is in assuring the control as per the specification demanded in the finished product to achieve 'standard IP 2018'. This means that the process for manufacturing medical oxygen should be as per the requirements of Schedule M of the Drugs and Cosmetics Act, 1940 and rules. Moreover, the testing protocol and process regulations as demanded by Indian Pharmacopoeia in its latest edition, IP 2018, should be stringently followed.

The purity levels of industrial oxygen are not on par with medical oxygen. Medical oxygen cylinders should be free of contaminants. Strict regulations and setting parameters pertaining to tank cleanliness are a must to eliminate the possibility of any potentially harmful contaminants and infections. While industrial cylinders should be thoroughly cleaned before use, there can be impurities from the containers. Knowing this, industrial oxygen should never be used for medical purposes unless strict parameters are applied vigilantly.

Supply options and their comparison

	On-site production (PSA)	Bulk delivery (Liquid oxygen)	Cylinders	Concentrators
Description	An on-site oxygen generation system using PSA technology supplies high-pressure oxygen throughout the facility via a central pipeline system, or via cylinders refilled by the plant	Bulk liquid oxygen production off-site; Stored in a large tank and supplied throughout the health facility through pipeline system; Tank required refilling by liquid oxygen supplier	A refillable cylindrical storage vessel used to store, and transport oxygen in compressed gas form; Cylinders are refilled at a gas generating plant and thus require transportation to and from the plant	A self-contained electricity powered medical device designed to concentrate oxygen from ambient air
Clinical application	Can be used for all oxygen needs, including high-pressure supply	Can be used for all oxygen needs including high-pressure supply and in facilities where power supply is intermittent or unreliable	Can be used for all oxygen needs, including high-pressure supply and in facilities where power supply is intermittent or unreliable. Also used for ambulatory service or patient transport. Used as a backup for other systems.	Used to deliver oxygen at bed-side or within proximity to patients. A single concentrator can service several beds with the use of a flowmeter stand to split output flow
Distribution mechanism	Central, sub-central pipeline distribution system, or can be used to refil cylinders that can be connected to manifold system in the facility	Central pipeline distribution system	Connected to manifold central sub-central pipeline distribution system, or directly connected to patient bed with flowmeter and tubing	Direct supply to patient with tubing or through a flowmeter stand
Maintenance requirement	Significant maintenance of system and piping required by highly trained technicians and engineers; can be provided as part of contract	Significant maintenance of system and piping required by highly trained technicians and engineers, which can be provided as part of contract	Limited maintenance required by trained technicians	Moderate maintenance required by trained technicians
Recurring cost	Electricity cost	Cost of liquid oxygen and rent	Cost of procuring the cylinder	Electricity cost
Logistics management	One-time installation of plant	Issues might arise when a tanker needs access to bulk-storage tank to refill liquid oxygen	Issues might arise with the transporttion, storage and access to the cylinders.	One-time transpotation of concentrators

Source: CRISIL Research

Over 80% of the hospitals in India procure medical oxygen through cylinders

Oxygen sources include oxygen generation plants, bulk liquid oxygen storage tanks and oxygen concentrators. The most common storage system used in health-care facilities is a cylinder. Factors that affect the choice of appropriate oxygen source at the treatment unit include amount of oxygen required, infrastructure available, local supply chain, reliability of electric power, and availability of spare parts and maintenance service.

Pressure swing adsorption (PSA) oxygen generators

Oxygen is generated from compressed air by a separation process that uses the principle of selective adsorption. PSA oxygen generators of required capacity can be located at the medical facility. The generated oxygen is then piped directly to patients and used through a booster compressor to refill cylinders. Oxygen generators require a reliable source of power and a back-up supply in the form of cylinders. When PSA oxygen generators are used for oxygen supply at hospitals, the facility must have a battery of pressurised oxygen cylinders as a back-up. The PSA oxygen generator must be supplied with emergency power to the feed air compressor.

Oxygen cylinders

Oxygen gas can be compressed and stored in cylinders. These cylinders are filled at a gas manufacturing plant, either via cryogenic distillation or a PSA oxygen generator, and then transported to health facilities. Cylinders can be used in one of two ways. One, by installing them directly within patient areas or similar to direct piping and two, by connecting them to a sub-central manifold system (groups of cylinders linked in parallel) at the facility. Thus, oxygen can be piped to specific areas of the health facility, even at the ward level. When cylinders are the only source of oxygen in a health facility, a strong supply-chain is required to ensure ongoing availability. Once filled, cylinders themselves do not require electricity, but they do require several accessories and fittings to deliver oxygen, such as pressure gauges, regulators, flowmeters, and in some cases, humidifiers. Cylinders also require periodic maintenance, commonly provided by gas suppliers at the point of refilling. Cylinders can be used for all oxygen needs, including high-pressure supply and in facilities where power supply is intermittent or unreliable. They are also used for ambulatory service or patient transport.

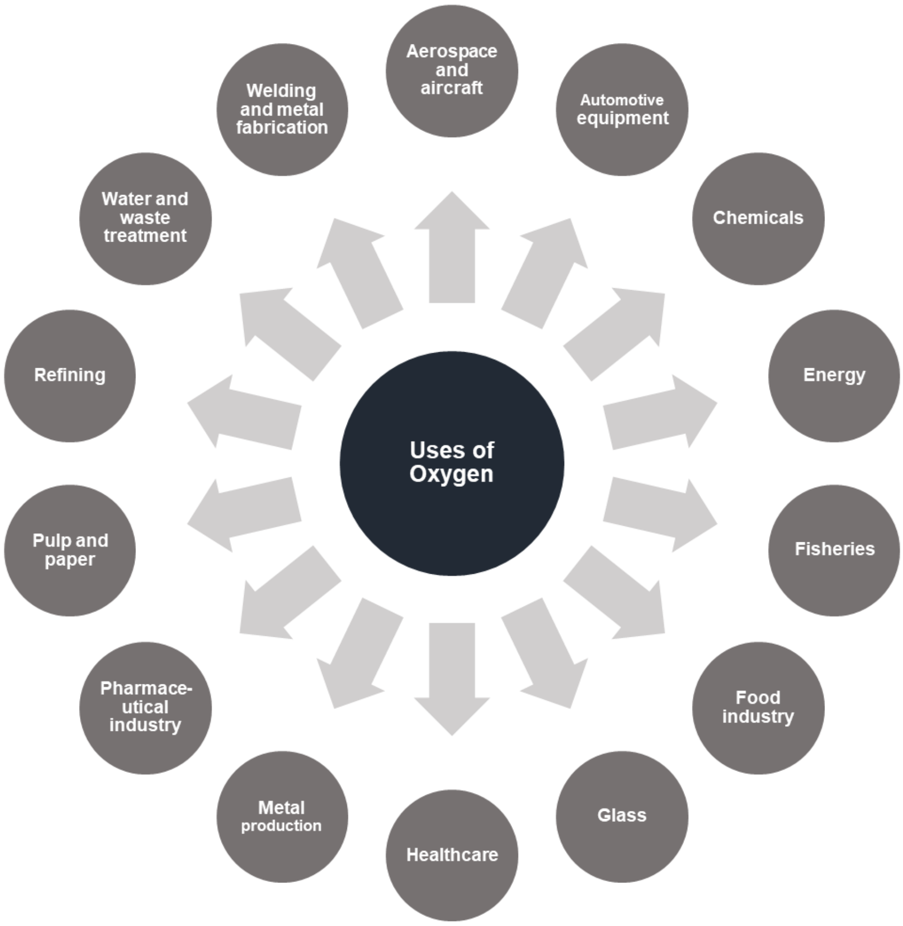
Liquid oxygen

Liquid oxygen produced at the offsite cryogenic facility is stored in tanks at the hospital, periodically filled from a tanker. The oxygen supply in the healthcare facility is through a central piping system where the gas is self-vapourised without external power. The system is suitable for larger installations with assured supply chain mechanisms and strong operating procedures for handling the high-pressure system. It is necessary to provide adequate insulation to avoid boil-off and evaporation loss. The inventory must be continuously monitored. The system needs to have back-up in the form of cylinders.

Oxygen concentrators

Oxygen concentrators are miniature PSA oxygen generators and the technology used is also similar to that of PSA oxygen generators. It has been successfully used as primary source of oxygen supply. It is a safe, efficient and reliable means of supply when built, tested and maintained as per international standards. This is a portable unit running on electric power that is required to drive the air compressor of the PSA oxygen generators. Concentrators can provide a safe and cost-effective source of oxygen, but they do require a source of continuous and reliable power and regular preventive maintenance to ensure proper functioning. Having cylinders as a backup supply is a best practice.

Oxygen finds its usage in multiple industries, including healthcare



Source: CRISIL Research

Aerospace and aircraft - Depending upon the type and role of the aircraft concerned, oxygen system(s) may be used for normal operations, to provide supplemental oxygen for specific situations or for provision of emergency oxygen in the event of smoke, fire, fumes, or loss of pressurisation. Gaseous oxygen also supports rocket fuel combustion.

Automotive and transport equipment - Oxygen is used as a plasma-cutting gas, an assist gas for laser cutting, and is sometimes added in small quantities to shielding gases. Gases play an important role in several automotive glass and lighting processes. Industrial oxygen is used in the glass furnaces supplying the glass for the lighting components.

Chemicals - In its purest form, oxygen is used to alter the structure of feedstocks through oxidation, producing nitric acid, ethylene oxide, propylene oxide, vinyl chloride monomer and other building block chemicals. It is also used to increase the production capacity of oxidation processes and to increase capacity and destruction efficiency of waste incinerators.

Energy - Using oxygen in the place of air can increase performance and capital efficiency in many industries and can enable carbon capture processes. It is often used in boilers and process heaters, industrial fermenters and gasification processes to improve productivity.

Fisheries - As fish absorb oxygen through direct contact with water, dissolved oxygen is the most important factor in achieving good results in fish farming. Adequate oxygen levels in the water ensure growth, promote the health, appetite and general well-being of the fish. Oxygen also helps to reduce the effects of temperature-induced stress in fish.

Food industry - In the food and beverage industry, oxygen is used to extend the shelf life of various foods and beverages, and to stabilise their quality. Oxygen is used as a shielding gas for beef products and steaks, for example. In this regard, the oxygen in the packaging helps to prevent the growth of anaerobic microorganisms.

Glass - Oxygen in glass industry plays an important role and is commonly used to enhance combustion. The benefits are fuel saving due to improved furnace efficiency, increased flame temperature, reduced energy cost, reduced pollutants such as nitrogen oxide, and improved glass quality.

Healthcare - Oxygen is commonly relied upon in health and medical applications. Healthcare professionals use oxygen to treat respiratory illnesses such as COVID-19 and pneumonia. Oxygen is also essential for surgery and trauma. Vulnerable groups such as the elderly, pregnant women and new-borns need oxygen for care.

Metal production - As an industrial gas, oxygen is used to replace or enrich air, ultimately increasing combustion efficiency in both ferrous and non-ferrous metal production. Oxygen is also used to raise steel temperatures to enhance recycling of scrap metal in electric arc furnaces. It is also used to replace coke as the combustible in steel making.

Pharmaceuticals - Oxygen with a purity of approx. 95% is required in many pharmaceutical and biotechnological applications. Certain process steps in the manufacture of medicines, antibiotics, additives, biopolymers or acids are carried out in fermentation reactors, for example. Cell cultures, bacterial strains, and microorganisms are cultivated in this manner. In addition to a special nutrient solution, oxygen is needed for the cultivation process.

Pulp and paper - Oxygen plays an important role in producing pulp and paper products. Oxygen can be added to the pulp in alkaline extraction to intensify the bleaching effect and decrease the volume of more expensive bleaching chemicals required. As an industrial gas, oxygen helps meet stringent environmental regulations through use in delignification, oxidative extraction and wastewater treatment.

Refining - Oxygen enrichment is a widely established technology in refining and is successfully used for sulphur processing in Claus units and in the regeneration section of fluid catalytic cracking units (FCCU). Oxygen enrichment can provide refinery operators with maximum flexibility as it can be implemented in different ways. Low- level oxygen enrichment solution can be tailored specifically to the needs of fired heaters.

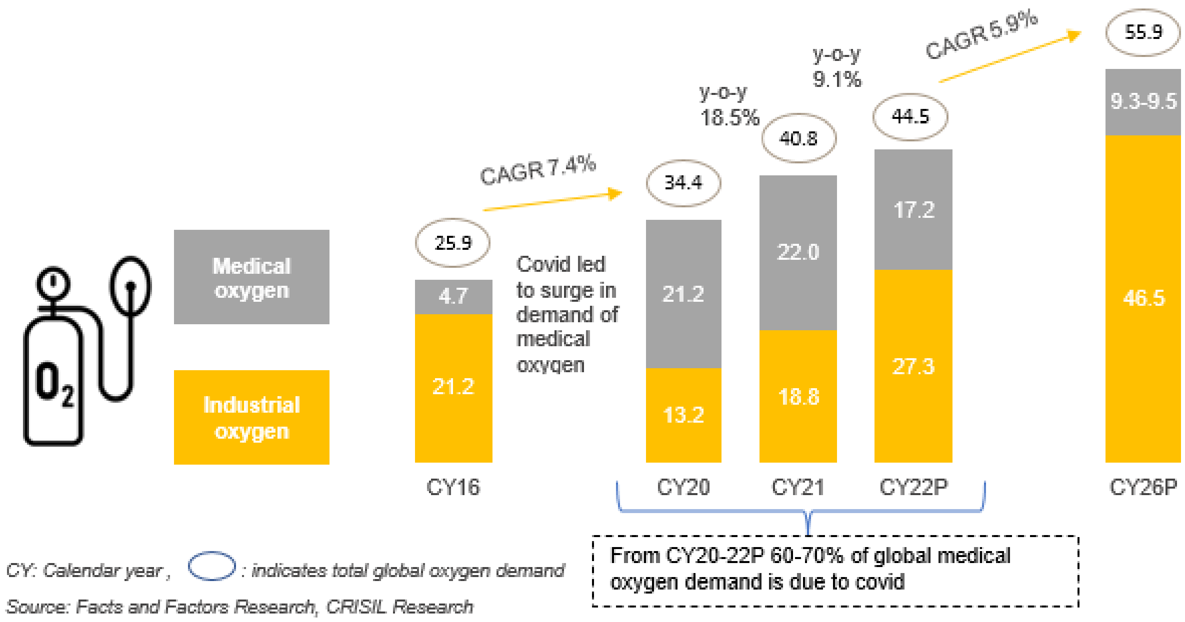
Water and wastewater treatment - In wastewater treatment, aeration is the process used to dissolve air into water. It enables growth of aerobic bacteria on key pollutants such as biochemical oxygen demand and ammonia during treatment. Used as an industrial gas, oxygen can supplement or even replace air in the aeration basin to maximise treatment capacity, minimise volatile organic compound emissions, reduce odour and foam, and increase flexibility. It is also used as a feed gas to generate ozone for water disinfection.

Welding and metal fabrication - Oxygen is used to create a hot flame in high-temperature welding torches used in cutting and welding and is used as an assist gas for laser cutting. Oxygen is sometimes added in small quantities to shielding gases.

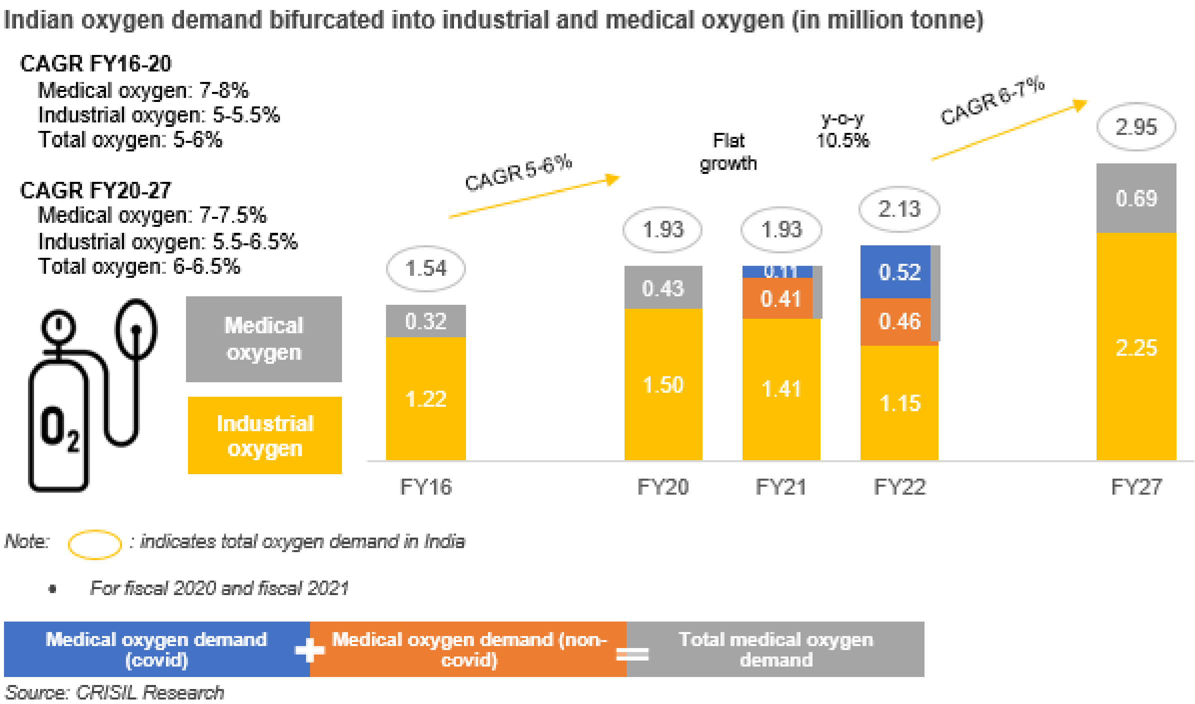
Global demand of medical oxygen surged in calendar years 2020-21 on account of rising COVID-19 cases

According to CRISIL Research and industry estimates, the share of medical oxygen in total oxygen demand globally in the year 2016 was around 18% which rose over 50% when the pandemic outbreak was at its peak. With number of infected cases growing rapidly in different parts of the world, the demand for medical oxygen skyrocketed. Diminished economic activities reduced the demand of industrial oxygen. Further, as per CRISIL Research and industry estimates the demand of industrial oxygen in 2020 came down to ~60% level of 2016. In 2021, the on-year industrial oxygen demand is expected to have grown by 40% but still below 2016 level. With demand of medical oxygen slightly heading back to normally, the expected on-year demand of medical oxygen in 2022 is expected to de-grow by ~22% but the total oxygen demand is expected to grow by on-year 9.1%. Going forward, the combined medical and industrial oxygen demand globally is expected to grow at a CAGR 5.9% from 2022 to 2026. In addition, the medical oxygen demand globally is expected to grow from 5.5-5.7 million tonne in 2019 to 9.3-9.5 million tonne in 2026 at a CAGR of 7.0%.

Global demand of oxygen bifurcated into industrial and medical oxygen (in million tonne)



Demand of medical oxygen shot up during the first and second waves in India



In India, the share of medical oxygen in total oxygen production has remained in the range of 20-25% in last few Fiscals. The demand of industrial oxygen in Fiscal 2020 was supressed due to reduced economic activities in the year followed by further reduction in demand due to the outbreak of pandemic. As estimated by CRISIL Research, the combined medical and industrial oxygen demand grew by CAGR 5-6% between Fiscal 2016 and 2020. India experienced its first COVID-19 wave in Fiscal 2021 which led to incremental annual medical oxygen demand.by ~22% compared to previous Fiscal. The annual medical oxygen consumption in Fiscal 2022 is expected to be double of previous Fiscal on account of deadly second COVID-19 wave. Part of the incremental demand in Fiscal 2022 was catered by directing industrial oxygen production to medical usage. CRISIL Research projects the combined medical and industrial oxygen demand to grow by CAGR 6-7% from Fiscal 2022 to 2027. The reduced industrial oxygen demand in Fiscal 2022 is expected to revive and the heightened medical oxygen demand is expected to normalise going forward. In addition, the non-covid medical oxygen demand in India is expected to grow from 0.43 million tonne in Fiscal 2020 to 0.69 million tonne in Fiscal 2027 at a CAGR of ~7.0 – 7.5%.

The demand of medical oxygen is expected to grow at a CAGR of 7-7.5% from Fiscal 2020 to Fiscal 2027 in volume terms. Within medical oxygen market, the demand of medical oxygen in private hospitals in India is estimated to grow at a CAGR of 8-10% from Fiscal 2020 to Fiscal 2027 and the demand of medical oxygen in government hospitals is estimated to grow at a CAGR of 2-4% from Fiscal 2020 to Fiscal 2027. CRISIL Research estimates that the healthcare delivery market comprising of hospitals in India, is expected to grow at a CAGR of ~13-15% from Fiscal 2022 to Fiscal 2026.

Key global players in the oxygen market include Air Liquide S.A., Air Products and Chemicals, Inc., Airgas, Air Water Inc., Shanghai Boaster Gases Ltd, Guangdong Huate Gas Co. Ltd, Linde plc, Messer Group GmbH, Taiyo Nippon Sanso, Yingde Gases Group Company.

Demand of medical oxygen post COVID-19 pandemic due to regulatory changes

In May 2021, the government came up with the order that spending by corporates towards setting up of oxygen plants and other medical infrastructure for combating COVID-19 will be eligible to be counted as corporate social responsibility (CSR) activity. According to the order, funds earmarked for CSR could be spent on setting up medical facilities towards COVID-19 care, medical oxygen generation and storage plants as well as production and supply of oxygen concentrators, cylinders and other medical equipment.

Further, during Fiscal 2021, due to the unavailability of medical oxygen during the COVID-19 crisis, few states such as Andhra Pradesh, Haryana and Maharashtra have made it mandatory for hospitals with certain number of beds to install oxygen generators. In addition, National Council for Clinical Establishments, under the Directorate General of Health Services, has recommended installation of mini oxygen/ PSA oxygen generators across India for the existing and new hospitals with a capacity of more than 50 beds.

Overview of the oxygen markets in select geographies

Bangladesh

The oxygen market in Bangladesh is dominated by Linde Bangladesh Ltd, followed by Spectra Oxygen Limited and Islam Oxygen Limited. According to Additional Director General, Directorate General of Health Services, the oxygen production capacity of the country increased from 150 tonne per day pre-pandemic to 250 tonne per day at present. Capacity was added after the country suffered a huge supply shortage of medical oxygen during April-May 2021 and June-September 2021, when the lethal waves of the pandemic lashed the country. Most hospitals get liquid medical oxygen in tanks and then store in the central oxygen system. The government has started focusing on installing liquid oxygen plants for the hospitals to reduce dependency on the suppliers. India extended its support to Bangladesh by transporting liquid medical oxygen by the railways during the second half of the year.

The Philippines

The Philippines has four key local oxygen producers. According to the Department of Trade and Industry, the country has oxygen production capacity of over 600 tonne per day, out of which around one-third is for production of medical oxygen and the rest for industrial oxygen. In 2021, the country faced two pandemic waves, first peaking in March-May and then in July-October. Both the waves caused incremental demand of medical oxygen in the country. Most of the medical oxygen is supplied to hospitals in cylinders. According to the Philippine Confederation of Industrial Gases Inc., the main reason for medical oxygen crunch in the hospitals was the slow turnaround in the return of empty cylinder tanks used in hospitals. Typically, oxygen production capacity in the country is in surplus during normal times and the oxygen producers usually maintain an inventory of 4-14 days.

Indonesia

Medical oxygen is available in health facilities in the more populated and developed regions of the country. In contrast, access to oxygen is unreliable in the undeveloped remote regions due to supply chain logistics challenges and inadequate electricity. The gas production industry, which provides oxygen for both medical and industrial use, prioritises distribution of oxygen to urban areas. Poor infrastructure coupled with smaller sales volume creates fewer incentives for oxygen supply companies to sell their products in remote regions. According to the Ministry of Health of Indonesia, it has a national oxygen production capacity of up to 866,000 tonne per year, with a utility rate of 640,000 tonne. The country experienced incremental medical oxygen demand when COVID-19 cases peaked during June-August 2021. The Indonesian government reached out to several countries (including China, Singapore, and Australia) to address oxygen shortage. To ensure ample supply of medical oxygen to the hospitals, the Indonesian government first allocated 90% of oxygen for medical needs, and later increased it to 100%. During April-May 2021, Indonesia supplied ~3,400 oxygen cylinders and concentrators to India to ease the shortage of medical oxygen.

African region

African region faced shortage of medical oxygen in the continent during the second wave of COVID-19 which was at peak during the month of February 2021. At the beginning of the pandemic, Africa was house to 68 oxygen generating plants, which got increased to 119 across the continent by the time second wave arrived. The number of oxygen concentrators also increased from 2,600 to 6,100. The rapid number of increasing cases widened the demand supply gap of medical oxygen casing acute shortage.

Medical oxygen in Africa is mostly stored in cylinders. Under normal scenario, the supply of medical oxygen was not a problem in the region as all the African countries have oxygen manufacturing plants or can source it from private sector providers The issue with oxygen supply in Africa during peak demand was with the delayed delivery and limited storage capabilities rather than issues with manufacturing. To address the issues and to take preventive measures, many African governments and non-governmental organisations have started building oxygen infrastructure, including piping into the ICUs.

Overview of Nitrogen gas generation

Nitrogen gas is available in abundant amounts in nature and occupies a more than 3/4th share among the various gases by volume. It is also an inert gas which doesn't react very much with any other elements in the nature. Some of the companies involved in oxygen generation are also involved in the manufacturing of other gases such nitrogen and hydrogen among others.

The generation of Nitrogen is majorly done through three different manufacturing methods, namely Fractional distillation, Pressure swing adsorption (PSA) and Membrane separation technology. Under fractional distillation, the air mixture is cooled until it turns into liquid form and selectively distilling various components of it at different boiling points.

PSA uses the principle of differential separation where in it uses an absorbent material such as zeolites, activated carbon, molecular sieves to separate the required gases from the gaseous mixture. Membrane separation technology uses a permeable membrane that separates gases from the mixture depending upon the speed of the molecules of the required gas.

Due to the inert nature of nitrogen coupled with its physical and chemical properties it finds application across various industries. Few illustrations are discussed below:

***Food packaging*:** Nitrogen is used to create an unreactive atmosphere and remove oxygen from food packaging so that food can last longer

Light bulb industry: Light bulbs can't be filled with air as Tungsten inside the bulb combusts if it reacts with oxygen. Else if vacuum is maintained instead, the glass may break due to atmospheric pressure. Hence filling bulb with inert gas such as nitrogen acts as an alternative to prevent such incidents from occurring.

Fire extinguishers: Nitrogen is used in fire extinguishers to reduce the concentration of oxygen thus controlling further spread of fire and aiding to extinguish it quickly.

Electronics and Steel manufacturing*:* Nitrogen gas is commonly used in soldering of electronic components as it provides high quality finishes. Use of nitrogen in the steel manufacturing industry prevents oxidation of steel.

Chemical Industry*:* Nitrogen forms an important role in the chemical industry. It is used in the manufacturing of fertilisers, nylon, dyes and explosives. Common usage of nitrogen is during the sample preparation and also in volume reduction and concentration of chemical samples.

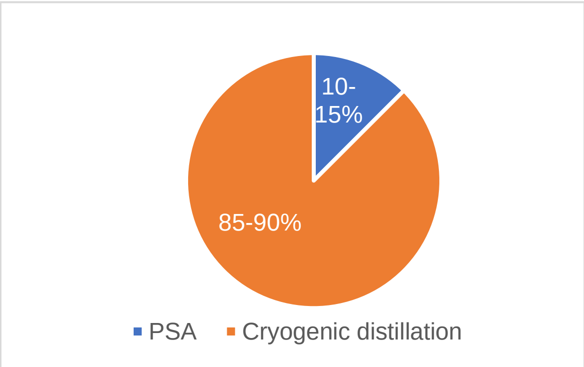
Pharmaceutical industry*:* Nitrogen is used in pharmaceutical industry for achieving better quality through blanketing. In this inerting of storage and production containers with nitrogen prevents the substances present inside from coming into contact with moisture or oxygen

Oil and gas industry: Nitrogen is widely used in the oil and gas industry to prevent fire and explosion both on-shore and off-shore. Some of the common usages include nitrogen blanketing, nitrogen gas purging among others.

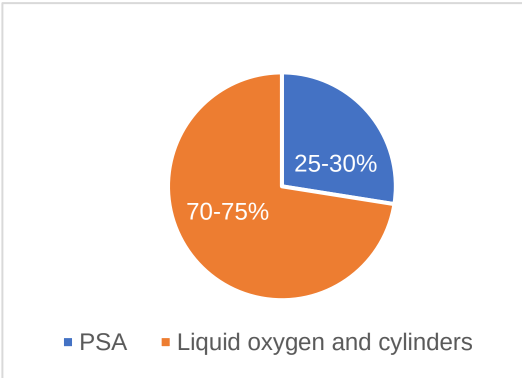
OVERVIEW OF OXYGEN PRODUCTION IN INDIA

Current oxygen production method-wise share

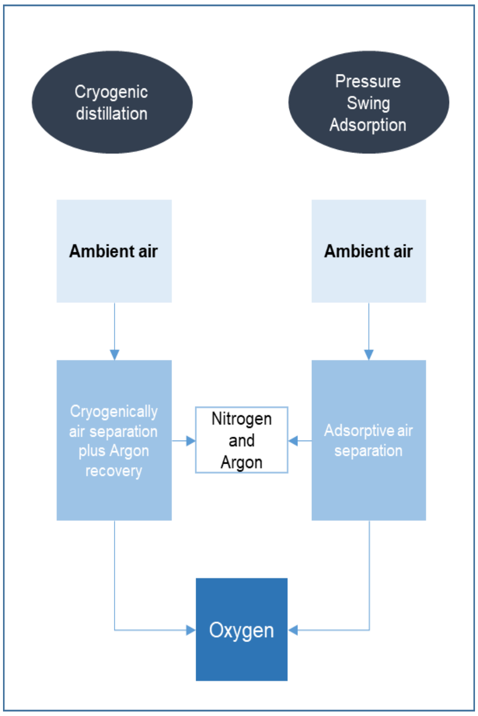
In volume terms (FY23E)



In value terms (FY23E)



Source: CRISIL Research



Cryogenic distillation is the most preferred production method in the country

Cryogenic distillation process

Cryogenic distillation is the most common production method by separation of oxygen in air separation units (ASUs), which are plants that separate large volumes of gases. The fractional distillation method is used to produce pure oxygen from atmospheric air, which consists mostly of nitrogen and oxygen – 78% nitrogen, 21% oxygen, and 1% other gases such as argon, carbon dioxide, neon, helium, and hydrogen.

In this method, gases from the air are separated into various components after cooling them into a liquid state and then liquid oxygen is extracted from it. Atmospheric air is first cooled to -181°C. Oxygen liquefies at this point. Since, the boiling point of nitrogen is -196°C, it remains in a gaseous state. But Argon has a boiling point like that of oxygen (-186°C) and, hence, a significant amount of argon liquefies along with oxygen.

The resultant mixture of oxygen and argon is drained, decompressed and passed through a second low-pressure distillation vessel for further purification. The final output of purified liquid oxygen is transported in cryogenic containers. Cryogenic liquid containers are specially designed for safe and economic transportation and storage of liquefied gases at cryogenic temperatures, lower than -90°C. These containers are highly insulated, in which liquid gases are stored at very low temperatures.

Pressure swing adsorption (PSA)

Oxygen can also be produced non-cryogenically, in gaseous form, using selective adsorption. This method leverages the property that under high pressure gases tend to be attracted to solid surfaces. The higher the pressure, the more the adsorption of gas.

PSA is one of the modern technologies used for separating oxygen from air. The PSA process utilises the ability of a synthetic zeolite molecular sieve to absorb mainly nitrogen and other gases. While nitrogen concentrates in the pore system of the zeolite, the clean dry air is then passed through the sieve beds on the oxygen generator, which produces an oxygen enriched gas as a product.

PSA oxygen generators have two vessels filled with zeolite molecular sieve as adsorbers. An air compressor is used to compress the air which passes up through one of the adsorbers, the molecular sieve selectively adsorbs the Nitrogen. This then allows the remaining oxygen to pass on up through the adsorber and exit as a product gas. When the adsorber becomes saturated with Nitrogen the inlet airflow is switched to the second adsorber. The first adsorber is regenerated by desorbing nitrogen through depressurisation and purging it with some of the product oxygen. The cycle is then repeated, and the pressure is continually swinging between a higher level at adsorption and a lower level at desorption. Out of the molecular sieve, the oxygen produced is sent through the buffer tank via a multifunction block. Nitrogen is released via a silent escape and forced back outside.

Hospitals can also opt for on-site generation of oxygen by this method, where oxygen is produced from ambient air by concentrating it. The design and instrumentation make the plant size very compact, can be comfortably set-up in the backyard or even at the terrace with covered shed. The production of oxygen near hospitals eliminates the need for transportation.

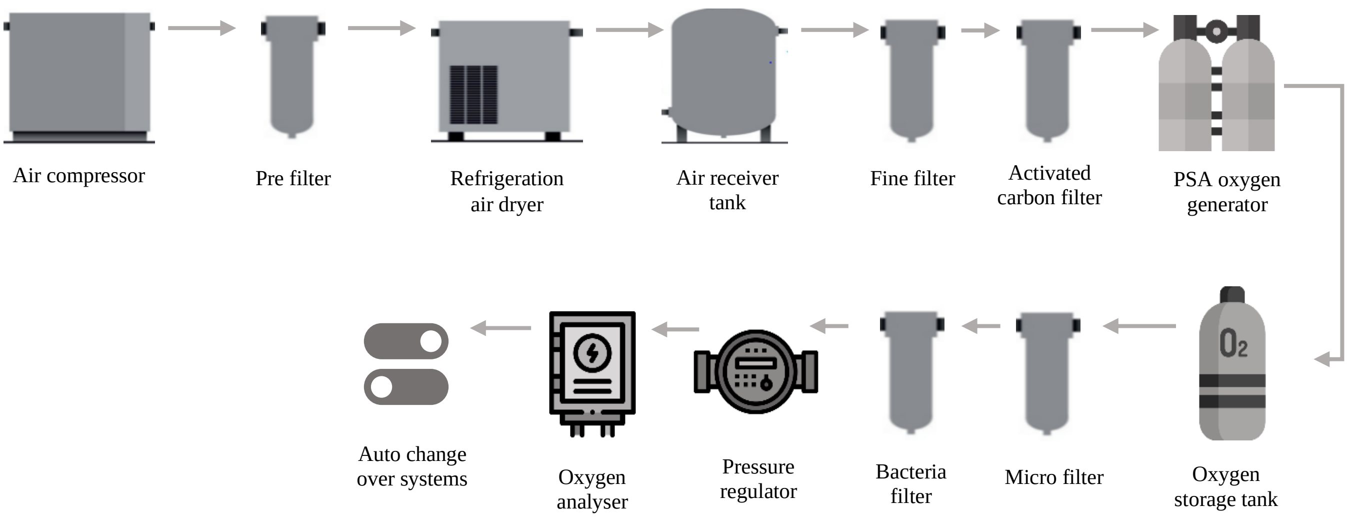
A PSA oxygen generator set-up typically consists of:

- Air compressor
- Pre filter
- Refrigerated compressed air dryer
- Air receiver tank
- House pipe
- Fine filter and Activated carbon filter
- Oxygen generator
- Oxygen receiver tank
- Copper pipeline outlet

- Oxygen analyser
- Auto change over systems

Sieves is the main component which separates oxygen from air and accounts for 25% of total oxygen generator cost.

PSA oxygen generator process flow



Advantages of PSA oxygen generators:

- With PSA oxygen generators having advantages such as continuous supply of desired grade of oxygen compared to other modes of oxygen generation and requirement of less manpower, it caters to multiple problems such as oxygen cylinder filling capacity, amount of oxygen wastage, extra staff need to manage oxygen cylinders.

- Price fluctuation of oxygen is under control as the cost is directly related to actual consumption.

- Less prone to explosion or fire hazards compared to the filling of the cryogenic tanks or with the cylinders.

    - PSA oxygen generators operates at 4.5 bar pressure whereas oxygen cylinders are being filled at 150 bar pressure which makes PSA oxygen generator less combustive and safer to operate in hospitals. Actual oxygen pressure requirement is 4 to 4.2 bar to operate ventilator and anaesthesia machine.

- Does not require large space.

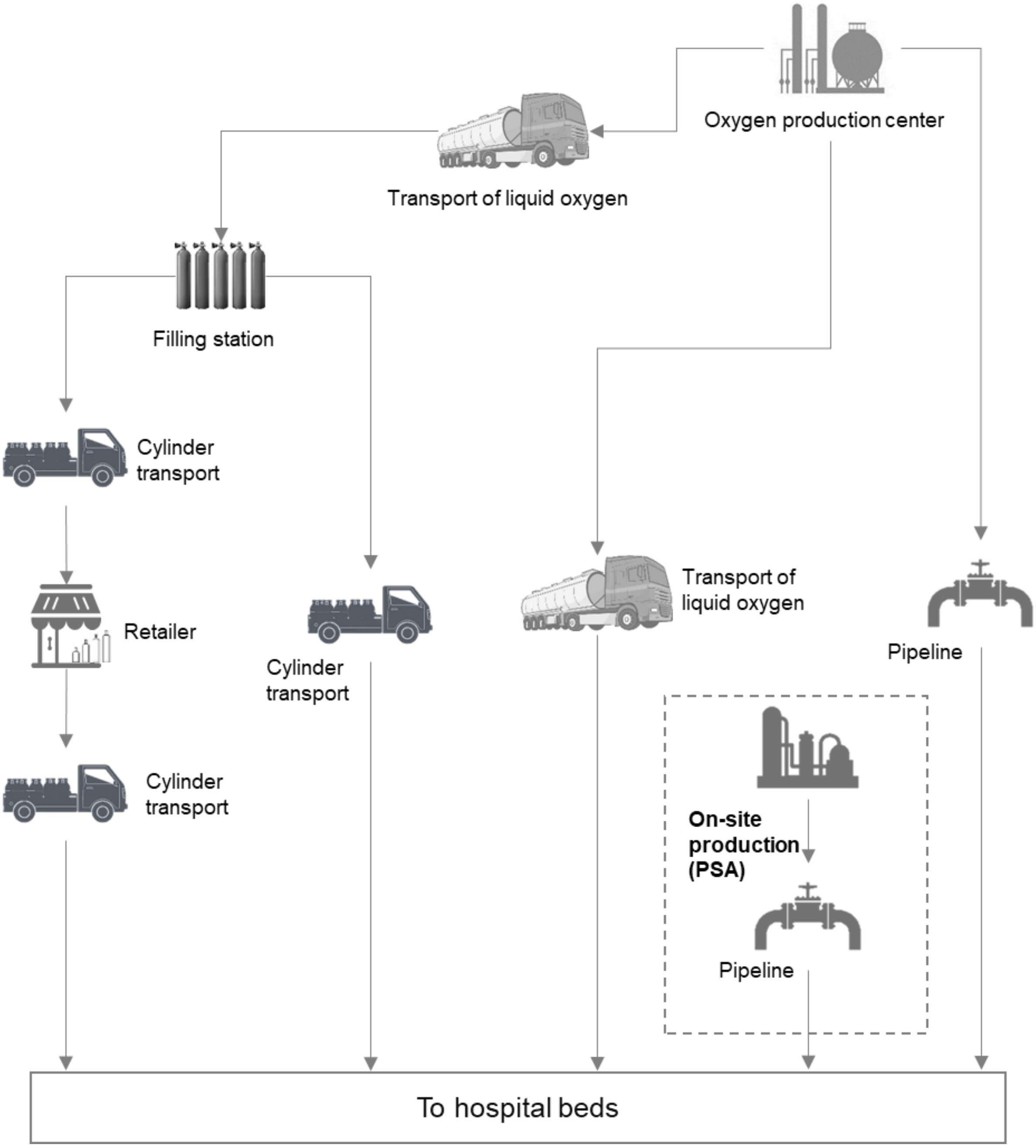
    - Oxygen generators can be installed in smaller spaces such as terrace while adhering to the safety standards required

Oxygen produced through PSA is the cheapest

	On-site production (PSA)	Cylinders	Bulk delivery (Liquid oxygen)
Scale of operations	Depending on hospital requirement, PSA plant can be set up. Additional set-up cost and space will be required to meet incremental demand	Incremental demand can easily be met by procuring additional number of cylinders	Meeting incremental demand depends on currently installed handling capacity of vacuum insulated evaporator
Advantages	• Cost effective • Continuous supply of desired grade oxygen • Plant occupies limited space • Clean operation	• No power source • Relatively convenient form of storage without the need for insulation	• High oxygen output for small space requirement
Disadvantages	• High capital investment • Requires uninterrupted power • Requires backup cylinder supply	• Requires adequate reliable supply chain • Reliance on supplier • Exhaustible supply • Exposed to cylinder price fluctuation • Lack of assurance of oxygen quality and quantity inside the cylinder • 5-10% Leakage while changing the cylinders	• Requires adequate reliable supply chain • Needs adequate infrastructure and regular maintenance • Reliance on supplier • Cumbersome compliance due to hazardous nature of liquid oxygen
Capital investment	Substantial one-time capital investment required to set up the plant. For a 300 bedded hospital, capital cost (equipment cost + infrastructure) could be around Rs 10 million	No capital investment required	For a 300 bedded hospital, Rs 2-3 million initial investment is required to set-up liquid medical oxygen tank and vaporizer
Operating cost	To run a PSA plant in a 300 bedded hospital, 30-50 units of electricity is consumed per hour, Assuming Rs 8.5/unit cost of electricity, the annual electricity cost sums up to Rs 2.3-3.7 million	A 300-bedded hospital would require ~110 oxygen cylinders in a day; Assuming Rs 250/cylinder cost, the total annual expenditure would be ~Rs 10 million	A 300 bedded hospital would require 1,000 to 1,100 kg of liquid oxygen in form of container in a day; Total annual expenditure of Rs 8-9 million
Cost of oxygen	Rs 9 to 15 per cubic meter (includes maintenance cost and electricity cost)	Rs 33 to 50 per cubic meter`	Rs 22 to 40 per cubic meter`

Note: Capex expenditure for on-site is not included in cost of oxygen. Considering the capex cost investment in on-site PSA is recovered in 1.5 to 2 years for large to mid-size hospital.
Source: CRISIL Research

On-site oxygen production through PSA avoids the hassle of transportation.



Source: CRISIL Research

On-site oxygen production through PSA eliminates the possibility of logistical failure in case of adverse situations as the oxygen is generated at the hospital premises.

Liquid oxygen supply system

In the liquid oxygen system, cold liquid oxygen is stored in bulk in an insulated reservoir known as a vacuum insulated evaporator. The reservoir may be a permanent installation or a portable, lightweight container. In either case it has a double-walled construction, with vacuum between the outer and inner shells. During normal operation, the liquid oxygen is made to flow out of the reservoir and pass through an ambient vaporizer. Heat from the surroundings warms the liquid oxygen in the vaporizer, causing it to turn into gas. Gaseous oxygen is heated further and delivered through a pressure regulator to the distribution line.

Cylinders

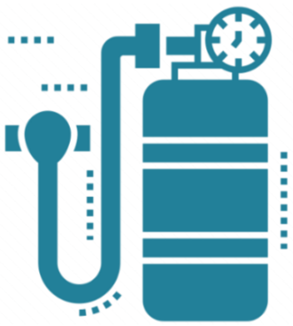
Oxygen may be stored and supplied as a compressed gas in cylinders. The oxygen from a cylinder is admitted to the distribution line through a pressure regulator. The regulator reduces the pressure of the oxygen to a level that can be used safely. Typically, a group of cylinders, known as a cylinder manifold, is used to supply oxygen through a pipeline to a hospital. Oxygen is drawn from all the cylinders of a manifold simultaneously. Often, the cylinders are arranged group-wise: primary and secondary. A pressure transducer switches to the secondary manifold once the pressure in the cylinders of the first manifold drops below a certain limit. The primary manifold is replenished when this happens.

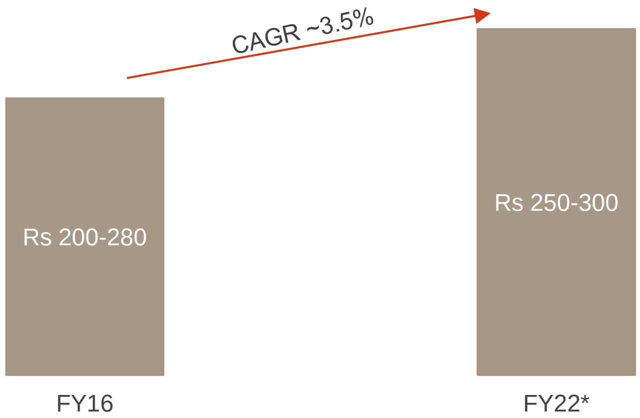
PSA oxygen generators

Medical oxygen can be generated on-site at any hospital, clinic, or health care centre using PSA oxygen generators. The main input in the production of oxygen using PSA process is air. In a PSA process, air is pressurised and passed through a bed of adsorbent. PSA processes rely on the fact that under such conditions, gases tend to be adsorbed by solids. The adsorbent used in PSA-based oxygen production attracts nitrogen more strongly than it does oxygen. The generated oxygen can be piped directly to the patients and cylinders can be refilled through a booster compressor.

Refilling price of medical cylinder in India

Oxygen cylinder refilling price has steadily increased at ~3.5% CAGR over past 6 years.



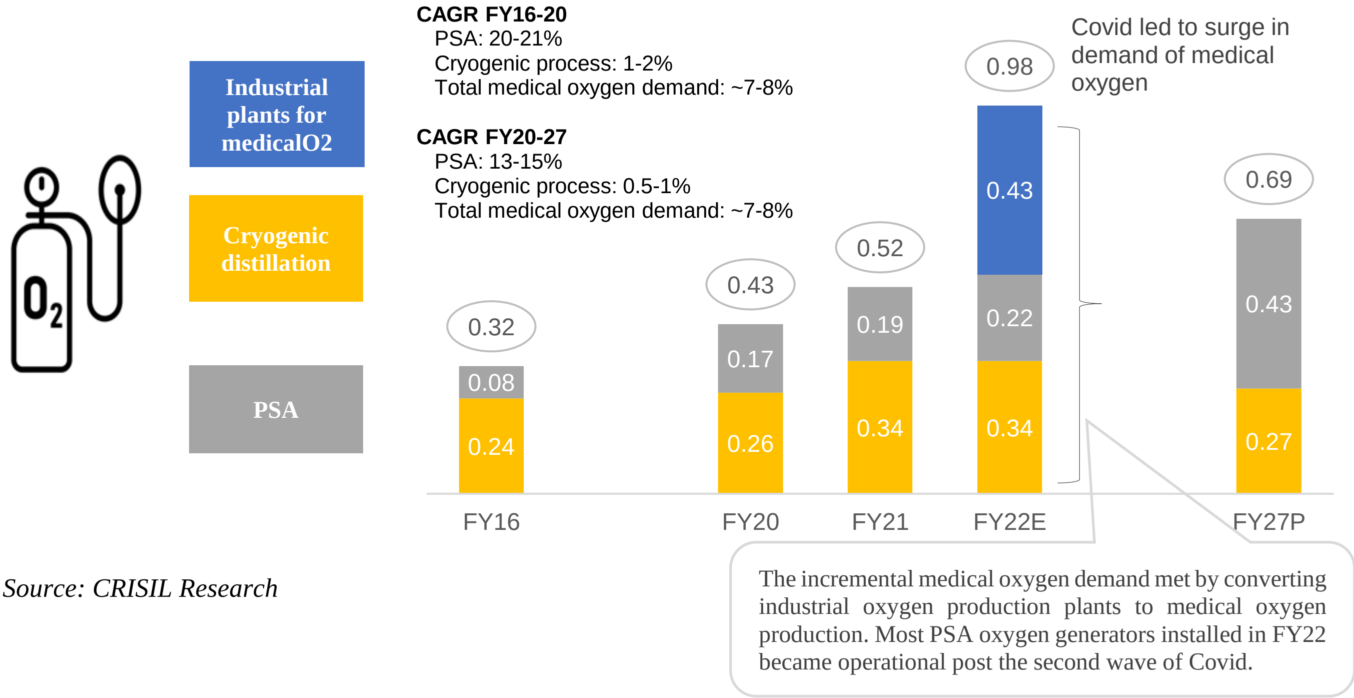


Note: Assumed cylinder capacity is of 7 litres.
**Oxygen cylinder refilling price shown in the figure does not incorporate refilling cost surge during the pandemic's second wave.*
The refilling price is inclusive of taxes.
Source: CRISIL Research

Depending on the location, the oxygen cylinder refilling price in India mostly range between Rs 250-300 per cylinder. During the second wave of COVID-19 when the country suffered shortage in supply of medical oxygen, many players increased the price of oxygen cylinder. Even with authorities' intervention in form of price caps, the refilling price in the market shot up to 2-4 times. The oxygen cylinder refilling price otherwise has grown by ~3.5% CAGR from Fiscal 2016 to 2020.

Oxygen production through PSA method is expected to outgrow cryogenic distillation method

Medical oxygen demand in India segmented into production method-wise (million tonne)



Source: CRISIL Research

Historically, cryogenic distillation method has remained the most used method for supply of medical oxygen to healthcare facilities in India. With PSA technology being relatively new in India, the penetration of oxygen production through PSA technology has seen a rapid adoption. The total medical oxygen demand in India, as estimated by CRISIL Research, is assessed to have grown at a CAGR of 7-8% from Fiscal 2016 to 2020 in volume terms and ~8% in value terms during the same period. The production of medical oxygen through PSA methods during the same period is estimated to have grown double compounding 20-21% annually while medical oxygen production through cryogenic distillation showing a milder growth of CAGR 1-2% during the same period.

During the unprecedented times created by COVID-19, the demand of medical oxygen shot up worldwide. India experienced its first COVID-19 wave in Fiscal 2021 during the months of August and September. The overall annual demand is estimated to have grown by ~25% compared to previous Fiscal. The incremental demand was partly catered by increased number of PSA oxygen generators and partly through cryogenic distillation production method. The second wave of COVID-19 early in Fiscal 2022 proved to be deadlier which soared the medical oxygen demand by 10 times compared to pre-Covid times when the wave was at its peak. The country suffered the shortage of medical oxygen during April-May 2021. The incremental demand was fulfilled by converting industrial oxygen production units to medical oxygen plants and through import of liquid medical oxygen. The alarming situation led to increased number of PSA oxygen generators installations during the Fiscal. During the same time, the country experienced spurt in manufacture and sale of oxygen concentrators. Besides multi-national brands, several Indian start-ups, funded under the Centre for Augmenting War with COVID-19 Health Crisis programme of Department of Science and Technology, developed efficient and cost-effective oxygen concentrators to meet the surged demand.

CRISIL Research expects that going forward the medical oxygen supply through PSA method will outgrow cryogenic distillation method. The demand of medical oxygen is projected to grow by a steady CAGR 7-8% from Fiscal 2020 to 2027. More than half of the medical oxygen demand is expected to be fulfilled by PSA method by Fiscal 2027 with compounded production growth of 13-15% annually during the same period.

In India, over 80% of the hospitals procure medical oxygen through cylinders. Going forward, more than half of the demand of medical oxygen is expected to be met through PSA method by fiscal 2027.

Operational PSA oxygen generators require annual maintenance and effective programming for smooth functioning of the system. The growth of medical oxygen production by PSA oxygen generators projected by CRISIL Research assumes that the vendors operating in Indian market will enhance technical expertise from current level during the projection period. Technology simplification in medical oxygen production may increase competition in the market which can poses a direct threat to expected growth of PSA oxygen generators.

The manufacturing, distribution and import of medical oxygen in India is regulated by The Drugs and Cosmetic Act, 1940 and rules framed thereunder. Any person or organisation manufacturing medical gases (i.e., medical oxygen IP, nitrous oxide IP, and medical carbon dioxide IP) should have a valid manufacturing licence issued from the respective state Drug Controller in accordance with the provisions of The Drugs and Cosmetic Act 1940 and rules thereunder.

The Indian Pharmacopoeia Commission (IPC), an autonomous institution under the Ministry of Health and Family Welfare, Government of India, prescribes the standards for the identity, purity and strength of all drugs that are manufactured, sold and consumed in India. These standards are published under the title Indian Pharmacopoeia. The Indian Pharmacopoeia has a legal status under Section 16 of The Drugs and Cosmetic Act 1940. Drugs specified in the second schedule under The Drugs and Cosmetic Act 1940 are required to comply with specified standards.

For setting up a medical oxygen facility, approvals are required from the following two government bodies:

Local Pollution Control Board

The applicant and operator of the medical oxygen facility must secure an Establishment Registration Licence from the labour department of the respective state government.

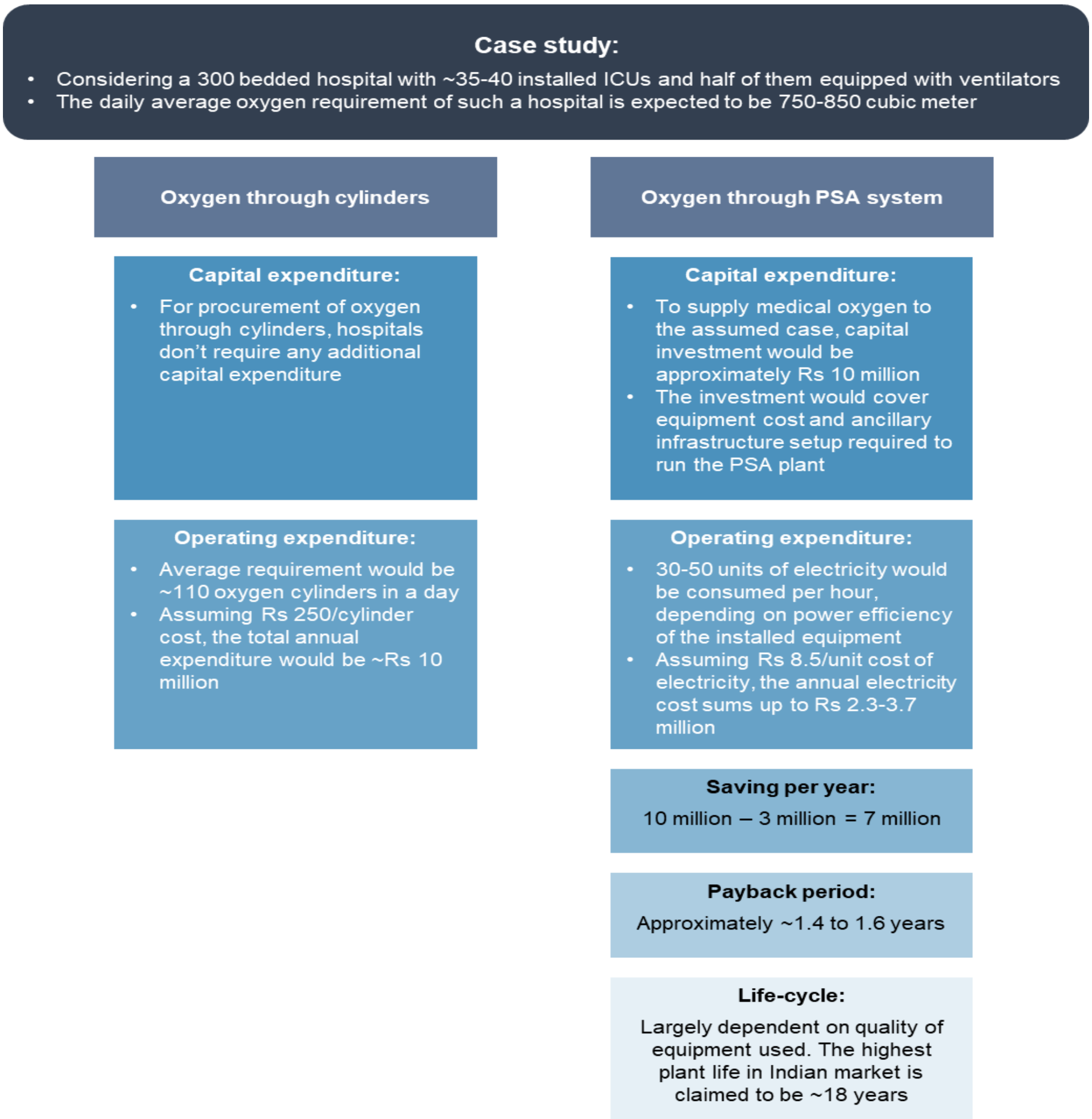
A brief project report must be submitted to the local pollution control board authorities for obtaining a licence for producing medical oxygen. The project report shall include, but not limited to the raw materials used, quantity per day/month, name plate capacity, etc. Any kind of hazardous material/or any other chemical used in the process must be highlighted. The report shall contain process description and process brief of the manufacturing technology.

Petroleum and Explosives Safety Organisation (PESO)

Similar to any other chemical facility, engineering drawings such as plant layout, area classification, etc. have to be submitted to PESO for approval. No approvals are required for commissioning. Any person or entity involved in the process of filling and storing a cylinder with a compressed gas has to abide by the Gas Cylinder Rules, 2016, which prescribes the appropriate procedures to be followed, standards to be adopted, restrictions and licences to be obtained.

As per Section 43 (1) of the Gas Cylinder Rules, 2016, licence should be obtained for filling and storing compressed gas in cylinders. Furthermore, the said provision levies the responsibility on the licensee for all operations connected with filling and possession of cylinders in the licensed premises. Additionally, Gas Cylinder Rules, 2016 prescribes that a cylinder used for storage and transportation of a flammable or toxic gas cannot be used for other gases. Separate dedicated facilities are required to produce gases used in medical and pharmaceutical fields in order to avoid the risk of cross-contamination.

Pressure swing adsorption (PSA) method for oxygen production is a cost-effective technique



Note: Kindly note that, 300 bedded hospital considered above is for illustration purpose. However, oxygen generators can also use for smaller hospitals with a bed capacity of 30.
Source: CRISIL Research

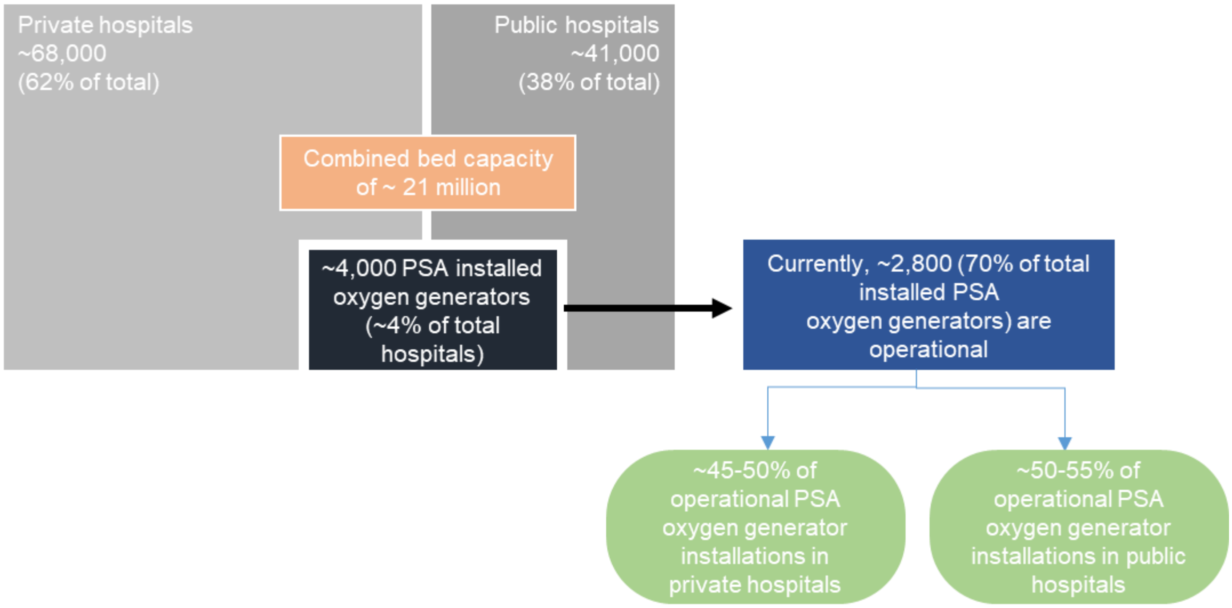
Advantages of PSA method

- PSA is a cost-effective method for oxygen production. As shown above, the payback period for a PSA oxygen generator ranges from ~1.4 to 1.6 years .
- Captive PSA oxygen generators are installed in hospitals to generate oxygen, thus their reducing reliance on external vendors for supply of cylinders or liquid oxygen.
- PSA is a clean technology.
- Ambient air is the only raw material required.
- The PSA process can be continuously repeated to produce an uninterrupted supply of oxygen.
- The process meets the standards set by the Indian Pharmacopoeia Commission for medical usage of oxygen.
- PSA process contribute in the reduction of carbon footprint while supplying Oxygen. Transportation of oxygen produced through cryogenic process, be it liquid oxygen or the gaseous oxygen filled in cylinders, happens by consumption of fuel. As PSA method is an in-house oxygen production set-up, it does not require

additional transportation system of oxygen for end-use, reducing fuel consumption.

Low penetration of PSA – An opportunity for PSA oxygen generator manufacturers and vendors

According to the National Health Profile (NHP) of India - 2021, National Sample Survey (NSS) 75th round report, and CRISIL Research, India has approximately 1,09,000 hospitals, with the share of private and public hospitals at around 62% and 38%, respectively. CRISIL Research estimates around 4,000 hospitals to have installed on-site oxygen production facilities in the form of PSA oxygen generators by the end of Fiscal 2022. Given the cost-effective nature of PSA technique and other advantages compared with traditional medical oxygen procurement methods, the penetration level of PSA oxygen generators is low. This offers an opportunity for PSA oxygen generator manufacturers and vendors offering services in the medical oxygen market in India.



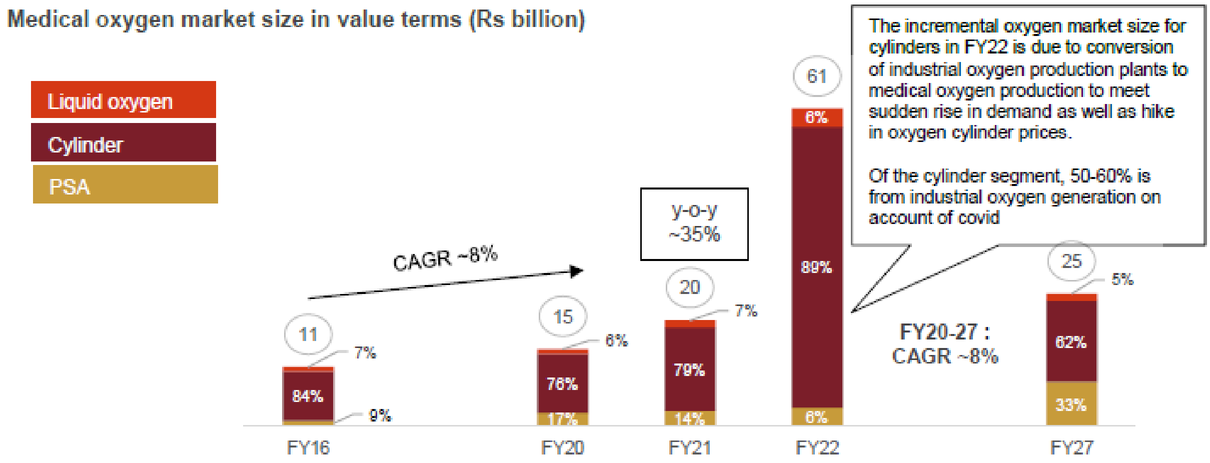
Note: Number of PSA oxygen generators is estimated based on industry interactions and is not a reported figure
Source: NHP 2021, NSS 75th round report, CRISIL Research

A PSA oxygen generator is an assembly of multiple equipment producing oxygen of the required grade. PSA oxygen generators themselves can be turnkey units complete with all the necessary equipment and supplies; however, the staff operating and maintaining them require specialised training. Strict maintenance schedules are needed to prevent malfunctions. Adequate supplies and spare parts are needed to allow operations for a few years in resource-limited settings. A reliable supply chain is needed to meet any additional needs. Due to lack of expertise in successful operation and maintenance of PSA oxygen generators, many players could not service the equipment, resulting in defunct PSA oxygen generators.

Sensing the incremental demand due to the pandemic, multiple manufacturers and vendors have started supplying PSA oxygen generators to hospitals. CRISIL Research estimates that approximately 2,800 PSA oxygen generators (~70% of the total installed PSA oxygen generators) are currently operational. Out of these 2,800 operational units, CRISIL Research estimates that ~45-50% of the installations are in private hospitals and the remaining ~50-55% in public hospitals as of Fiscal 2022. Few key players in private hospital market are Airox Technologies, Absstem Technologies, Oxymat India, Oxair Gases, Trident Pneumatics etc.

ICU beds equipped with ventilators consumes major chunk of medical oxygen stock in the hospital. A 300 bedded hospital with around 35-40 installed ICU beds, half of them equipped with ventilators on an average consumes 750-850 cubic meter of medical oxygen or 1,000 to 1,100 kg of medical oxygen. Thus, per ICU bed utilisation turn out to be around 25-30kg of oxygen per day.

Second wave of COVID-19 saw increased medical oxygen cylinder prices



Source: CRISIL Research

In value terms, the medical oxygen market size has increased by a CAGR of ~8% from Fiscal 2016 to Fiscal 2020 in value terms. To arrive at the value of medical oxygen through PSA process, CRISIL Research has used operational costs such as electricity cost and annual operation and maintenance cost as the cost parameters and has excluded the capital expenditure required to set-up the PSA oxygen generator. In Fiscal 2021, the demand of medical oxygen increased due to first wave of COVID-19. The sudden increase in demand led to increase in prices of oxygen cylinders. The on-year growth in medical oxygen market size is estimated to be ~35%. Second wave was at its peak in Fiscal 2022. The heightened demand of medical oxygen led to exorbitant pricing of the commodity. The demand for medical oxygen in India peaked to nearly 9,000 tonne/day during the second wave of COVID-19 as compared to the peak requirement of 3,000 tonne/day during the first wave of COVID-19. The medical oxygen market in Fiscal 2022, in value terms, is expected to be ~3 times of Fiscal 2021 and ~6 times of Fiscal 2016. Going forward, CRISIL Research expects the medical oxygen market in value terms is expected to grow by CAGR ~8% from Fiscal 2020-27.

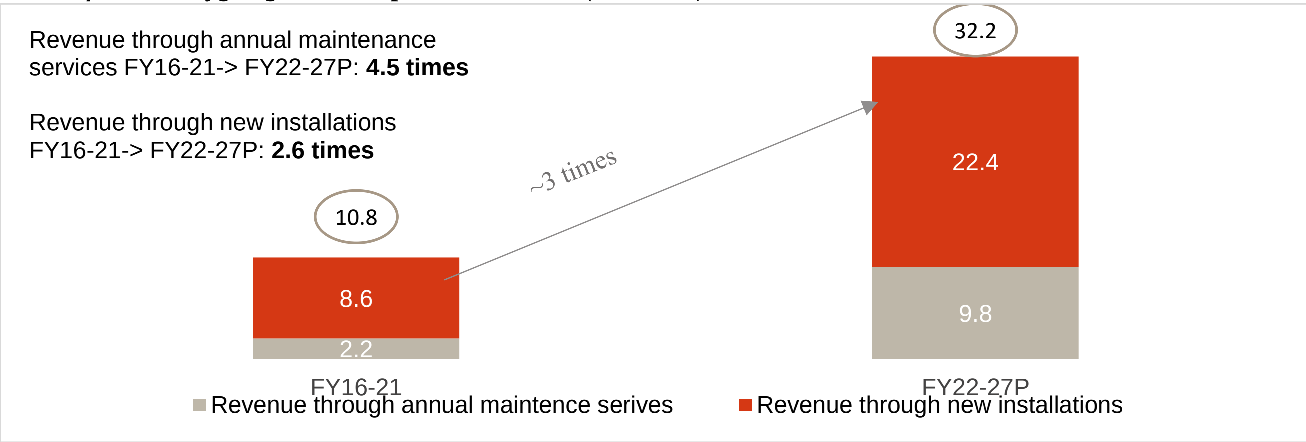
Market for PSA oxygen generator operators expected to grow by three times in next six Fiscals compared to last six Fiscals

To estimate the market for PSA operators, CRISIL Research has assumed the revenue earned through installing new PSA oxygen generators and revenue earned through providing annual maintenance services. With focus shifting towards installing new PSA oxygen generators in the country, the capital expenditure to set-up these is expected to be ~22.4 billion from Fiscal 2022 to 2027.

Revenue through annual maintenance services form a stream of regular income for the PSA operators. Revenue through annual maintenance services is expected to see increasing contribution to total PSA market in the coming years. On the cumulative basis, revenue from annual maintenance is expected grow by 4.5 times from Fiscal 2016-21 to Fiscal 2022-27.

Demand for PSA oxygen generators is expected to grow during the next few years, providing an opportunity to PSA oxygen generator operators for revenue generation from the new installations. CRISIL Research estimates revenue generation from new installation on a cumulative basis to grow by 2.6 times from Fiscal 2016-21 to Fiscal 2022-27.

Market for PSA oxygen generator operators in India (Rs billion)

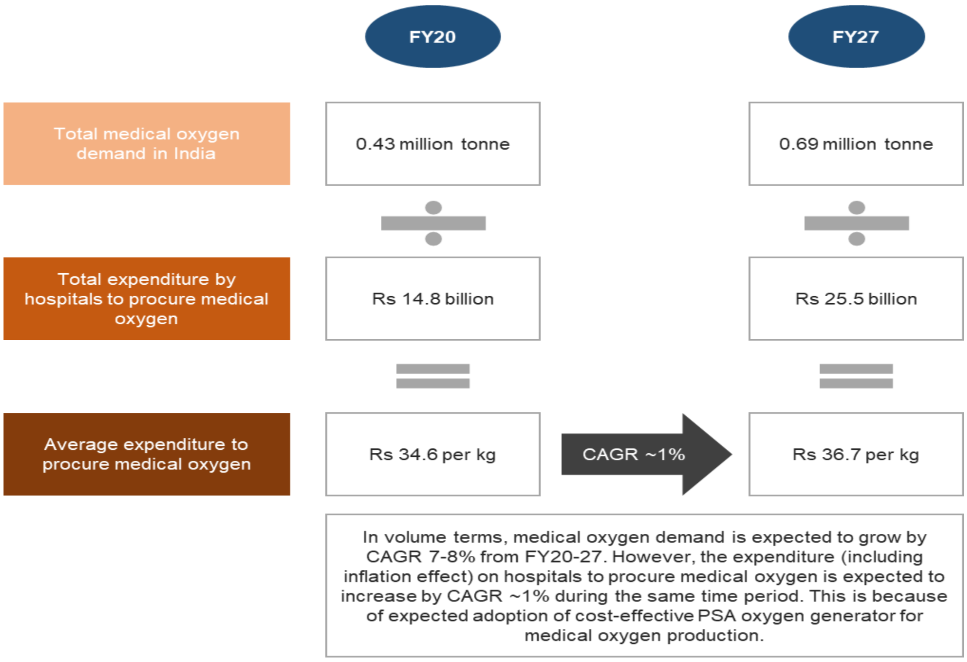


Note: The data mentioned for FY16-21 and FY22-27P is on cumulative basis respectively
Source: CRISIL Research

Apart from the opportunity, a new entrant into the PSA oxygen generator industry should also consider the following technical barriers that persist in the industry which are listed below:

- In a PSA oxygen generator, the regeneration process consists of a sequence of steps where-in the compressed air is moved from one vessel to another vessel when a molecular sieve is saturated. This movement of compressed air is made possible through the usage of PLC (programmable logic controller) which is programmed to operate the values on an alternate basis keeping the flow and purity of oxygen at constant even during peak demand. This PLC requires programming expertise which makes it critical for new entrants establish robust PLC system to capture the market as improper functioning of programming would alter the purity levels making the oxygen non-compatible for medical purpose.
- The sieves are also most critical component in the PSA oxygen generators utilised for separation of oxygen from other gases during the generation process. This makes it mandatory for players to use high-quality sieves to avoid any reduction in their oxygen purity levels. However, limitation of access to such high-quality sieves creates a technical barrier to new entrants entering the market. Some Indian companies have collaboration with international players such as Airox Technologies Ltd and Airsep Corporation, Pec Therm Private Ltd and INMATEC Gas Technologies Gmbh & Co.

Shift to cost-effective PSA technology is expected to reduce medical oxygen procurement burden on hospitals

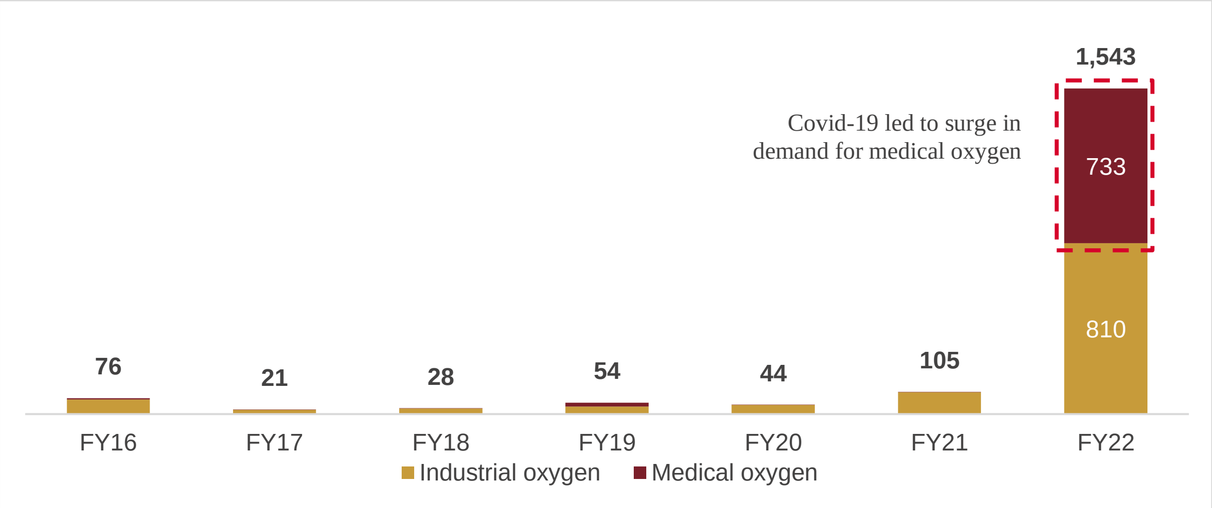


Source: CRISIL Research

Trade of medical oxygen shot up in Fiscal 2022

India has largely been self-reliant in meeting its oxygen supply requirement – be it for industrial purpose or medical consumption. The country experienced a surge in demand for medical oxygen during the deadly second wave of COVID-19 (April-May 2021). Domestic oxygen production wasn't sufficient to match the incremental demand, which led to a spike in medical oxygen imports. More than half of the requirement for medical oxygen in Fiscal 2022 was met through imports from Saudi Arab. The United Arab Emirates, North Korea and Indonesia were the other top countries from which India imported medical oxygen. To increase the supply of medical oxygen during the second wave, government had directed partial supply of industrial oxygen for medical use. This led to increased import of industrial oxygen too.

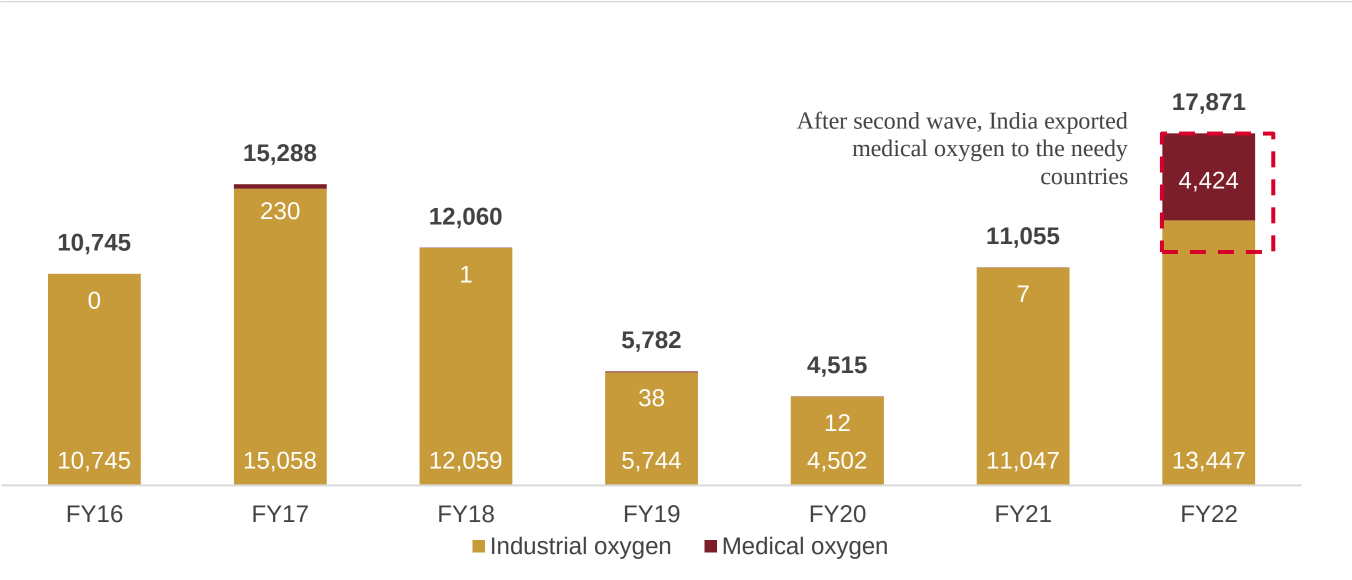
Import of oxygen (tonne)



Source: Ministry of Commerce and Industry, CRISIL Research

Post second wave of COVID-19 in the country, India exported medical and industrial oxygen predominantly to Bangladesh in Fiscal 2022. Nepal and Sri Lanka were the other neighbouring countries to which India exported its oxygen production.

Export of oxygen (tonne)



Source: Ministry of Commerce and Industry, CRISIL Research

List of key oxygen producers in India

Name of oxygen producing company	
Airox Technologies Limited	Universal Air Products
National Oxygen	Asian Gases Industries
Bhagawati Oxygen	Air Liquide India Holding
Linde India	Air-n-gas Process Tech
Inox Air Products	Universal Boschi
Malabar Oxygen Company	AtlasCopco
MSPL Gases Ltd	Bellary Oxygen
Praxair India Pvt	BOC India
Indiana Oxygen Company	Sam Gas projects
Sri Balaji Oxygen	Trident Pneumatics
Grasim Industrial	Oxair Gases
Absstem Technologies	Oxymat India
Summits Hygronics	Inmatech

Note: The list includes industrial and medical oxygen producers irrespective of production method followed. The list of players is in no order. Set of producers shown in the list are indicative and the list per se is not exhaustive.
Source: CRISIL Research.

Second pandemic wave showed the importance of an effective oxygen supply chain system

Governments across the world faced challenges due to medical emergencies triggered by the pandemic. Like several other countries, India too battled to ensure optimal usage of medical infrastructure such as hospital beds, medical oxygen, and others. Medical oxygen proved to be a critical ingredient in treating acute respiratory distress associated with COVID-19. High-flow nasal oxygen has been found to be a safe and efficient treatment for COVID-19 patients who are not in an ICU.

The COVID-19 pandemic has exposed the challenges in medical oxygen production and delivery in India, thereby highlighting the importance of producing oxygen on-site with the PSA oxygen generators compared to procurement of oxygen though cylinders. In May 2021, India's hospitals were at a breaking point. The country found itself at the epicentre of the global pandemic, and one of the biggest challenges was providing enough medical oxygen to critical patients, who were unable to breathe unaided, as demand rose ten-fold. Just a few months earlier, in September 2020, the country had found itself in a similar situation: as case numbers soared, medical oxygen production failed to keep pace, amid an exponential growth in demand. Despite administrations trying to do their best to supply medical oxygen, demand overtook supply, making its availability a serious issue during the pandemic times. In such a scenario, central and state governments took multiple measures to meet the surge in demand for oxygen.

Centre and state governments have started adopting measures to develop a sustainable solution for adequate oxygen production

For a long-term solution towards sufficient production of oxygen, central and state governments expedited the establishment of PSA oxygen generator. Approximately 1,600 PSA oxygen generators were planned to be established in Fiscal 2021 and 2022 near demand clusters to supply oxygen. It includes 162 PSA oxygen generators under PM CARES through the Ministry of Health and Family Welfare ("**MoHFW**") sanctioned in 2020, for which over Rs 200 billion was warranted, 551 under PM CARES through MoHFW sanctioned in March 2021, 500 under PM CARES through the Defence Research and Development Organisation sanctioned on April 27, 2021, about 100 by oil and gas companies under the Ministry of Petroleum and Natural Gas, and rest by states themselves.

In April 2021, the central government floated a tender for the procurement of 1 lakh oxygen concentrators to further augment capacity. Multiple interventions have been used to improve oxygen tanker availability. During the second wave when oxygen demand surged, nitrogen and argon tankers were converted to oxygen tankers by following regulated norms, to meet the demand. In March 2020, the capacity of tankers stood at 12,480 metric tonne per day and their number was 1,040. In May 2021, capacity went up to 23,056 metric tonne per day and their number to 1,681, which included 408 converted tankers and 101 imported tankers. Number of cryogenic tanks for storing oxygen at hospitals increased to 901 in May 2021, from 609 in March 2020.

In April 2020, with the intention of ensuring uninterrupted supply of materials required for the treatment of patients with severe symptoms of COVID-19, the government allowed manufacturers of industrial oxygen to produce the gas for medical use too. The government announced that industrial gas manufacturers will be given the licence to produce medical-grade oxygen within 24 hours of applying, if they undertake to produce it as per the prescribed standards.

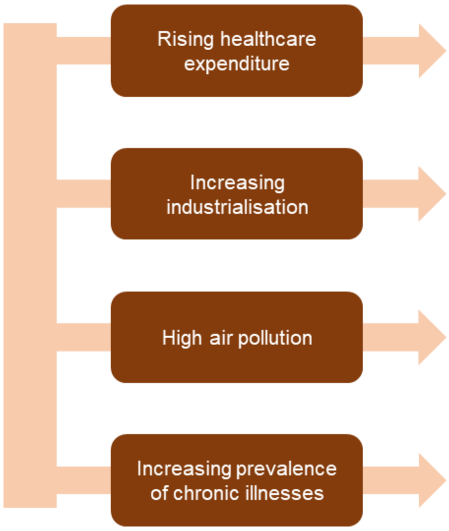
In May 2021, the government came up with the order that spending by corporates towards setting up of oxygen plants and other medical infrastructure for combating COVID-19 will be eligible to be counted as corporate social responsibility (CSR) activity. According to the order, funds earmarked for CSR could be spent on setting up medical facilities towards COVID-19 care, medical oxygen generation and storage plants as well as production and supply of oxygen concentrators, cylinders and other medical equipment.

The central government, in June 2021, launched 'Project O2 for India' under the direct command of the office of Principal Scientific Adviser. The National Consortium of Oxygen consisting of corporations, Indian Institutes of Technology and various non-profit organisations, was established to help build the supply chain of critical materials and parts of oxygen plants. Funding for plants is being arranged through the PM CARES Fund, as well as corporate sponsorships via CSR funding. The consortium aims to supply critical raw materials such as zeolites, set up small oxygen plants, manufacture compressors and ventilators, among others using the accumulated fund. The consortium also aims to strengthen the manufacturing ecosystem of medical oxygen for long-term preparedness. A committee of experts has also been set up to evaluate critical equipment such as oxygen plants, concentrators and ventilators from a pool of India-based manufacturers, start-ups, and Micro, small and medium enterprises (MSMEs).

Several state governments too came forward to deal with the oxygen shortage during the second wave. For instance, Tamil Nadu state government announced incentives for companies willing to manufacture medical oxygen in the state. The state government announced that companies that invest in Tamil Nadu to produce oxygen concentrators, oxygen cylinders and medical oxygen will get 30% capital subsidy over a two-year period. Maharashtra state government set a target of manufacturing 3,000 metric tonne of oxygen per day. The state government decided to give special financial incentives to industrial units manufacturing liquid medical oxygen and for the manufacturing of oxygen cylinders and cryogenic tankers. Bihar state government launched the Oxygen Production Policy 2021, to make Bihar self-dependent in oxygen production. The policy provides for 30% capital subsidy to entrepreneurs for establishing plant and machinery, with the maximum assistance pegged at Rs 25 crore for cryogenic oxygen plants producing liquid medical oxygen. Plants for oxygen cylinder manufacturing attract assistance up to Rs 75 crore. The Karnataka state cabinet decided to provide incentives, including 25% capital subsidy, to companies to set up medical oxygen plants in the state. Following the demand for incentives from oxygen manufacturing associated enterprises in Karnataka, it was decided to give 100% exemption on electricity duty for three years after commencement of oxygen production, and additional power tariff subsidy of Rs 1,000 per tonne of oxygen supplied to government medical hospitals.

With increased efforts from government and private entities in the direction of increasing medical oxygen production capacity, CRISIL Research expects the current medical oxygen production capacity in India is around 2,800-3,000 tonne per day considering the operational cryogenic distillation and PSA oxygen generators installed in the country.

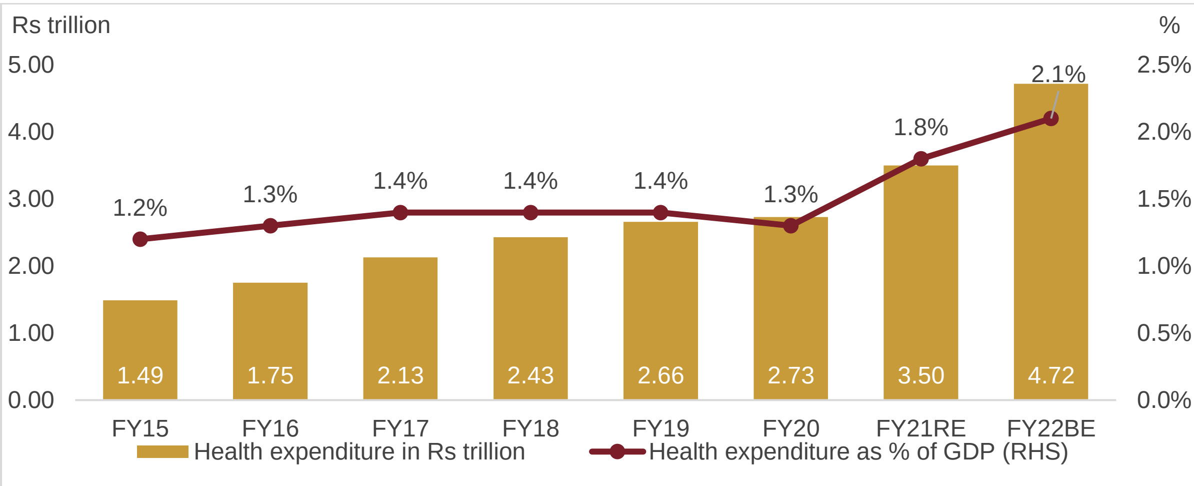
Factors that lead to growth of oxygen demand



India's health expenditure pushed to 2.1% of GDP in Fiscal 2022

A significant budgetary increase for the healthcare sector in the wake of the pandemic pushed India's healthcare expenditure to 2.1% of GDP for the first time, bringing it close to government's policy aspiration of reaching a health expenditure of 2.5% of GDP by 2025 as envisaged in the National Health Policy, 2017. The government's flagship policy in healthcare segment – National Health Mission – envisages achievement of universal access to equitable, affordable and quality healthcare services. As oxygen is an essential medicine, increased penetration and expenditure in the healthcare segment adds to the demand of medical oxygen.

Health expenditure by general government (combined Centre and states)



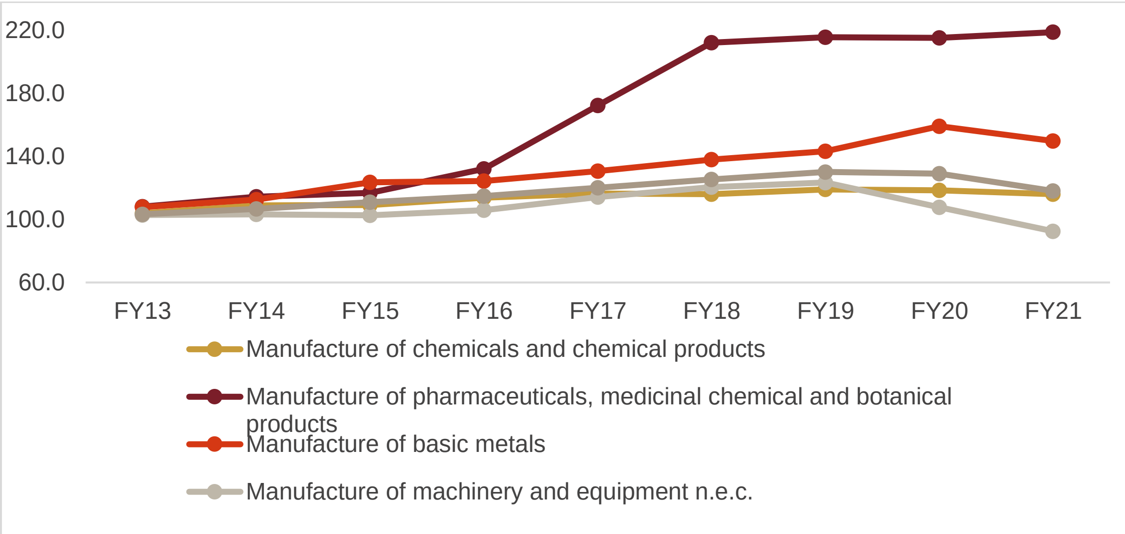
RE: Revised estimate; BE: Budget estimate
Source: Economic Survey of India 2021-22, CRISIL Research

The manufacturing sector was affected in several ways by the pandemic, leading to low-scale operations, and eventually, a negative impact on production volumes. Over a period, this adversely affected turnover and revenue. The lockdowns had both demand- and supply-side impacts on the sector. On the supply side, limited movement of goods, services and personnel affected the production network. The Index of Industrial Production (IIP) that tracks manufacturing activity in different sectors of the economy, nosedived during the first lockdown implemented towards the end of Fiscal 2020. The IIP again took a downturn during the second wave in the beginning of Fiscal 2022. While the second wave did upset overall economic growth, the impact was moderate compared with the first wave, as businesses and states had adjusted to the COVID-19 situation.

Increasing industrialisation to increase demand for industrial oxygen

Industrial oxygen finds application in multiple industries ranging from pharmaceutical product manufacturing to machinery and equipment manufacturing. As highlighted in the figure below, manufacturing activities have seen a positive on-year growth since Fiscal 2013, except for Fiscals 2020 and 2021, due to the slump in the economy caused by the pandemic. Correction in manufacturing activities is expected to supplement the demand for industrial oxygen.

IIP at constant Fiscal 2012 prices



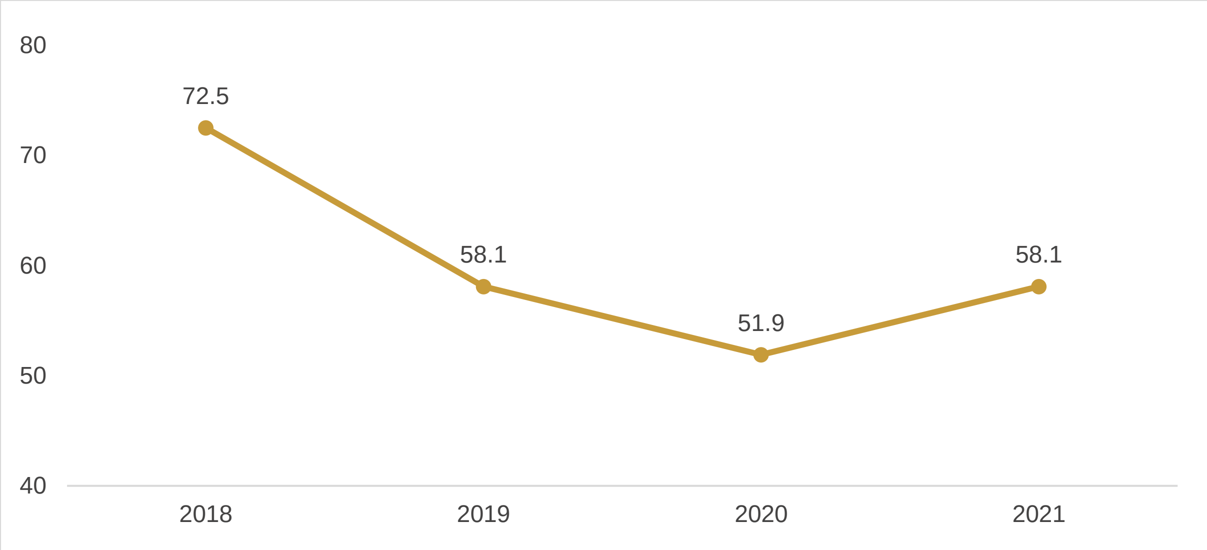
Source: MoSPI, CRISIL Research

Growing problem of air pollution further adds up to the oxygen demand

Air pollution has a massive impact on human health. In 2019, India's Ministry of Environment, Forest and Climate Change enacted the National Clean Air Programme that seeks to reduce particulate matter (PM) concentration by 20-30% by 2024 in all identified non-attainment cities, increase air quality monitoring, and implement city-, region-, and state-specific clean air action plans.

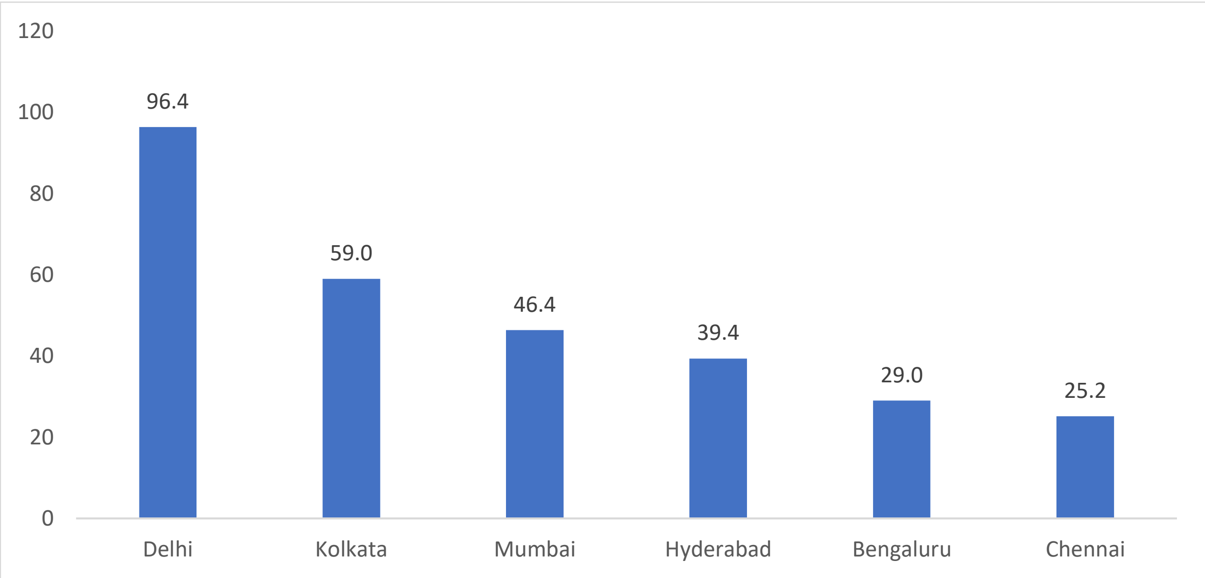
PM2.5 is defined as ambient airborne particulates that measure up to 2.5 micron in size. These particles include a range of chemical makeups and come from a range of sources. According to the World Air Quality Report 2021 by IQAir, India was home to 11 of the 15 most polluted cities in Central and South Asia in 2021. India's annual average PM2.5 levels reached 58.1 µg/m3 in 2021, ending a three-year trend of improving air quality. India's annual PM2.5 averages have now returned to pre-Covid concentrations measured in 2019. The growing problem of air pollution has increased the risk of ailments such as cardiovascular, respiratory diseases, as well as lung cancer. Growing air pollution has given rise to the concept of artificially oxygenated environments, to keep the ambient oxygen at natural optimum levels.

Air quality in India (PM2.5, µg/m3)



Source: World Air Quality Report by IQAir, CRISIL Research

Air quality across major cities in India (PM2.5, µg/m3) – 2021

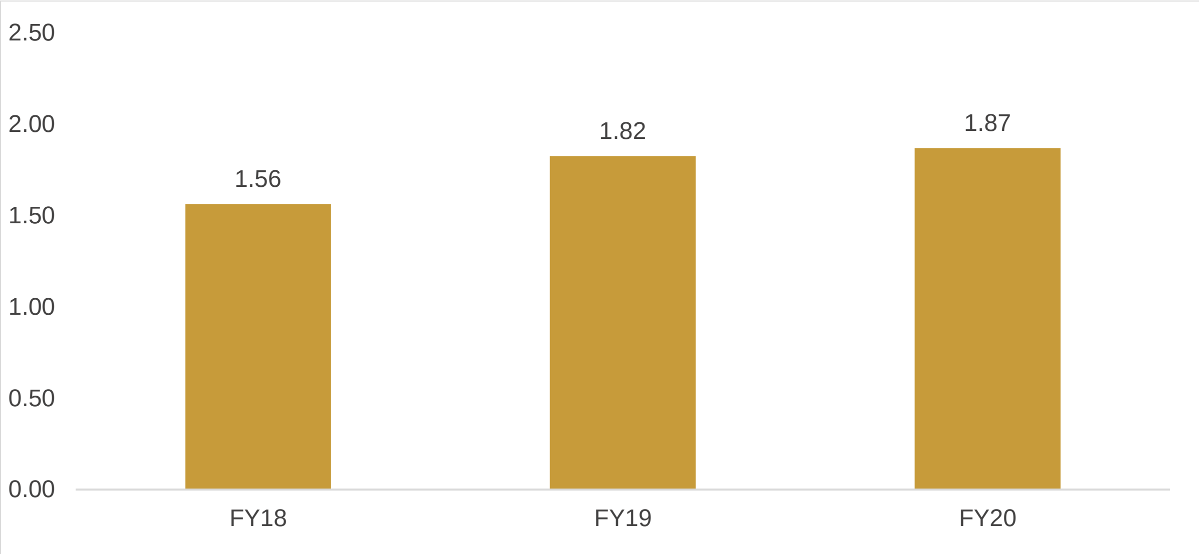


Source: World Air Quality Report by IQAir, CRISIL Research

Rising prevalence of chronic medical illnesses that necessitate oxygen treatment

India has experienced a rise in some common chronic medical illnesses such as chronic obstructive pulmonary disease, asthma, and other respiratory infections that necessitate oxygen treatment or supplemental oxygen. Additionally, medical oxygen is used for other clinical therapies too. Growth in the number of patients infected with such illnesses drives the demand for medical oxygen.

Inpatient count of asthma, chronic obstructive pulmonary disease, respiratory infections in India (million)



Source: Health Management Information System, CRISIL Research

Regulatory requirements

During Fiscal 2021, due to the unavailability of medical oxygen during the COVID-19 crisis, few states such as Andhra Pradesh, Haryana and Maharashtra have made it mandatory for hospitals with certain number of beds to install oxygen generators. In addition, National Council for Clinical Establishments, under the Directorate General of Health Services, has recommended installation of mini oxygen/ PSA oxygen generators across India for the existing and new hospitals with a capacity of more than 50 beds.

Challenges faced by hospitals in operating PSA oxygen generators

A PSA oxygen generator is an assembly of multiple equipment -- compressor stabiliser, air dryer, PSA vessels, filters, surge vessels, auto changeover, flow meter, purity monitor, alarms, valves, and generators in many cases as power backup. It is important for all the equipment to perform accurately to get the desired purity of medical oxygen.

PSA oxygen generators installed in hospitals located in remote areas face delays in visits of technicians in case of some technical glitch. If the issue cannot be resolved over video/audio calls, hospitals have to temporarily shut the operation of such PSA oxygen generators until the technician visits. The setup of PSA oxygen generators starts with an inlet for ambient air and ends with a pipeline till hospital beds. On-site production facilities also face leakage issues at various points of the setup. Some hospitals with PSA oxygen generators lack power backup. As PSA oxygen generators require uninterrupted supply of electricity, their operation halts when no alternative power source is available.

The auto changeover system helps to automatically switch oxygen supply from one source to another under low input pressure to ensure continuity of oxygen supply. Facilities facing issue with auto changeover face issue with exploring the back-up oxygen supply to maintain the uninterrupted oxygen flow. PSA-specific technical issues faced by hospitals include problem with the zeolite, which leads to failure in separation of nitrogen from the air, and saturation of white dust in oxygen tanks. Other common technical issues are related to pressure, ignition, compressor, stabiliser, alarm, suction jar and valve.

Operational challenges faced with PSA as the oxygen generation method

- Efficiency of the system is directly affected by poorly sized and configured oxygen generators (including inadequate size compressor and refrigerant dryer, lack of in-built redundancy and inappropriately designed plant housing). This results in unnecessary operational overheads or complete abandonment of oxygen generators.

- Certain operating environments can cause premature damage to the system. Hot and/or humid climates and dust can have an impact on production capacity by either damaging or rapidly ageing the filtration system and sieve beds.

- There is a lack of publicly available technical guidance for system operations. For example, a drop in either output capacity or product purity during daily operations requires immediate troubleshooting by trained operations and maintenance personnel.

- There is lack of generic technical guidance for preventive and curative maintenance. Clear routines for planned preventive maintenance can be perceived as complicated as there are product-specific nuances. Consideration of this aspect needs to be made during the planning and procurement phases to ensure adequate budget for requisite spares, and adequate contact time and a support structure for knowledge transfer. This training of staff is key to improving access and availability of the PSA oxygen generator

- There is lack of comprehensive quality standards for the system post-installation: no post-commissioning third-party testing guidelines, no indication of frequency of testing, and no homologized standards on oxygen purity and remaining impurities.

Overview of products related to oxygen market

Air dryers

In an air dryer, warm compressed air enters the air-to-air heat exchanger, where it is precooled by outgoing cold refrigeration air. Then the pre-cooled air enters the freon heat exchanger, where it is cooled down. At this cooled temperature, moisture condenses into liquid droplets, which are removed from air stream by a very efficient demister and automatically drained by an automatic drain valve. The cold dry compressed air passes back through the secondary side of the air-to-air heat exchanger, where it is re-heated by the incoming warm air. Reheating the outgoing compressed air increases temperature by heat with incoming warm air. The dry air coming out from the air dryer is ready to use for instrumentation and process air applications. Refrigerating air dryer is widely used in automobile, chemical and pharmaceutical industries.

Hyperbaric chambers

Hyperbaric chamber is a sealed medical device used to deliver oxygen at pressure higher than the normal atmospheric pressure, defined as 1 atmospheric pressure (ATM). Such a treatment is called Hyperbaric Oxygen Therapy (HBOT). In a hyperbaric oxygen therapy chamber, air pressure is increased to 2-3 ATM, producing strong hyperoxia for medical therapies. This process causes oxygen to be absorbed by all body fluids, cells and tissues, even those with blocked or reduced blood flow. The increased flow of oxygen stimulates and restores the function of damaged cells and organs, including liver and brain. Some therapeutic applications of hyperbaric chambers include treating decompression sickness, skin injuries, burns and carbon monoxide poisoning as well as post-radiotherapy treatment.

Oxygen analysers

Oxygen analysers are used to measure the level of oxygen in a given environment. Oxygen analysers are extremely important for various applications. Their industrial applications range from aerospace to electronics for continuous monitoring of oxygen levels, detection of presence of oxygen in gas plant gathering systems and tracking oxygen levels during handling of cryogenically liquefied gas or pressurised gas cylinders. Medical applications range from tracking oxygen levels at production to storage stages.

In an oxygen analyser, the ultrasonic gas flow and oxygen sensor implements the ultrasonic velocity difference between upstream and downstream to detect the gas flow and also to measure the oxygen purity. It is a reliable and low-cost sensor for integration into PSA oxygen generators, medical oxygen generators, personal respirator, oxygen concentrator, anaesthetic apparatus and high pressure oxygen storage.

Major types of oxygen analysers are:

- Trace oxygen analyser offers rapid, reliable and highly accurate measurements of oxygen even at trace levels and suitable for many medical and industrial applications
- Portable oxygen analyser: used for measuring oxygen levels at locations where oxygen analysers are not installed; small size makes it an ideal solution
- Continuous oxygen analyser: often installed at individual sample points in facilities; designed for ongoing, permanent exposure to the sample gas
- Oxygen deficiency analyser: designed to monitor the oxygen level in confined spaces such as tunnels, labs and control rooms

Vacuum pressure swing adsorption (VPSA)

VPSA oxygen gas generators are based on zeolite molecular sieves (ZMS) and vacuum system for regeneration. When ZMS is used in the VPSA process, nitrogen molecules, with diameter larger than oxygen molecules, pass through the pores and are adsorbed. Therefore, oxygen is recovered, while nitrogen is adsorbed. Adsorption of nitrogen happens at low pressure, which make it efficient and suitable for higher flow rates. In VPSA-based oxygen gas plants, vacuum pumps ensure complete regeneration of ZMS. Adsorptive air separation is a cyclic process in which the adsorbent material is alternately fed with pressurised air to produce the required product and regenerated by vacuum to remove waste gases from the adsorbent. The stages involved are:

Purification: Ambient air is filtered before being compressed moderately by a blower system.

Adsorption: The pre-treated air is sent to a vessel containing zeolites to remove any moisture and carbon dioxide. Nitrogen is adsorbed, while oxygen passes through the vessel outlet. Before the adsorption capability of zeolites is exhausted, the adsorption process is interrupted.

Desorption: The saturated zeolites are regenerated through pressure reduction below the adsorption pressure. This is achieved by using a dry running vacuum pump. The resulting off gas is vented to atmosphere. To maintain a continuous flow of oxygen supply, a surge tank is installed and so the cycle continues.

Oxygen gas booster

Oxygen gas boosters are used for compressing oxygen and are ideal for aircraft and bottle filling applications. The device features a cylinder and a piston. The cylinder is designed to withstand different operating pressures. Pressure is usually controlled with the piston, which is driven back and forth inside the cylinder. The cylinder head features discharge and supply ports, which are again connected to pipes or discharge hoses, and non-return valves. These valves help direct the flow of gas in one direction. The device is cooled with external fins or water jackets. Oxygen gas boosters are made from oxygen compatible materials to avoid fire hazards caused by compressed oxygen.

Container-based oxygen generator

Container-based oxygen generator is a mobile oxygen generator wherein oxygen generator is installed in a 20- or 40-feet container. The container is transported by truck to places where oxygen in required. Cylinders can be refiled using the oxygen produced by the mobile container. Electric supply is required to make the container operational.

Auto changeover system

Auto changeover system helps to automatically switch oxygen supply from one source to another under low input pressure to ensure continuity of oxygen supply. Typically, two oxygen supply sources are used: oxygen produced through PSA oxygen generators and oxygen bank. The system ensures instant response to supply cut, switching from one source to another without disturbing the oxygen flow.

Advantages of using Auto Change Over system:

- Doesn't require additional air compressor and associated machinery
- High efficiency can be achieved as leakages are reduced
- Instantaneous response
- Doesn't affect any atmosphere and temperature variations
- Reduces unscheduled service
- Helps in anticipating future requirements of oxygen

COMPETITOR ANALYSIS

CRISIL Research has considered the following companies as competitors for Airox Technologies Limited. These lists of companies either operate in same line of business or offer same product portfolio as that of Airox Technologies Limited and available in public domain.

Some of the major medical oxygen PSA players in India market are Airox Technologies Ltd, Uttam Air Products Pvt Ltd, Absstem Technologies. The industry also has players who derive their larger share of business revenue from other gases related segments such as air compressors, nitrogen gas generation, hydrogen gas generation, air dryers among others and have lower to moderate contribution from PSA medical oxygen generation segment. But CRISIL has considered all the players as competitive peers. Some of the players have also entered the market over the last few years, and especially during the COVID-19 pandemic. But smaller players are unable to keep the PSA oxygen generators operational.

Some Indian companies have collaboration with international players such as Airox Technologies Ltd and Airsep Corporation, Pec Therm Private Ltd and INMATEC Gas Technologies Gmbh & Co. Airox Technologies uses sieves for oxygen separation from Airsep Corporation. Sieves of Airsep Corporation are approved by US FDA and the sieves have CE Medical Devices Class II Certification.

Operational overview of the companies under review

Companies	Year of incorporation	Products		Compliance for medical oxygen generators
		Oxygen generators	Others (Indicative list)	
Experience in PSA oxygen for more than a decade				
Absstem Technologies LLP ("**Absstem**")	2017	✓	cylinder filling system and medical gas pipeline	US pharmacopeia, European pharmacopeia, Indian pharmacopeia
Atlas Capco (India) Ltd ("**Atlas**")	1960	✓	PSA nitrogen generator, membrane nitrogen generator, air compressors, air dryers, gas compressors, construction equipment, and industrial tools among others	NA
Airox Technologies Ltd ("**Airox Technologies**")	2012	✓	hyperbaric chambers, auto change over systems, oxygen analyser, air dryers	US pharmacopeia, European pharmacopeia, Indian pharmacopeia
Pec Therm Private Ltd ("**Pec Therm**")	1999	✓	Nitrogen generators, air compressors, air dryers	European pharmacopeia
Med Freshe Pvt Ltd ("**Med Freshe**")	1980	✓	waste management solutions, healthcare solutions, consultation & planning for hospitals, turnkey solutions for healthcare institutions	US Pharmacopeia, European Pharmacopeia, Indian Pharmacopeia
MVS Engineering Pvt. Ltd. ("**MVS**")	1986	✓	PSA nitrogen generators, membrane nitrogen generator, Liquid Nitrogen Generators,	Indian pharmacopeia

Companies	Year of incorporation	Products		Compliance for medical oxygen generators
		Oxygen generators	Others (Indicative list)	
			hydrogen generators, ammonia crackers, air dryers, Gas purifiers, endo and exo gas generators among others	
Uttam Air Products Pvt. Ltd. ("**Uttam Air**")	1972	✓	Filling solutions	US Pharmacopeia, European Pharmacopeia, Indian Pharmacopeia
Sam Gas Projects Pvt. Ltd. ("**Sam Gas**")	2004	✓	PSA nitrogen generators, membrane nitrogen generator, lab scale nitrogen generators, hydrogen generators, ammonia cracker, air dryers, gas purifiers, endo and exo gas generators	NA
Experience in PSA oxygen for less than a decade				
Summits Hygronics Pvt. Ltd. ("**Summits**")	2001	✓	Air dryers, PSA Nitrogen Generator, Membrane nitrogen generator, Air dryers, zero Drain Valves, due point meters, filter element, air filters	NA
Trident Pnuematics Pvt. Ltd. ("**Trident Pneumatics**")	1999	✓	Compressed air dryers, compressed air filters and drains, values, PSA nitrogen generator	European pharmacopeia
Oxair Gas Systems India Pvt. Ltd. ("**Oxair**")*	2018	✓	PSA nitrogen generators, nitrogen membranes, air dryers, carbon absorption towers, pressure vessels, mist eliminators, pressure vessel filters and water seperators	European pharmacopeia

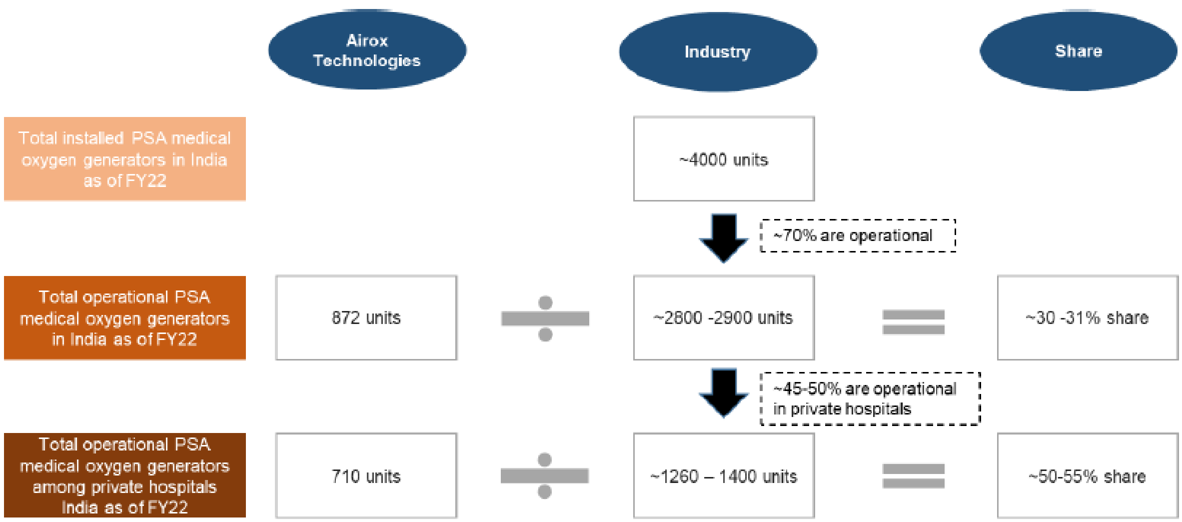
Note:

- *Oxair Gas Systems India Pvt Ltd (Oxair) is an Indian subsidiary of Oxair Gas Systems Pty Ltd., an Australian company*
- **: Oxair products include products of Oxair Gas Systems Pty Ltd (an Australian company)*
- *NA: Not Available*

Source: Company websites, Credit ratings, Company filings, CRISIL Research

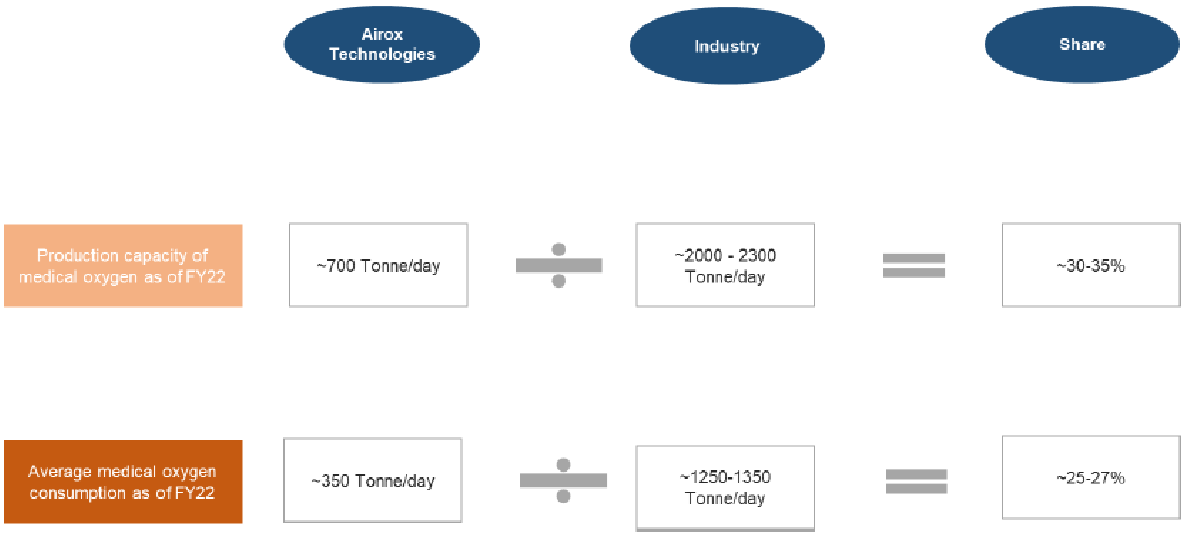
Market share Analysis

In terms of operational PSA oxygen generators installed



Source: CRISIL Research

In terms of production capacity and consumption

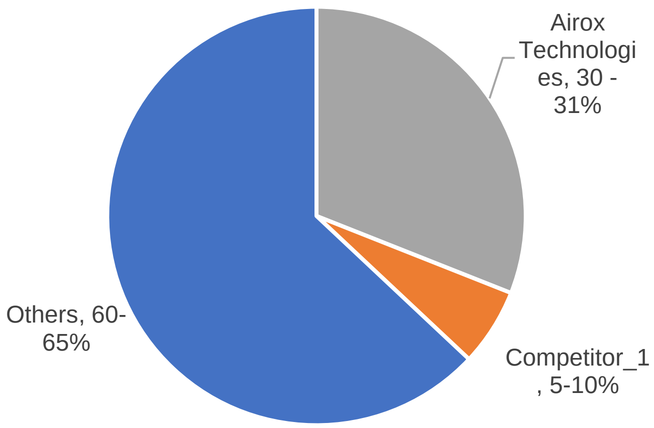


Note: The above-mentioned values are non-covid and don't include oxygen produced from industrial plants during the period mentioned

Source: CRISIL Research

Airox Technologies is a leading player in PSA medical oxygen market with a market share of ~30-31% in terms of installed oxygen generation capacities as of 31st March 2022.

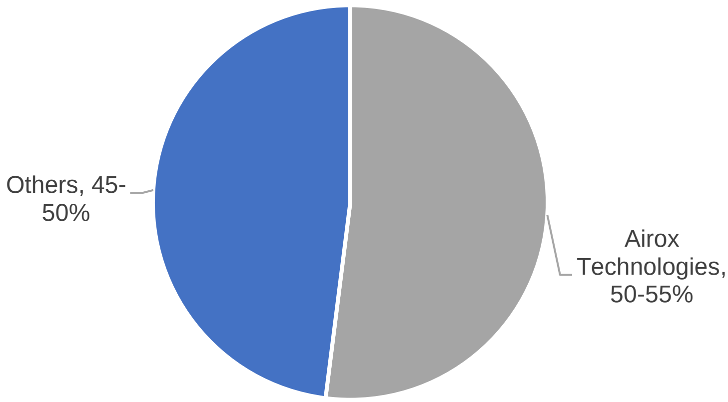
Airox Technologies Ltd market share in operational PSA medical oxygen market as of 31st March 2022



Note: Based on industry interactions CRISIL estimates nearly 70% of the installed PSA oxygen generators to be operational in India
Source: CRISIL Research

Airox Technologies Ltd is market leader, commanding a market share of 50-55% in operational private hospital PSA medical oxygen market.

Airox Technologies Ltd market share in operational private PSA medical oxygen market as of 31st March 2022



Source: CRISIL Research

Financial overview of the companies under review

Across PSA oxygen generator segment, CRISIL Research has considered consolidated balance sheet for available players as of FY21. For the below section, CRISIL Research has considered players with operating income, as of FY21, less than Rs. 2,000 million.

Total operating income across all business segments

Rs. Million	Type	FY19	FY20	FY21	CAGR (%) FY19-21
Absstem	Standalone	NA	14.0	196.8	N.Ap
Airox Technologies	Standalone	127.4	171.3	730.3	139%
MVS	Consolidated	530.9	610.1	709.7	16%
Pec Therm	Standalone	52.4	84.7	249.6	118%
Oxair	Standalone	22.2	34.5	54.0	56%
Sam Gas	Standalone	259.3	241.1	237.7	(4)%
Summits	Standalone	408.3	353.8	422.8	2%
Trident Pneumatics	Standalone	526.0	637.6	690.2	15%
Uttam Air	Standalone	49.1	91.2	258.6	130%

Note:

- *Atlas Capco (India) Limited has operating income of Rs. 29,284.6 million from all the operating segments which include compressed air equipment, vacuum solutions, industrial tools, power equipment and rental solutions as of FY21, hence has not been considered for further analysis.*
- *Med Freshe Private Limited having an operating income of Rs. 697.7 million as of Fiscal 2021, has not been considered for further analysis as the company derives majority of revenue from other operating segments such as waste management solutions, healthcare solutions, consultation and planning for hospitals, turnkey solutions for healthcare institutions.*
- *NA: Not Available*
    - *Though Absstem Technologies LLP (Absstem) was incorporated in 2017, financial data till FY19 isn't available on MCA and the latest available data is FY20 and FY21*
- *N.Ap: Not Applicable*

Source: Company filings, CRISIL Research

Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)

Rs. Million	Type	FY20	FY21	EBITDA margin (FY21)
Absstem	Standalone	0.6	35.0	18%
Airox Technologies	Standalone	21.2	234.9	32%
MVS	Consolidated	140.0	315.0	38%
Pec Therm	Standalone	6.3	23.3	9%
Oxair	Standalone	0.7	1.8	3%
Sam Gas	Standalone	14.0	16.8	7%

Rs. Million	Type	FY20	FY21	EBITDA margin (FY21)
Summits	Standalone	26.2	58.2	14%
Trident Pneumatics	Standalone	148.4	223.9	32%
Uttam Air	Standalone	4.6	17.2	7%

Note:

- *Atlas Capco (India) Limited and Med Freshe Private Limited are not considered for financial analysis. Please refer to footnote under the table named "Total operating income across all business segments" for further information.*

Source: Company filings, CRISIL Research

Net profit

Rs. Million	Type	FY20	FY21	Net profit margin (FY21)
Absstem	Standalone	0.4	21.6	11%
Airox Technologies	Standalone	7.6	158.7	22%
MVS	Consolidated	81.9	218.0	31%
Pec Therm	Standalone	1.5	7.3	3%
Oxair	Standalone	0.7	1.5	3%
Sam Gas	Standalone	4.6	5.2	2%
Summits	Standalone	6.9	31.2	7%
Trident Pneumatics	Standalone	105.1	163.4	24%
Uttam Air	Standalone	0.3	1.6	1%

Note:

- *Atlas Capco (India) Limited and Med Freshe Private Limited are not considered for financial analysis. Please refer to footnote under the table named "Total operating income across all business segments" for further information.*

Source: Company filings, CRISIL Research

Financial snapshot of key players considered (FY21)

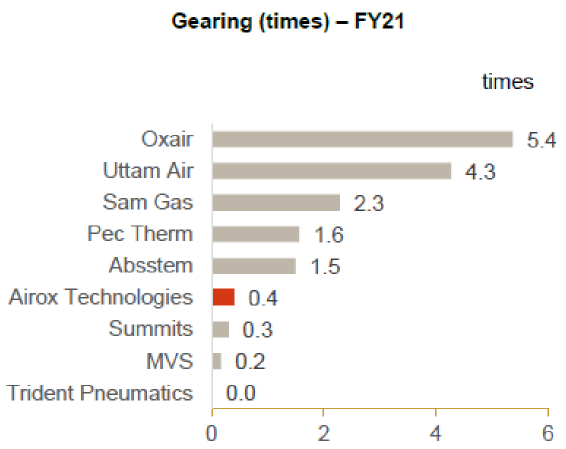
	Type	Operating income	CAGR FY19-21	EBITDA	Net profit	EBITDA margin	Net profit margin	ROCE	ROE
		Rs Mn	%	Rs Mn	Rs Mn	%	%	%	%
Absstem	Standalone	196.8	N.Ap	35.0	21.6	18%	11%	159%	244%
Airox Technologies	Standalone	730.3	139%	234.9	158.7	32%	22%	158%	164%
MVS	Consolidated	709.7	16%	315.0	218.0	38%	31%	18%	16%
Pec Therm	Standalone	249.6	118%	23.3	7.3	9%	3%	57%	65%
Oxair	Standalone	54.0	56%	1.8	1.5	3%	3%	13%	74%
Sam Gas	Standalone	237.7	(4)%	16.8	5.2	7%	2%	11%	12%
Summits	Standalone	422.8	2%	58.2	31.2	14%	7%	35%	31%
Trident Pneumatics	Standalone	690.2	15%	223.9	163.4	32%	24%	37%	28%
Uttam Air	Standalone	258.6	130%	17.2	1.6	7%	1%	10%	4%

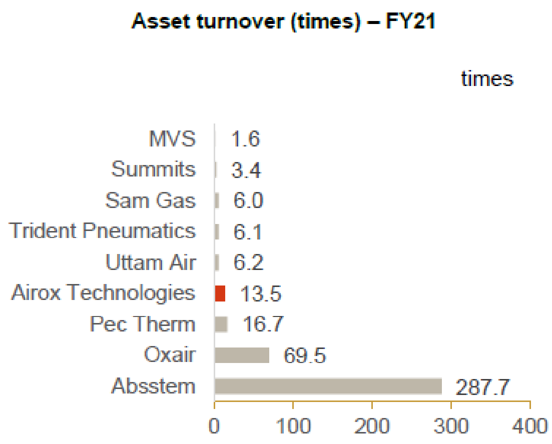
Note:

- *Atlas Capco (India) Limited and Med Freshe Private Limited are not considered for financial analysis. Please refer to footnote under the table named "Total operating income across all business segments" for further information.*
- *N.Ap: Not Applicable*
  - *Though Absstem Technologies LLP (Absstem) was incorporated in 2017, financial data till FY19 isn't available on MCA and the latest available data is FY20 and FY21*

Source: Company filings, CRISIL Research

Other key financial ratios for players considered





Note:

- *Atlas Capco (India) Limited and Med Freshe Private Limited are not considered for financial analysis. Please refer to footnote under the table named "Total operating income across all business segments" for further information.*

Source: Company filings, CRISIL Research

Airox Technologies financials for the FY22 period

(in Rs million)

Parameter	FY20	FY21	FY22
Operating income*	171.3	730.3	2,266.4
Net profit	7.6	158.7	900.4

Note:

- **: includes operating income generated across all business segments of the company*
- *FY22 financials for the other players considered above are not available on MCA hence are not included*
- *Atlas Capco (India) Limited and Med Freshe Private Limited are not considered for financial analysis. Please refer to footnote under the table named "Total operating income across all business segments" for further information*

Source: Company filings, CRISIL Research

Key observations

- As per Government sources and CRISIL estimates, the medical oxygen consumption (non-covid and non-industrial) in India during Fiscal 2021 and Fiscal 2022 is 1100-1300 tonne/day.
- As per Government sources and CRISIL estimates, the medical oxygen consumption (non-covid and non-industrial) in India during Fiscal 2022 is 1250-1350 tonne/day and Airox Technologies Limited with a consumption of 350 tonne/day through the 872 installed and operational PSA oxygen generators as of 31st March 2022 occupies a market share of 25-27%. The medical oxygen consumption stood at roughly 2,700 tonne/day in Fiscal 2022 on account of covid pandemic, of which nearly 45% was catered by industrial plants.
- Taking into account the industrial oxygen consumption the total oxygen consumption in India is 6,050-6,100 tonne/day during Fiscal 2023.
- In terms of production capacity, the total installed capacity of PSA medical oxygen generators is ~2,000 - 2,300 tonne/day as of 31st March 2022 and Airox Technologies Limited occupies a share of 30-35% during the same period.
- Airox Technologies Limited is among the pioneers to facilitate penetration of on-premise PSA oxygen generators in Indian hospitals markets and is also one of the leading providers in PSA medical oxygen generation systems in India with nearly 872 installed operational PSA oxygen generators as of 31st March 2022.
- Airox Technologies Limited is an established player with an experience of more than one decade in the PSA oxygen generation market and has been able to capture and penetrate the Indian medical oxygen generation market to become a market leader with ~30-31% of market share as of Fiscal 2022, in terms of total installed operational PSA oxygen generators in India - which includes both government and public sector hospital PSA medical oxygen market.
- As of 31st March 2022, of the total operational PSA oxygen generators installed by Airox Technologies

Limited ~80% are in private hospitals and ~20% are in government hospitals.

- Further, as of 31st March 2022, Airox Technologies Limited is market leader, commanding a market share of 50-55% in operational private hospital PSA medical oxygen market.
- Over the past three years from calendar year 2020-2022 (till march) Airox Technologies Limited has added a total production capacity of ~333 tonnes/day or 178,165 LPM.
- As of 31st March 2021, Airox Technologies Limited is a leading player among the PSA oxygen generator providers considered above in terms of operating income.
- According to sample set considered by CRISIL, oxygen purity for PSA oxygen generators of Airox Technologies Limited stands at an average of 94.3% whereas the limit as per IP 2018 standards is of 90-96%.
- In CY20 and CY21, the average capacity of PSA oxygen generator installed by Airox Technologies Limited is nearly 0.9 tonnes / day as against 0.5-0.6 tonnes /day industry average of PSA oxygen generator.

OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read '**Forward-Looking Statements**' on page 14 for a discussion of the risks and uncertainties related to those statements, and also '**Risk Factors**', '**Financial Information**' and '**Management's Discussion and Analysis of Financial Condition and Results of Operations**' on pages 21, 163 and 216, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2020, 2021 and 2022, included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with Section 26 of the Companies Act, 2013, 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. For further information, see '**Financial Information**' on page 163. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year.*

Unless the context otherwise requires, in this section, references to 'we', 'us', 'our', 'the Company' or 'our Company' refers to Airox Technologies Limited.

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Assessment of Medical Oxygen Manufacturing Industry in India" released in September 2022 **("CRISIL Report")** prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated February 8, 2022 and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see '**Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.**' on page 35. Also see, '**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**' on page 12. The CRISIL Report is available on the website of our Company at https://airoxtechnologies.com/airoxIndustryReports. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

We are one of the leading players among the PSA oxygen generator providers in terms of operating income, as of Fiscal 2021 (*Source: CRISIL Report*). We are also a market leader with a market share of 50-55%, in terms of operational private hospital PSA medical oxygen market, as of Fiscal 2022 (*Source: CRISIL Report*). We are among the pioneers to facilitate the penetration of on-premise PSA oxygen generators in Indian hospitals with nearly 872 installed and operational PSA oxygen generators, as of March 31, 2022 (*Source: CRISIL Report*). We are an established player with an experience of more than one decade in the PSA oxygen generation market and has been able to capture and penetrate the Indian medical oxygen generation market to become a market leader with around 30-31% of market share as of Fiscal 2022, in terms of total installed operational PSA oxygen generators in India, which includes both government and public sector hospital PSA medical oxygen market (*Source: CRISIL Report*). Our oxygen generators use advanced technologies as we have dedicated processes and specialised molecular sieves for the PSA oxygen generators, which have been customised for Indian environmental and electricity conditions. In India, the demand for medical oxygen is expected to grow at a CAGR of 7-7.5%, in terms of volume, from Fiscal 2020 to Fiscal 2027 (*Source: CRISIL Report*). The medical oxygen consumption (non-covid and non-industrial) in India during Fiscal 2022 was 1,250-1,350 tonne/day and, our Company, with a consumption of 350 tonne/day through the 872 installed and operational PSA oxygen generators as of March 31, 2022, occupies a market share of 25-27% (*Source: CRISIL Report*).

We commenced our operations as a manufacturer of PSA oxygen generators in 2012. Over the years, we have diversified our business by including other products in our portfolio such as AMOG-22 oxygen generators, oxygen analyser, auto change over system and container-based oxygen generators. We also provide after sales maintenance services by entering into annual maintenance contracts and comprehensive maintenance contracts with our customers.

We have recently, in April 2022, shifted to our new manufacturing facility situated in Aurangabad, Maharashtra. Our new facility, having an area of approximately 43,723 sq.ft., is equipped with advanced equipment, modern technology, and automated systems. Prior to shifting our operations to our new facility, we were operating from two facilities, also situated in Aurangabad, Maharashtra, having a cumulative area of approximately 10,708 sq.ft. In India, over 80% of the hospitals procure medical oxygen through cylinders and going forward, more than half of the demand of medical oxygen is expected to be met through PSA method by Fiscal 2027 (*Source: CRISIL Report*). We believe that we are well positioned to capitalise the growth opportunity in this sector with our recently inaugurated manufacturing facility at Aurangabad, Maharashtra and by leveraging our long-standing relationships with our customers and creating a variety of product options for our customers.

As of March 31, 2022, we had supplied 872 PSA oxygen generators, which includes 72 PSA oxygen generators to Central Medical Services Society and 34 PSA oxygen generators to other international agencies. As of March 31, 2022, we have installed our PSA oxygen generators at 710 private hospitals, including Gujarat Adani Institute of Medical Sciences, Jankidevi Bajaj Gram Vikas Sanstha, Shree Narayan Hospital, CU Shah Medical College and Hospital, Goyal Hospital and Research Centre Private Limited, Kailash Cancer Hospital and Research Center, Gorak, Waghodia, Vadodara, and KIMS-ICON Hospital and to 162 government hospitals, including Vardhman Mahavir Medical College and Safdarjung Hospital. Our major corporate customers include Reliance Foundation and Toyota Industries Engine India Private Limited.

As research and development is a key element of our growth, our Company has a qualified and experienced in-house R&D team of four employees as of March 31, 2022, led by Sanjay Wagh, who is the manager of product development in our Company since November 22, 2012. Our R&D team focuses on the development of new products, concepts, solutions, and understanding the expectations of our customers on to-be manufactured products, whilst simultaneously focusing on cost competitiveness. We developed AMOG-22 oxygen generator, which is a custom designed oxygen generator made for production of oxygen at high altitudes.

We are present in 28 states and three union territories in India, and are further evaluating our expansion into overseas markets, such as in Bangladesh, Nepal, Bhutan, Philippines, African continent and Indonesia. We rely to a significant extent on the relationships we have with our third-party distributors, as they play a significant role in enhancing customer awareness of our products. We have a wide network of distributors through which we sell our products. As of March 31, 2022, we had 16 distributors across India.

We have a long-standing strategic relationship with AirSep Corporation, an international provider of molecular sieves and vessels, pursuant to which we import vessels and sieves from AirSep Corporation. We are an authorized and exclusive distributor of the products manufactured by AirSep Corporation in India and other agreed countries for a period of 10 years from April 13, 2022. The sieves manufactured by AirSep Corporation are approved by US FDA and have CE Medical Devices Class II certification. The sieves are also the most critical component in the PSA oxygen generators utilised for separation of oxygen from other gases during the generation process. This makes it mandatory for players to use high-quality sieves to avoid any reduction in their oxygen purity levels. However, limitation of access to such high-quality sieves creates a technical barrier to new entrants entering the market. Our Company has received ISO 13485:2016 and ISO 9001:2015 certifications for manufacturing and service of PSA oxygen systems and ATF based mobile oxygen systems, manufacture, sales, installations and after sales services of hyperbaric chambers.

We also benefit from our relationship with one of our multi-national customers, who is a supplier of gas in India, and with which we have entered into framework supply agreements, for the design, supply, installation and commissioning of the PSA oxygen generators at various locations across India. We have also entered into agreements for the operation and maintenance of the equipment at various customer sites across India. Further, we have most recently entered into a supply arrangement with an international organisation for supply of PSA oxygen generators for a period of one year from July 15, 2022, which is renewable for a further term of two years.

We are led by one of our experienced Promoters, Sanjay Bharatkumar Jaiswal. Our Promoter, Sanjay Bharatkumar Jaiswal was awarded with the Entrepreneur of the year (male) award at MSME India Business Awards in 2021. We have a dedicated management team with a strong understanding of the industry that enables us to effectively identify and take advantage of market opportunities. We believe that the experience of senior management team has significantly contributed to our success and growth.

Our growth in revenue and profitability can be credited to our strong operational efficiency, which we achieve by streamlining our operational activities and ensuring that we maintain economies of scale. Set forth below are certain key financial information from our business.

(*in ₹ millions, except percentages and ratios*)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations	2,265.97	729.87	171.25
EBITDA(1)	1,224.86	234.85	21.22
EBITDA margin(2)	54.05%	32.18%	12.39%
Profit after tax	900.38	158.73	7.60
PAT margin(3)	39.19%	21.67%	4.41%
Capital expenditure(4)	84.18	0.52	4.99
Net cash generated from operations	651.48	65.64	22.76
ROCE(5)	107.64%	94.68%	41.05%
ROE(6)	83.74%	89.63%	46.37%
Total debt/total equity ratio(7)	0.01	0.46	4.51
Asset turnover ratio(8)	2.16	1.80	0.97

(1) EBITDA is calculated as the sum of (i) restated profit for the year, (ii) total tax expenses, (iii) depreciation and amortization expenses, and (iv) finance costs.
(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
(3) PAT Margin is calculated as restated profit for the year divided by total income.
(4) Capital expenditure includes aggregate of additions to property, plant and equipment and intangible assets.
(5) ROCE is calculated by earnings before interest and tax (EBIT) divided by capital employed. EBIT is calculated as the sum of (i) restated profit for the year, (ii) total tax expenses, (iii) finance costs. Capital employed is computed as total assets less current liabilities.
(6) ROE is calculated by restated profit for the year divided by our net worth.
(7) Total debt/total equity ratio is calculated by dividing total debt by total equity. Total debt includes current and non-current borrowings and lease liabilities.
(8) Asset turnover ratio is calculated by revenue from operations divided by average total assets. Average total assets is sum of opening total assets and closing total assets divided by 2.

For a detailed discussion on our financial performance, see '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' and '***Financial Information***' on pages 216 and 163, respectively.

Industry Opportunities

India has approximately 1,09,000 hospitals, with the share of 68,000 private hospitals and 41,000 public hospitals constituting around 62% and 38% of total hospitals, respectively (*Source: CRISIL Report*). Out of the total number of 1,09,000 hospitals, it is estimated that around 4,000 hospitals have installed on-site oxygen production facilities in the form of PSA oxygen generators by the end of Fiscal 2022, which constitutes four percent approximately of the total hospitals in India. Out of estimated 4,000 PSA oxygen generators, currently approximately 2,800 constituting around 70% of total installed PSA oxygen generators are operational (*Source: CRISIL Report*). Despite the cost-effective nature of PSA method and other advantages compared with the traditional medical oxygen procurement methods, the penetration level of PSA oxygen generators is low (*Source: CRISIL Report*). The healthcare delivery market comprising of hospitals in India, is expected to grow at a CAGR of 13-15% from Fiscal 2022 to Fiscal 2026 (*Source: CRISIL Report*).

The demand of medical oxygen is expected to grow at a CAGR of 7-8% from Fiscal 2020 to Fiscal 2027 in terms of volume (*Source: CRISIL Report*). Over 80% of the hospitals in India procure medical oxygen through cylinders (*Source: CRISIL Report).* More than half of the demand of medical oxygen is expected to be met through PSA method by Fiscal 2027 (*Source: CRISIL Report*). For Fiscal 2016 to Fiscal 2021, the estimated market for PSA oxygen generator operators in India is ₹ 10.8 billion, comprising of revenue through annual maintenance services and new installations at ₹ 8.6 billion and ₹ 2.2 billion, respectively (*Source: CRISIL Report*). The market for PSA oxygen generator operators is expected to grow by three times over the next six Fiscals as compared to last six Fiscals to ₹ 32. 2 billion by the end of Fiscal 2027, comprising of ₹ 9.8 billion and ₹ 22.4 billion through annual maintenance services and new installations, respectively (*Source: CRISIL Report*).

Due to the COVID-19 crisis, there was a nation-wide demand for medical oxygen, especially from hospitals. The demand for medical oxygen in India peaked to nearly 9,000 tonne/day during the second wave of COVID-19 crisis as compared to the peak requirement of 3,000 tonne/day during the first wave of COVID-19 (*Source: CRISIL Report*). The combined medical and industrial oxygen demand globally is expected to grow at a CAGR of 5.9% from Fiscal 2022 to Fiscal 2026 (*Source: CRISIL Report*). The demand of industrial oxygen is expected to grow at a CAGR of 5.5-6.5% from Fiscal 2020 to Fiscal 2027 (*Source: CRISIL Report*).

The COVID-19 pandemic has exposed the challenges in medical oxygen production and delivery in India, thereby highlighting the importance of producing oxygen on-site with the PSA oxygen generators compared to procurement of oxygen through cylinders (*Source: CRISIL Report*). As a manufacturer of PSA oxygen generators, we have experienced steady growth in Fiscal 2021 and Fiscal 2022 due to significantly increased demand for medical oxygen caused by the COVID-19 pandemic. As a result, the demand for our PSA oxygen generators also increased. Consequently, we sold 285 units of our PSA oxygen generators in Fiscal 2022, as compared to 155 units of PSA oxygen generators in Fiscal 2021. Our revenue also increased, in particular, most recently during the resurgence in COVID-19 cases during April-May 2021. During Fiscal 2021, due to the unavailability of medical oxygen during the COVID-19 crisis, few states such as Andhra Pradesh, Haryana and Maharashtra have made it mandatory for hospitals with certain number of beds to install oxygen generators (*Source: CRISIL Report*). In addition, the National Council for Clinical Establishments, under the Directorate General of Health Services, has recommended installation of mini oxygen/PSA oxygen generators across India for the existing and new hospitals with a capacity of more than 50 beds (*Source: CRISIL Report*). The demand for PSA generators is expected to grow in the next few years, providing an opportunity to PSA oxygen generators operators for revenue generation through new installations. According to CRISIL Report, the revenue generation from new installation and annual maintenance services, on a cumulative basis, is estimated to grow by 2.6 times from Fiscal 2016-21 to Fiscal 2022-27 and by 4.5 times from Fiscal 2016-21 to Fiscal 2022-27, respectively.

Our Strengths

We believe that we have the following competitive strengths.

Leading providers of PSA oxygen generators in India

We are one of the leading players among the PSA oxygen generator providers in terms of operating income, as of Fiscal 2021 (*Source: CRISIL Report*). We are also a market leader with a market share of 50-55%, in terms of operational private hospital PSA medical oxygen market, as of Fiscal 2022 (*Source: CRISIL Report*). We are among the pioneers to facilitate the penetration of on-premise PSA oxygen generators in Indian hospitals with nearly 872 installed and operational PSA oxygen generators, as of March 31, 2022 (*Source: CRISIL Report*). We are an established player with an experience of more than one decade in the PSA oxygen generation market and has been able to capture and penetrate the Indian medical oxygen generation market to become a market leader with 30-31% of market share as of Fiscal 2022, in terms of total installed operational PSA oxygen generators in India, which includes both government and public sector hospital PSA medical oxygen market (*Source: CRISIL Report*). As on March 31, 2022, we had installed 872 PSA oxygen generators across India.

The following map sets out an illustrative representation of the PSA oxygen generators installed by us in India, as of March 31, 2022:

Note: Map not to scale

We manufacture and supply PSA oxygen generators under our flagship brand 'Airox', and we believe our customers associate our brand 'Airox' with high quality medical oxygen. According to CRISIL Report, oxygen purity for the PSA oxygen generators supplied by us stands at an average of 94.3%.

Since January 1, 2020, we have added a total production capacity of approximately 333 tonnes/day or 178,165 LPM (*Source: CRISIL Report*). We have a long-standing relationship with AirSep Corporation, pursuant to which we import vessels and sieves from AirSep Corporation. We are an authorized and exclusive distributor of the products manufactured by AirSep Corporation in India and other agreed countries for a period of 10 years from April 13, 2022. The sieves manufactured by AirSep Corporation are approved by US FDA and have CE Medical Devices Class II certification. We believe we have a competitive advantage because of our long-standing relationship and exclusive arrangement with AirSep Corporation.

Strong and growing customer base

As of March 31, 2022, we had supplied our PSA oxygen generators to 872 customers, which includes 72 PSA oxygen generators to Central Medical Services Society and 34 PSA oxygen generators to other international agencies. Below is a table indicating the number of PSA oxygen generators installed by us in in Fiscal 2022, Fiscal 2021 and Fiscal 2020:

Installations	Fiscal 2022	Fiscal 2021	Fiscal 2020
PSA oxygen generators	285	155	42

In Fiscal 2021, we received orders from various state governments and in Fiscal 2022, we added corporate customers such as Reliance Foundation and Toyota Industries Engine India Private Limited for providing PSA oxygen generators during and after the COVID-19 pandemic. We believe that the growth in our customer base is led primarily by our ability to develop innovative processes, meet stringent quality and technical specifications and manufacture products in a cost-effective manner. The COVID-19 pandemic has exposed the challenges in medical oxygen production and delivery in India, thereby highlighting the importance of producing oxygen on-site with the PSA oxygen generators compared to procurement of oxygen through cylinders (*Source: CRISIL Report*). With the recognition of establishment of medical oxygen generation as a CSR activity by the Government of India, our sales have increased due to the addition of major corporates such as Reliance Foundation and Toyota Industries Engine India Private Limited, in our list of customers. We have most recently entered into a supply arrangement with an international organisation for supply of PSA oxygen generators for a period of one year from July 15, 2022, which is renewable for a further term of two years.

Modern and automated manufacturing facility with dedicated research and development team

We shifted our operation to our new manufacturing facility in April 2022. It has an area of approximately 43,723 sq.ft., and is located at Aurangabad, Maharashtra. Our new manufacturing facility is equipped with advanced equipment, modern technology, and automated systems. Prior to shifting our operations to our new facility, we operated from two smaller facilities, also situated in Aurangabad, Maharashtra, having a cumulative area of approximately 10,708 sq.ft. At our manufacturing facility, we have installed cranes with a capacity of five tonnage, 200 KV distribution transformer, 200 HP air compressor to deliver around 1,100 CFM pressurized air. Along with these, we also have the motor replacing facility, the screw testing and replacing infrastructure and the online oxygen testing facilities. We believe that our well-equipped manufacturing facility, coupled with our relationship with AirSep Corporation, helps us to meet the stringent quality requirements for our PSA oxygen generators.

Our focus on product innovation through continuous research and development and value engineering has been instrumental in the growth of our business and improve our ability to customize products for our customers as well as reduce our cost of goods while maintaining our margins. Our Company has a qualified and experienced in-house R&D team of four employees as of March 31, 2022, which includes manager of product development, who has been with our Company since November 22, 2012, a senior service engineer, who has been with our Company since November 8, 2014, and two service engineers, who have been with our Company since September 7, 2020, and May 12, 2021, respectively. Our R&D team focuses on the development of new products, concepts, solutions, and understanding the expectations of our customers on to-be manufactured products, whilst simultaneously focusing on cost competitiveness. Our research and development efforts place significant emphasis on improving our production processes, improving the quality of our existing products, and developing new products. Our research and development efforts are driven by customer needs, in terms of meeting specific needs that our customers communicate to us prior to the commencement of manufacturing of our products. We have been working on manufacturing more energy efficient products. Sieves are the main component which separates oxygen from air and accounts for 25% of the total oxygen generator cost (*Source: CRISIL Report)*. Our successful research and development capabilities led to the development of AMOG-22 oxygen generator, which is a custom designed oxygen generator made for production of oxygen at high altitudes, refrigerating compressed air dryer and auto change over systems. Our PSA oxygen generators for hospitals are designed to deliver consistent oxygen supply.

Widespread sales and distribution network and strong service network

We believe that the growth in our business operations have been made possible by our widespread sales and distribution network. As of March 31, 2022, our sales, marketing, and finance teams had 30 dedicated personnel responsible for increasing pan-India sales and had four regional vice-president sales, regional managers and area sales engineers. As on March 31, 2022, we had 16 distributors which help us cater to our customers across India. Our distributors are primarily associated with the healthcare sector. We work with different distributors depending on their geographical reach and market knowledge. Our distribution network is aided by our capable in-house sales and marketing team which develops and maintains relationships with key customers and clients to sell products, provide support, information and guidance for service improvements as well as positioning of our products vis-à-vis products of our competitors. Our sales and marketing team is also technically equipped, and works with our customers to understand their specific needs for customisation of our products.

As of March 31, 2022, we had a 70 member service team, including service engineers, head office and factory staff. Our service engineers are located across India to assist the customers in after sales services. We enter into annual maintenance contracts and comprehensive maintenance contracts with our customers for the maintenance of the PSA oxygen generators installed by us for providing after sales services to our customers. Depending on the demographics of a particular territory, we typically have one dedicated engineer per 15 PSA oxygen generators, who is responsible for providing service support. These trained engineers play an important role in troubleshooting the technical issues which occur in our PSA oxygen generators or other products.

Experienced management team with strong industry expertise

We are led by our Promoter and Managing Director, Sanjay Jaiswal, who is involved in strategic planning, design, and production development. Sanjay Jaiswal is involved in the medical equipment business for over 20 years. We believe that the experience and leadership of our Promoter, Sanjay Jaiswal, has played a key factor in our growth and development. Further, our Board comprises of two independent Directors, (a) Janardhan Pralhadrao Gupta, who was previously associated with Cosmo Films and its associated companies for over 30 years, and (b) Ravi Shivramakrishna Raman, who has over 15 years of association with various companies. For further information, see '***Our Management – Brief profiles of our Directors***' on page 143. Our Board is supported by an experienced and technically qualified execution team that includes Mahesh Joshi, vice president (sales-west), Naveen Sharma, head of service (pan India), Rajesh Kumar Sinha, vice president (sales-north), and Sanjay Wagh, manager of product development, who have a cumulative experience of more than 25 years in medical equipment business. We believe that our management team of qualified and experienced professionals enables us to identify new avenues of growth and help us to implement our business strategies in an efficient manner and to continue to build on our track record of successful product offerings.

Strong financial performance with consistent growth and profitability

We have organically grown our operations and have demonstrated an increase in our revenues and profitability. Our revenue from operations for the Fiscals 2022, 2021 and 2020 was ₹ 2,265.97 million, ₹ 729.87 million and ₹ 171.25 million, respectively, representing a CAGR of 136.52% during the last three Fiscals. Our EBITDA for the Fiscals 2022, 2021 and 2020 was ₹ 1,224.86 million, ₹ 234.85 million and ₹ 21.22 million, respectively. Our restated profit for the year for the Fiscals 2022, 2021 and 2020 was ₹ 900.38 million, ₹ 158.73 million and ₹ 7.60 million, respectively, representing a CAGR of 391.14% during the last three Fiscals. We have witnessed consistent improvement in our balance sheet position in the last three Fiscals. Our ROCE for the Fiscals 2022, 2021 and 2020 was 107.64%, 94.68% and 41.05%, respectively, while our ROE for the Fiscals 2022, 2021 and 2020 was 83.74%, 89.63% and 46.37%, respectively.

Strategies

Continue to leverage our market position to utilize the new growth opportunities in the post COVID-19 era

Due to the COVID-19 crisis, there was a nation-wide demand for medical oxygen, especially from hospitals. The demand for medical oxygen in India peaked to nearly 9,000 tonne/day during the second wave of COVID-19 crisis as compared to the peak requirement of 3,000 tonne/day during the first wave of COVID-19 crisis (*Source: CRISIL Report*). The combined medical and industrial oxygen demand globally is expected to grow at a CAGR of 5.9% from Fiscal 2022 to Fiscal 2026 (*Source: CRISIL Report*). Owing to the increasing demands of medical oxygen, we believe that with our established market presence and our relationship with our customers, we will be able to leverage our market position to procure new customers, particularly private and government hospitals.

The COVID-19 pandemic has exposed the challenges in medical oxygen production and delivery in India, thereby highlighting the importance of producing oxygen on-site with the PSA oxygen generators compared to procurement of oxygen through cylinders (*Source: CRISIL Report*). During Fiscal 2021, due to the unavailability of medical oxygen during the COVID-19 crisis, few states such as Andhra Pradesh, Haryana and Maharashtra have made it mandatory for hospitals with certain number of beds to install oxygen plants. In addition, the National Council for Clinical Establishments, under the Directorate General of Health Services, has recommended installation of mini oxygen/PSA oxygen generators across India for the existing and new hospitals with a capacity of more than 50 beds (*Source: CRISIL Report*). We believe that such measures, if implemented, could be a potential growth opportunity for us in the post COVID-19 era. In addition, we believe that the recognition of establishment of medical oxygen generation as a CSR activity by the Government of India will also help us to procure new customers.

The demand of medical oxygen in private hospitals in India is estimated to grow at a CAGR of 8-10% from Fiscal 2020 to Fiscal 2027 and the demand of medical oxygen in government hospitals is estimated to grow at a CAGR of 2-4% from Fiscal 2020 to Fiscal 2027 (*Source: CRISIL Report*). Further, according to CRISIL Report, the revenue generation from new installation and annual maintenance services, on a cumulative basis, is estimated to grow by 2.6 times from Fiscal 2016-21 to Fiscal 2022-27 and by 4.5 times from Fiscal 2016-21 to Fiscal 2022-27, respectively. With our existing range of products that we offer and the new product that we intend to introduce in the market, we believe that we will continue to grow in the future. We believe that our order book value for PSA oxygen generator and related service contracts will grow in the future with the increase in demand of our PSA oxygen generators.

Focus on expansion into overseas markets

We are present in 28 states and three union territories in India, and are further evaluating our expansion into overseas markets, such as in Bangladesh, Nepal, Bhutan, Philippines, African continent and Indonesia. The share of medical oxygen in total oxygen demand globally in the year 2016 was around 18% which rose over 50% when the COVID-19 pandemic outbreak was at its peak (*Source: CRISIL Report*). In Bangladesh, the oxygen production capacity of the country increased from 150 tonne per day pre-COVID-19 pandemic to 250 tonne per day at present (*Source: CRISIL Report*). Indonesia experienced incremental medical oxygen demand when COVID-19 cases peaked during June-August 2021 and the Indonesian government reached out to several countries (including China, Singapore, and Australia) to address oxygen shortage (*Source: CRISIL Report*). We believe that with our product offerings and the global demand of medical oxygen, we will be able to tap these overseas markets. We are an authorized and exclusive distributor of the products manufactured by AirSep Corporation in India and other agreed countries for a period of 10 years from April 13, 2022. We aim to leverage our relationship with our strategic partner, AirSep Corporation, to expand globally, in other countries. Further, we believe that we have the technological capabilities required to expand our business.

Expand our product offerings

We will continue to expand our product portfolio and strive to provide differentiated offerings to our customers. Our current portfolio includes PSA oxygen generators, container-based oxygen generators, auto change over systems, AMOG-22 oxygen generators, and oxygen analyser. Our Company manufactures refrigerating dryers as a component for oxygen generators. We intend to sell refrigerating dryers independently in the market which is used widely in automobile, chemical and pharmaceutical industries. Our manufacturing facility at Aurangabad has the capacity to manufacture refrigerant dryers. We seek to leverage our extensive experience to strengthen our industry position, by developing new products to capitalise on emerging trends. We also intend to explore the market for nitrogen generators and oxygen boosters. Further, we also intend to explore the potential of PSA oxygen generators for industrial oxygen market. To cater to the growing needs of our customers, we also intend to expand our product offerings to include niche generators with lesser electricity consumption, enhanced purity levels, and compact size.

Focus on our after-sales maintenance services

For Fiscal 2016 to Fiscal 2021, the estimated market for PSA oxygen generator operators in India is ₹ 10.8 billion, comprising of revenue through annual maintenance services at ₹ 2.2 billion (*Source: CRISIL Report*). The market for PSA oxygen generator operators is expected to grow by three times over the next six Fiscals as compared to last six Fiscals to ₹ 32.2 billion by the end of Fiscal 2027, comprising of ₹ 9.8 billion through annual maintenance services only (*Source: CRISIL Report*). Currently, we offer after sales services to our customers through (i) annual maintenance contracts, which covers labour charges and any spare parts consumed during maintenance that are charged at actuals, and (ii) comprehensive maintenance contracts, which covers all parts including consumables, except certain items such as sieves and motors. We believe that we have the capabilities to further enhance our sale of services by offering customised services to our existing and future customers.

Increase our operating efficiency

We seek to capitalise on the growth opportunities in the healthcare industry based on our established operations, network of distributors and experienced management team. Increased competition and stringent regulations have encouraged the players in healthcare industry to find innovative ways to reduce cost and increase the overall production efficiency. We also intend to focus on implementing measures to reduce our operating costs and increase the production efficiency. With increased production, we intend to reduce the per-unit cost of the products manufactured by us, thereby leading to higher margins. Our focus is to continue and adopt efficient technologies and practices, increase usage of alternative raw materials and to further improve the quality of our products. We also intend to increase the production of our product, AMOG-22, which is used for production of oxygen at high altitudes.

Our Product Portfolio

Over the years, we have developed a wide range of products to meet the evolving requirement of our customers. Our product portfolio consists of the following:

Product	Applications/ Uses
PSA oxygen generators	On-site production of oxygen
AMOG-22 oxygen generators	For production of oxygen at high altitudes
Oxygen analyser	To indicate purity levels of oxygen
Auto change over systems	For automatically switching oxygen supply from one source to another

PSA oxygen generators

PSA is one of the modern technologies used for separating oxygen from air. The PSA process utilises the ability of a synthetic zeolite molecular sieve to absorb mainly nitrogen and other gases. While nitrogen concentrates in the pore system of the zeolite, the clean dry air is then passed through the sieve beds on the oxygen generator, which produces an oxygen enriched gas as a product (*Source: CRISIL Report*).

PSA oxygen generators have two vessels filled with zeolite molecular sieve as adsorbers. An air compressor is used to compress the air which passes up through one of the adsorbers, the molecular sieve selectively adsorbs the nitrogen. This then allows the remaining oxygen to pass on up through the adsorber and exit as a product gas. When the adsorber becomes saturated with nitrogen, the inlet airflow is switched to the second adsorber. The first adsorber is regenerated by desorbing nitrogen through depressurisation and purging it with some of the product oxygen. The cycle is then repeated, and the pressure is continually swinging between a higher level at adsorption and a lower level at desorption. Out of the molecular sieve, the oxygen produced is sent through the buffer tank via a multifunction block. Nitrogen is released via a silent escape and forced back outside. Hospitals can also opt for on-site generation of oxygen by this method, where oxygen is produced from ambient air by concentrating it. The design and instrumentation make the plant size very compact, can be comfortably set-up in the backyard or even at the terrace with covered shed. The production of oxygen near hospitals eliminates the need for transportation (*Source: CRISIL Report*).

We have installed 872 PSA oxygen generators in India, as of March 31, 2022. The design and instrumentation of the PSA oxygen generators, make the plant size compact. Our AS-G model, with a capacity of 30 cylinders/day requires only 11 ft. x 9 ft. area and can be installed on a terrace, a room or a hall. The PSA oxygen generators are customised based on the requirements of our customers. Our Company imports sieves and vessels from AirSep Corporation. At our manufacturing facility at Aurangabad, we manufacture small PSA oxygen generators, with capacities ranging from two cylinders/day to 10 cylinders/day.

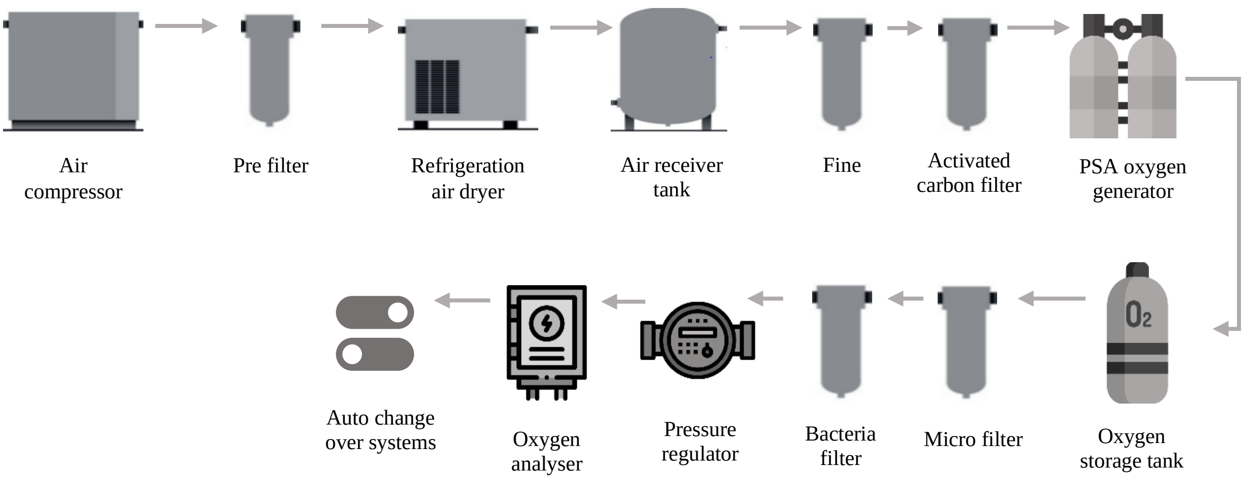
PSA oxygen generator

Our PSA oxygen generators have internal filters that are typically required to be replaced every six months. Additionally, valves are required to be rebuilt every five years.

Advantages of PSA oxygen generators:

- With PSA oxygen generators having advantages such as continuous supply of desired grade of oxygen compared to other modes of oxygen generation and requirement of less manpower, it caters to multiple problems such as oxygen cylinder filling capacity, amount of oxygen wastage, extra staff need to manage oxygen cylinders;
- Price fluctuation of oxygen is under control as the cost is directly related to actual consumption;
- Less prone to explosion or fire hazards compared to the filling of the cryogenic tanks or with the cylinders - PSA oxygen generators operate at 4.5 bar pressure whereas oxygen cylinders are being filled at 150 bar pressure which makes PSA oxygen generator less combustive and safer to operate in hospitals. Actual oxygen pressure requirement is 4 to 4.2 bar to operate ventilator and anaesthesia machine; and
- Does not require large space – PSA oxygen generators can be installed in smaller spaces such as on a terrace, while adhering to the safety standards.

A PSA oxygen generator typically consists of (i) air compressor, (ii) pre filter, (iii) refrigerated compressed air dryer, (iv) air receiver tank, (v) house pipe, (vi) fine filter and activated carbon filter, (vii) oxygen generator, (viii) oxygen receiver tank, (ix) copper pipeline outlet, (x) oxygen analyser, and (xi) auto change over systems.



Refrigerating compressed air dryers

We manufacture refrigerating compressed air dryers at our manufacturing facility at Aurangabad. As of March 31, 2022, we had manufactured 350 refrigerating compressed air dryers for use in our compressors.

Refrigerating compressed air dryer

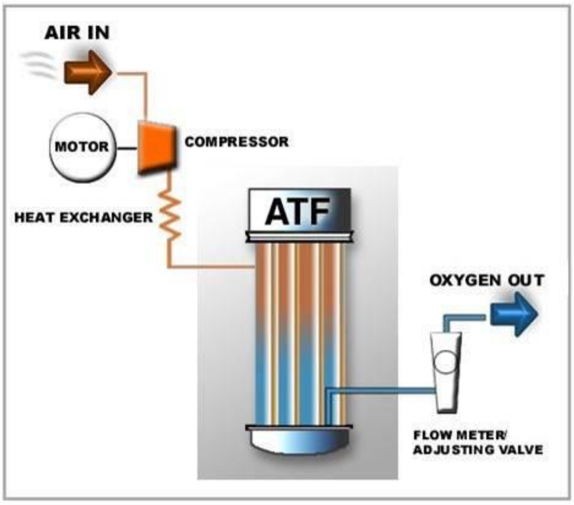
In an air dryer, warm compressed air enters into the air-to-air heat exchanger, where it is precooled by outgoing cold refrigeration air. Then the pre-cooled air enters the freon heat exchanger, where it is cooled down. At this cooled temperature, moisture condenses into liquid droplets, which are removed from air stream by a very efficient demister and automatically drained by an automatic drain valve. The cold dry compressed air passes back through the secondary side of the air-to-air heat exchanger, where it is re-heated by the incoming warm air. Reheating the outgoing compressed air increases temperature by heat with incoming warm air.

The dry air coming out from the air dryer is ready to use for instrumentation and process air applications. Since refrigerating dryers are required wherever compressors are used, we intend to sell these to other industries such as automobile, chemical and, pharmaceutical industries.

AMOG-22 oxygen generators

AMOG-22 is an oxygen generator which can produce oxygen at 1-22 LPM and operate at a pressure of 4.5 Bar. It is a modern, compact and advanced oxygen generator developed by our Company. The AMOG-22 oxygen generators work on the advanced technology fractionators ("**ATF**"), instead of the conventional PSA technology. The ATF oxygen modules allow this system to be compact, efficient, rugged and has a lower operating cost. The ATF module offers design flexibility and enables applications where on-site oxygen generation was earlier not feasible. AMOG-22 can further be connected to oxygen pipelines in hospitals similar to a PSA generator system.

The ATF module consists of twelve molecular sieves beds which produces oxygen. ATF module is continuously rotated at a low speed by a small motor. The valve has the ability to self-clean and is maintenance-free. It sequentially directs the flow of compressed air to a group of four sieve belts (adsorption), while at the same time another four belts are purged into the atmosphere through the valve (desorption). The remaining four belts are interconnected through the wall to equalize pressure as the sieve belts sequentially transition between adsorption and desorption.



The small amplitude pressure swings generated by the ATF's twelve sieve belts eliminate loud noise pulses, eliminate the need for a pressure regulator, and reduces compressor wear.

As of March 31, 2022, we had installed 25 AMOG-22 oxygen generators in India. We have also installed three AMOG-22 oxygen generators near Tawang, Arunachal Pradesh, which is located at 17,000 feet above sea level.

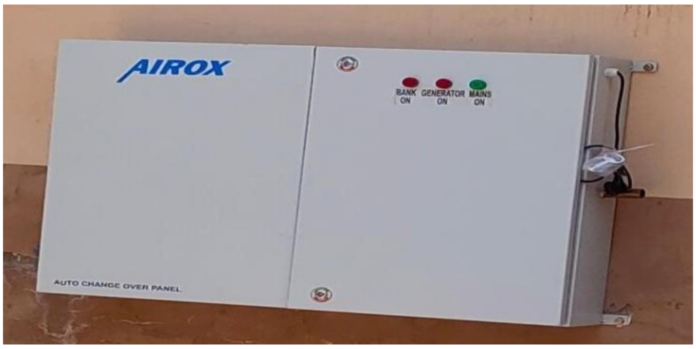
Oxygen analyzer

In an oxygen analyser, the ultrasonic gas flow and oxygen sensor implements the ultrasonic velocity difference between upstream and downstream to detect the gas flow and also to measure the oxygen purity. It is a reliable and low-cost sensor for integration into PSA oxygen generators, medical oxygen generators, personal respirator, oxygen concentrator, anaesthetic apparatus and high pressure oxygen storage.

We have installed 872 units of oxygen analyzer as of March 31, 2022, across India. Our customers include Reliance Foundation, Gujarat Adani Institute of Medical Sciences and Safdarjung Hospital.

Auto change over system

Auto changeover is a system which aut**o**matically switches oxygen supply from one source to another, in low input pressure to ensure continuity of oxygen supply. There are two sources of supply for auto change over system (a) PSA oxygen generators; and (b) oxygen bank. The system ensures instant response to supply cut, switching from one source to another without disturbing the oxygen flow.



Auto change over system

We have installed 872 units of auto change over systems as of March 31, 2022. Our customers include Reliance Foundation, Toyota Engines India Private Limited and KIMS-ICON Hospital.

Advantages of using Auto change over system

- No requirement of additional air compressor and associated machinery;
- Reduced leakages thereby leading to high efficiency;
- Instantaneous response;
- Does not affect any atmosphere and temperature variations;
- Reduces unscheduled service; and
- Helps in anticipating future requirement of oxygen.

Container based oxygen generators

Container based oxygen generators are mobile oxygen generators wherein the oxygen generator is installed in a 20 feet or 40 feet container, which is then transported by truck to the sites where oxygen is required. Cylinders can be refilled using the oxygen produced by the mobile container. It only requires a power supply connection to make the container based oxygen generators operational.

Other products

We are also the authorised sellers of oxygen boosters and hyperbaric chambers manufactured by other parties.

We are an authorized and exclusive distributor of the products manufactured by AirSep Corporation in India and other agreed countries for a period of 10 years from April 13, 2022.

After sales services and service network

We provide after sales services to our customers by entering into annual maintenance contracts and comprehensive maintenance contracts with them:

(a) annual maintenance contracts, which covers labour charges and preventive maintenance and repairs; and
(b) comprehensive maintenance contracts, which covers all parts except consumables, sieves and motor.

We believe that our growth in our business operations have been made possible by our service network.

We have a well-skilled service team of 70 members across India, as of March 31, 2022, who are constantly available to provide technical assistance to our customers. The complete installation process and working of the PSA oxygen generators is processed by our service engineers who are specially trained for the installations. Our PSA spare parts and accessories are available at our distributor stores at Aurangabad, Ahmedabad, Guwahati, Hyderabad, Jaipur, Lucknow, Kolkata, Ludhiana, Patna and Raipur. All our installations are sourced with routine check-ups by our engineers.

Innovation and R&D activities

Our in-house R&D team, comprising of four personnel, which includes the manager-product development, who has been with our Company since November 22, 2012, a senior service engineer, who has been with our Company since November 8, 2014, and two service engineers, who have been with our Company since September 7, 2020, and May 12, 2021, respectively. Our R&D team focuses on developing concepts, products and solutions by working with business units of our Company. Our focus on research, design and evaluation of materials through R&D processes has been instrumental in the growth of our business and has improved our ability to customize products for our customers as well as reduce as maintaining our cost competitiveness. Our R&D capabilities led to the development of AMOG-22 oxygen generator, which is a custom designed oxygen generator made for production of oxygen at high altitudes, refrigerating compressed air dryer and auto change over systems.

Further, the cost of procuring medical oxygen plays an important role in overall expense of the hospitals. Set forth below are two instances where the hospitals were able to reduce their operating cost due to installation of our PSA oxygen generators:

Case Study 1: One of our customers, who was previously using oxygen cylinders/ liquid medical system for fulfilling the oxygen requirements of its hospital, has installed our PSA oxygen generator (model-ASK) in 2016, which has a production capacity of 420 LPM/ 88 equivalent D-type cylinder per day. This customer was able to reduce the running cost with the installation of PSA oxygen generator. The hospital was procuring around 88 oxygen cylinders daily, thereby spending approximately ₹ 8 million per year, however, with our PSA oxygen generator, the cost has now reduced to almost ₹ 3 million per year. Further, the hospital had to keep at least four dedicated personnel for handling the oxygen cylinders, however, since the PSA oxygen generator is an automated setup, it does not require any dedicated personnel, thereby saving cost for the hospital. The hospital has also reduced oxygen wastage by 16-22% by shifting to PSA oxygen generator. There is no risk of supply chain failure, and the PSA oxygen generator provides stable oxygen supply.

Case Study 2: One of our customers, who was previously procuring around 176 oxygen cylinders daily thereby spending over ₹ 16 million per year, has installed two of our PSA oxygen generators (model-ASK) during 2020-2021, which has a total production capacity of 840 LPM/ 176 equivalent D-type cylinder per day. With our PSA oxygen generator, the cost for meeting oxygen requirements has now reduced to almost ₹ 6 million per year. Just like our other customer, whose case study is presented above, we helped this hospital too to reduce oxygen wastage by 16-22% by shifting to PSA oxygen generators.

Our Operations

Our Manufacturing Facility

We have recently in April 2022 shifted to our new manufacturing facility situated in Aurangabad, Maharashtra, India. Our new manufacturing facility has an area of approximately 43,723 sq.ft. Prior to shifting our operations to our new facility, we operated from two smaller facilities, also situated in Aurangabad, Maharashtra, having a cumulative area of approximately 10,708 sq.ft. Our new manufacturing facility is equipped with advanced equipment, modern technology, and automated systems.

Our manufacturing facility has capabilities for testing of all raw materials that are used for our products. Our facility has five tonnage crane built-up to move different spares and is also equipped with fabricating equipment like TIG/MIG welding machine, over 200 HP of available air compressor power which can deliver 1100 CFM pressurised air, the range of filter assembly to remove unwanted particles, the motor replacing facility, the screw testing and replacing infrastructure and the online oxygen testing facilities.

The following table sets forth the installed capacity and the rate of capacity utilization of our manufacturing facility:

Products	**Installed Capacity as on March 31, 2022** ***(in number of units)***	**Capacity Utilization as on March 31, 2022** ***(in number of units and %)***	**Installed Capacity as on March 31, 2021** ***(in number of units)***	**Capacity Utilization as on March 31, 2021** ***(in number of units and %)***	**Installed Capacity as on March 31, 2020** ***(in number of units)***	**Capacity Utilization as on March 31, 2020** ***(in number of units and %)***
PSA oxygen generators	300	285 (95%)	200	155 (70%)	70	42 (78%)
AMOG 22 oxygen generators	120	-	120	-	120	-
Auto change over systems	144	70 (49%)	144	35 (24%)	70	15 (21%)
Oxygen analyser	350	287 (82%)	200	157 (78%)	70	42 (78%)

[#]As certified on September 29, 2022, by Shrikant Kondo, Independent Chartered Engineer.

Notes:
(1) Pursuant to shifting from previous manufacturing facility to new manufacturing facility at Aurangabad Maharashtra, since April 2022, the production capacity of PSA oxygen generators has gone up to 450 units per year.
(2) There was no production and sale of AMOG 22 oxygen generators in Fiscals 2022, 2021 and 2020.

Raw Materials

One of the primary raw material required in the PSA oxygen generators are sieves, which constitutes 25% of the total oxygen generator cost. We import sieves and vessels from AirSep Corporation.

We also require other raw materials, such as air compressor, air receiver tanks, filters, etc., most of which are sourced from the domestic suppliers based on our requirements on an on-going basis. We have long standing relationships with certain of our suppliers although we do not have any long-term contracts with such suppliers. We procure all of our raw materials by way of purchase orders on an ongoing basis and therefore, are required to pay the market price of such products.

We also require refrigerating air dryer for our PSA oxygen generators, which we manufacture at our manufacturing facility in Aurangabad, Maharashtra.

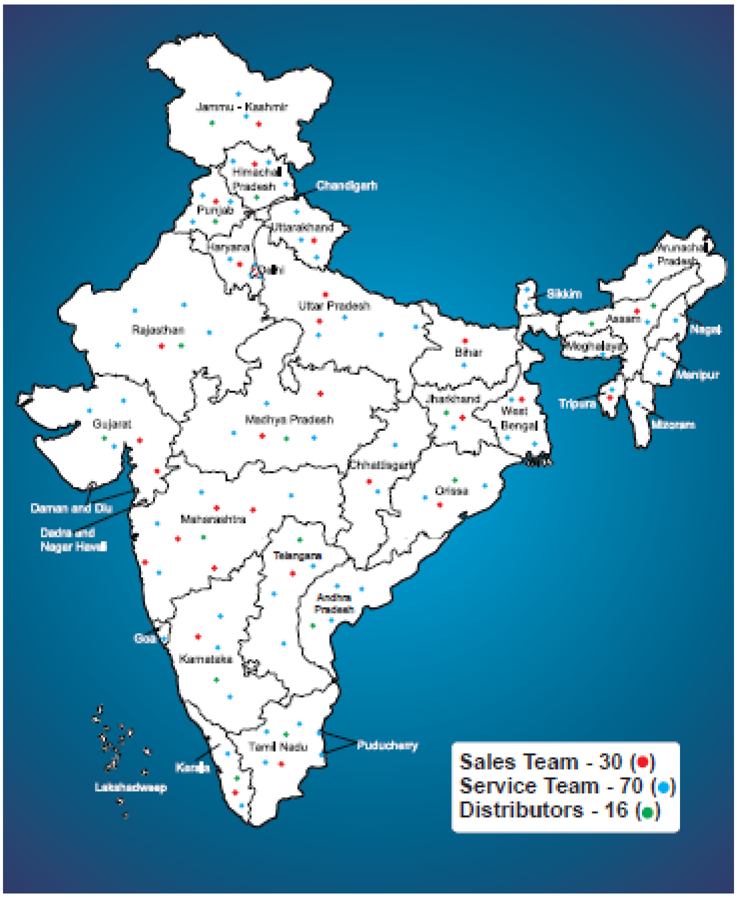
Quality Control

We are a quality-focused company and are committed to maintaining stringent quality standards at all steps of the manufacturing cycle of our products, from procurement of the raw materials to supply/ installation of our products. We have an R&D team of four employees as on March 31, 2022, which ensures compliance with our quality management systems and statutory and regulatory compliances.

We have received ISO 13485:2016 and ISO 9001:2015 certifications for manufacturing and service of PSA oxygen systems and ATF based mobile oxygen systems, manufacture, sales, installations and after sales services of hyperbaric chambers.

Sales and Marketing

As of March 31, 2022, our sales and marketing team consists of 30 sales personnel responsible for increasing pan-India sales. We have zonal, regional and area managers to manage sales across India. We also have strong channel partner network across India. Our distribution network is aided by our capable in-house sales and marketing team which liaise with them on a regular basis for customer inputs, market demands as well as positioning of our products vis-à-vis products of our competitors. Our sales and marketing team is technically equipped, and focuses on developing relationships with our key customers to understand and identify the specific needs/ requirements for customisation of our products.



Note: Map not to scale

We focus on digital as well as organic marketing initiatives for marketing our products. We also market our products through our distributors. As of March 31, 2022, our pan-India distribution network has 16 partners.

We are present on various social media channels, and we believe that social media integration, and content marketing will add to our business and help in increasing our brand recognition. We have also started our brand promotions on an e-commerce channel for our products. Additionally, we also market our products and increase our market presence by participating in exhibitions and through journals and magazines.

Our Customers

As of March 31, 2022, we had supplied 872 PSA oxygen generators, which includes 72 PSA oxygen generators to Central Medical Services Society and 34 PSA oxygen generators to other international agencies. As of March 31, 2022, we have installed our PSA oxygen generators to 710 private hospitals, including Gujarat Adani Institute of Medical Sciences, Jankidevi Bajaj Gram Vikas Sanstha, Shree Narayan Hospital, CU Shah Medical College and Hospital, Goyal Hospital and Research Centre Private Limited, Kailash Cancer Hospital and Research Center, Gorak, Waghodia, Vadodara, and KIMS-ICON Hospital and to 162 government hospitals, including Vardhman Mahavir Medical College and Safdarjung Hospital. Our major corporate customers include Reliance Foundation and Toyota Industries Engine India Private Limited.

Below is a table indicating the number of installations of PSA oxygen generators across states and union territories in India, as of March 31, 2022:

S.No.	Name of state/ union territory	Number of PSA oxygen generators installed	S.No.	Name of state/ union territory	Number of PSA oxygen generators installed
1.	Andhra Pradesh	31	17.	Manipur	1
2.	Arunachal Pradesh	12	18.	Meghalaya	7
3.	Assam	18	19.	Mizoram	4
4.	Bihar	23	20.	Nagaland	9
5.	Chattisgarh	43	21.	Odisha	12
6.	Delhi	37	22.	Puducherry	2
7.	Goa	4	23.	Punjab	44
8.	Gujarat	83	24.	Rajasthan	71
9.	Haryana	12	25.	Sikkim	1
10.	Himachal Pradesh	3	26.	Tamil Nadu	36
11.	Jammu & Kashmir	6	27.	Telangana	16
12.	Jharkhand	13	28.	Tripura	7
13.	Karnataka	16	29.	Uttar Pradesh	112
14.	Kerala	20	30.	Uttarakhand	5
15.	Madhya Pradesh	43	31.	West Bengal	21
16.	Maharashtra	160	**Total**		**872**

Information Technology

We believe that we have significantly implemented the use of technology in our operations. Our Company has purchased software such as enterprise resource planning and payroll management system. We continue to actively upgrade our technology infrastructure and applications to keep pace with the changing and dynamic environment. We will continue to focus on increasing operational efficiency through technology initiatives. We have made investments in maintaining and updating our technology infrastructure, systems applications, and business solutions.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products such as work accidents, fire, earthquakes, flood and other *force majeure* events, acts of terrorism and explosions, including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. Our principal types of insurance coverage include coverage for our stocks that includes all normal risks associated with our business, including fire, burglary and terrorism. We typically maintain standard fire, burglary insurance policies for our stocks, also obtain marine insurance policies for transit of goods. We have also obtained a product liability insurance policy. These insurance policies are generally valid for a year and are renewed annually. In our experience, the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations. See '***Risk Factors – Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability***.' on page 31.

Intellectual Property

We have two trademarks AIROX and AIROX pertaining to our brand name, registered under the Trade Marks Act, 1999, as amended. For further information regarding trademarks, see '***Government and Other Approvals***' on page 244 and '***Risk Factors – Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.***' on page 30.

Employees and Human Resources

Our work force is a critical factor in maintaining our competitive position and our human resource policies focus on training and retaining our employees. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We offer our employees performance-linked incentives. As of March 31, 2022, we had 87 full-time employees in India.

Corporate Social Responsibility

We have re-constituted a corporate and social responsibility ("**CSR**") committee of our Board of Directors (the "**CSR Committee**") and have adopted and implemented a CSR policy on May 20, 2022, pursuant to which we carry out our CSR activities. Our CSR activities included donation for establishment of medical oxygen generation and storage plants and setting up of make shift hospitals and temporary Covid care facilities. In Fiscal 2022, we were required to spend ₹ 1.45 million and we incurred ₹ 14.63 million as expenditure towards our CSR activities.

Property

Our Registered and Corporate Office is located at Unit No. D-27, 5th Floor, Empire Mall Private Limited (PTC), Chikalthana, Aurangabad - 431 006, Maharashtra, India, which is sub-leased from M/s. SA Medical System, which is a sole proprietorship firm of our Promoter, Sanjay Bharatkumar Jaiswal for a term commencing on September 3, 2021 until October 3, 2022. The term of the sub-lease has been further extended until July 4, 2025 by way of an agreement dated September 26, 2022. Further, our manufacturing facility is located at Plot No. 62, AURIC Shendra, Sector No. 5, Aurangabad, Maharashtra, India, which is sub-leased from Aurangabad Industrial Township Limited for a period of 95 years from February 9, 2021. Also see, '***Risk Factors – Our manufacturing facility, including our Registered Office and Corporate Office, are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms or at all.***' on page 35.

Competition

We face competition from companies, such as Atlas Capco (India) Limited, Absstem Technologies LLP, Med Freshe Private Limited, MVS Engineering Private Limited, Oxair Gas Systems India Private Limited, Pec Therm Private Limited, Sam Gas Projects Private Limited, Summits Hygronics Private Limited, Trident Pneumatics Private Limited, and Uttam Air Products Private Limited, which either operate in the same line of business as us or offer similar products (*Source: CRISIL Report*).

KEY REGULATIONS AND POLICIES

*The following description is an overview of key regulations and policies in India which are applicable to our Company and the business and operations undertaken by our Company. The information available in this section has been obtained from publications available in the public domain. The description of regulations and policies set out below may not be exhaustive and is only intended to provide general information to the prospective investors and is not intended to substitute for professional legal advice. For details of government approvals and licenses obtained by our Company, see '**Government and other Approvals**' on page 244. The statements below are based on the current provisions of the Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.*

Industry Specific Legislations

The Drugs and Cosmetics Act, 1940 (the "Drugs Act") and the Drugs and Cosmetics Rules, 1945 (the "Drugs Rules")

The Drugs Act regulates the import, manufacture, distribution and sale of drugs and prohibits the manufacture and sale of certain drugs which are not of standard quality, misbranded, adulterated or spurious. The definition of "drug" includes, *among other things*, devices intended for internal or external use in the diagnosis, treatment, mitigation or prevention of disease or disorder in human beings or animals, as may be specified from time to time. The Drugs Act and the Drugs Rules specify the requirement of a license for the manufacture, sale, import or distribution of any drug or cosmetic, which has to be obtained from Office of the Assistant Commissioner, Foods and Drugs Administration, Aurangabad Circle. Violations of provisions of the Drugs Act, including those pertaining to the manufacturing, sale, distribution and import adulterated, of spurious or not of standard quality drugs, non-disclosure of specified information and a failure to keep the required documents, are punishable with a fine, or imprisonment or both.

The Medical Devices Rules, 2017 (the "MDR")

The MDR have been framed under the Drugs Act. These rules lay down quality requirements to be followed by marketers/ importers/ manufacturers/ sellers of notified medical devices, and provides a risk-based classification system for the regulation of medical devices.

The Drugs, Medical Devices and Cosmetics Bill, 2022 (the "Drugs Bill, 2022")

Recently, the Ministry of Health and Family Welfare, Government of India, has released a draft of the Drugs Bill, 2022. The Drugs Bill, 2022 is proposed to amend and consolidate the laws relating to, *amongst other things*, import, manufacture, distribution and sale of drugs and medical devices. Under the Drugs Bill, 2022, the central government may prohibit or restrict or regulate the import of drugs in public interest including to meet the requirements of an emergency arising due to epidemic or natural calamities. The Drugs Bill, 2022 also proposes the constitution and establishment of several boards, and committees, such as drugs technical advisory board and medical devices technical advisory board to assist and advise the central and state governments in the administration and regulation of drugs and medical devices.

The Essential Commodities Act, 1955 (the "ECA")

The ECA empowers the Central Government, to control production, supply and distribution of trade and commerce in certain essential commodities for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations. Using the powers under it, various ministries/departments of the Central Government have issued control orders for regulating production, distribution, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have also issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, pulses kerosene, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for contravention of its provisions.

Drugs (Prices Control) Order, 2013 (the "DPCO")

The DPCO has been notified under the ECA. Under the DPCO, the Central Government is empowered to fix the ceiling or the retail price of any drug. Further, it imposes restrictions on the manufacturer or distributer to refuse the sale of drugs to any dealer without any good or sufficient reasons. Under the DPCO, any Gazetted officer of the Central or the State Government is empowered to enter and search any place and seize any drug or document for the purpose of compliance under the DPCO.

Environmental Legislations

Environment Protection Act, 1986 (the "Environment Protection Act"), and Environment Protection Rules, 1986 (the "Environment Protection Rules")

The Environment Protection Act has been enacted for the protection and improvement of the environment, control, reduce and abate pollution and empowers the government to take measures in this regard. It is in the form of an umbrella legislation designed to provide a framework for the Government of India to coordinate the activities of various central and state authorities established under previous laws. Further, the Environment Protection Rules specifies, *amongst other things*, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the Environment Protection Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. As per the Environment Protection Rules, every person who carries on an industry, operation or process requiring consent under Water Act or Air Act or both or authorization under the Hazardous Wastes Rules is required to submit to the concerned state pollution control board an environmental audit report for that financial year in the prescribed form.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") and Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised piece of legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which amongst other things include the preservation of the quality of air and control of air pollution. The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The objective of this legislation is to ensure that domestic and industrial pollutants are not discharged into water bodies without adequate treatment. Our Company is required to obtain consents to operate under the Air Act and the Water Act. Any violation of the provisions of the Air Act and Water Act is punishable with a fine and/or imprisonment, as applicable.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules, read with the Environment Protection Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of processes and their respective hazardous wastes, and waste constituents with respective concentration limits has been provided in the schedules of the Hazardous Waste Rules. Our Company is required to obtain authorisations for the generation, processing, treatment, package, storage, transportation, use, collection, destruction, transfer or the like of the hazardous waste from the concerned state pollution control board, as applicable.

Public Liability Insurance Act, 1991 (the "Public Liability Act")

The Public Liability Act imposes liability to give relief to the owner of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification dated March 24, 1992. The owner is also required to take out one or more insurance policies insuring against liability under the legislation and renew the same periodically. A violation of the provisions of the Public Liability Act is punishable with fine or imprisonment or both.

Shops and Establishments legislations in various states

Under the provisions of local shops and establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, *among other things*, registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Law Legislation

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, Maternity Benefit Act, 1961, Child Labour (Prohibition and Regulation) Act, 1986 and the 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:

(a) The Code on Wages, 2019, which regulates and amalgamates laws relating to 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, *among other things*, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

(b) Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

(c) The Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *among other things*, including the Employee's Compensation Act, 1923, Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961,the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1966 and the Unorganized Workers' Social Security Act, 2008. It governs the constitution and functioning of social security 164 organisations such as the Employee's Provident Fund 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.

(d) The Occupational Safety, Health and Working Conditions Code, 2020, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces certain old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970, the Factories Act, 1948, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

The provisions of these codes shall become effective as and when notified by the Government of India.

Intellectual Property Legislation

The Trade Marks Act, 1999 provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. It prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

Taxation Law

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

(a) The Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
(b) Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 and the various state-specific legislations made thereunder; and
(c) Indian Stamp Act, 1899 and various state-specific legislations made thereunder

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "Airox Technologies Private Limited" on September 26, 2012, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 26, 2012, issued by the RoC. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a resolution passed by our Shareholders on April 25, 2022, the name of our Company was changed to "Airox Technologies Limited" and a fresh certificate of incorporation dated May 18, 2022, was issued by the RoC.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since its incorporation.

Date of change	Details of change in the registered office	Reasons for change
June 24, 2019	Registered office changed from Plot No. 158, 2nd Floor, Above Borika Hospital, Shinde Avenue, Sawarkar Chowk, Samarth Nagar, Aurangabad 431 001, Maharashtra, India to Unit No. D-27, 5th Floor, Empire Mall Private Limited (PTC), Chikalthana, Aurangabad 431 006, Maharashtra, India	Administrative convenience

Main objects of our Company

The main objects clause as contained in the Memorandum of Association enables our Company to undertake its existing activities. The main objects contained in our Memorandum of Association are as follows:

"1. To carry on the business of healthcare software development, Hospital Image Management System, logic controller used for oxygen generator, pressure swing adsorption technologies and to manufacture and deal in oxygen generator and other medical instruments used in healthcare industry."

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association since incorporation:

Date of Shareholder's resolution/ Effective date	Particulars
March 31, 2014	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 2,500,000 divided into 250,000 equity shares of ₹ 10 each to ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each.
August 30, 2014	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each to ₹ 20,000,000 divided into 1,960,000 equity shares of ₹ 10 each aggregating to ₹ 19,600,000 and 40,000 class A non-voting equity shares of ₹ 10 each aggregating to ₹ 400,000.
March 15, 2016	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 20,000,000 divided into 1,960,000 equity shares of ₹ 10 each aggregating to ₹ 19,600,000 and 40,000 class A non-voting equity shares of ₹ 10 each aggregating to ₹ 400,000 to ₹ 25,000,000 divided into 2,460,000 equity shares of ₹ 10 each aggregating to ₹ 24,600,000 and 40,000 class A non-voting equity shares of ₹ 10 each aggregating to ₹ 400,000.
February 11, 2019	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 25,000,000 divided into 2,460,000 equity shares of ₹ 10 each aggregating to ₹ 24,600,000 and 40,000 class A non-voting equity shares of ₹ 10 each aggregating to ₹ 400,000 to ₹ 50,000,000 divided into 4,960,000 equity shares of ₹ 10 each aggregating to ₹ 49,600,000 and 40,000 class A non-voting equity shares of ₹ 10 each aggregating to ₹ 400,000.
September 28, 2021	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 50,000,000 divided into 4,960,000 equity shares of ₹ 10 each aggregating to ₹ 49,600,000 and 40,000 class A non-voting equity shares of ₹ 10 each aggregating to ₹ 400,000 to ₹ 230,000,000 divided into 22,860,600 equity shares of ₹ 10 each aggregating to ₹ 228,606,000 and 139,400 class A non-voting equity shares of ₹ 10 each aggregating to ₹ 1,394,000.

Date of Shareholder's resolution/ Effective date	Particulars
April 25, 2022	Clause V of the Memorandum of Association was amended to reflect the re-classification of authorised share capital from ₹ 230,000,000 divided into 22,860,600 equity shares of ₹ 10 each aggregating to ₹ 228,606,000 and 139,400 class A non-voting equity shares of ₹ 10 each aggregating to ₹ 1,394,000 to 23,000,000 equity shares of ₹ 10 each aggregating to ₹ 230,000,000.
	Amendment of the Memorandum of Association to reflect the change in name of our Company from Airox Technologies Private Limited to Airox Technologies Limited due to the conversion of our Company from a private limited company to a public limited company.

Major events and milestones of our Company

The table below sets forth some of the key events in our history:

Calendar Year	Milestone
2012	Incorporation of our Company
2018	Our PSA oxygen generator installations crossed 250 units across India
2020	Addition of Central Medical Services Society as our customer
2020	Our PSA oxygen generator installations crossed 500 units across India
2021	Our PSA oxygen generator installations crossed 750 units across India
2021	Addition of Reliance Foundation and Toyota Industries Engine India Private Limited as our customers
2022	Shifted our business operations to our new manufacturing facility at Aurangabad, Maharashtra
2022	Our PSA oxygen generator installations crossed 850 units across India (as on March 31, 2022)

Awards, accreditations and recognition

The table below sets forth some of the key awards, accreditations and recognition received by our Company:

Calendar Year	Awards, accreditations and recognition
2014	Received the Fastest Growing Indian Company Excellence Award at the 6th International Achievers Summit
2015	Received the following awards at the Six Sigma Healthcare Excellence Awards: 1. Best Healthcare Enterprise of the Year; and 2. Best Medical Equipment of the Year
2016	Received the SARTHI SME Excellence Award 2016 – Business Performance (Silver)
2020	Received the ET Best Business Leader of the Year Award in the Medical Equipment Manufacturer/ Medical Industries (Healthcare Sector) category

Our Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Joint Ventures

As of the date of this Draft Red Herring Prospectus, our Company does not have any joint venture.

Significant financial and strategic partnerships

Except as stated below, our Company does not have any significant financial or strategic partnerships as on the date of this Draft Red Herring Prospectus:

Our Company is an authorized and exclusive distributor of the products manufactured by AirSep Corporation ("**AirSep Corporation**" and such products, the "**Products**") in India and certain agreed neighbouring countries for a period of 10 years effective from April 13, 2022 ("**Exclusivity Period**") pursuant to an authorization certificate dated April 13, 2022, issued by AirSep Corporation. During the Exclusivity Period, our Company is authorized to exclusively, *inter alia*, negotiate and enter into contracts with third parties for the supply and installation of the Products, provide after sales services and use the trademarks of AirSep Corporation. Further, AirSep Corporation will provide support in relation to the spare parts and raw material required for the maintenance of the Products during the Exclusivity Period.

Time/cost overrun in setting up projects

There has been no time or cost overrun in respect of our business operations.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There has been no instance of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

Capacity/facility creation, location of plants

For details regarding our manufacturing facility, see '***Our Business – Our Operations - Our Manufacturing Facility***' on page 131.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see '***Our Business***' on page 119.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since incorporation.

Guarantees provided to third parties by our Promoters offering their Equity Shares in the Offer for Sale

Except as stated below, as on the date of this Draft Red Herring Prospectus, no guarantee has been issued by our Promoters offering their Equity Shares in the Offer for Sale:

Our Promoters, Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal have given personal guarantees to the extent of ₹ 80.00 million in relation to the bank guarantees availed by our Company from Kotak Mahindra Bank. In the event of any default of the terms, conditions, representation, warranties and covenants under the arrangements by our Company, our Promoters, Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal shall be liable for the repayment obligations of our Company in accordance with the terms and conditions of the personal guarantee. Further, the duration of the personal guarantee is the tenure of the facilities availed by our Company from Kotak Mahindra Bank.

Shareholders' agreement

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders' agreements.

Key terms of other subsisting material agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any subsisting material agreements other than in the ordinary course of business of our Company.

Agreements with Key Managerial Personnel, Directors, Promoters or any other employee

As on the date of the Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Directors 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.

OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, our Company is required to have a minimum of three Directors and a maximum of up to 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises four Directors, including one Executive Director, one Non-Executive Director (who is a woman Director), and two Independent Directors.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, designation, address, occupation, date of birth, age, term, period of directorship and DIN	Directorships in other companies
Sanjay Bharatkumar Jaiswal *Designation*: Managing Director *Address:* Shreeja Bunglow, Plot No. 209, N-1, Sector B, Aurangabad 431 003, Maharashtra, India *Occupation*: Service *Date of birth:* August 15, 1974 *Age:* 48 years *Term:* Five years from April 4, 2022, and not liable to retire by rotation *Period of Directorship:* Since September 21, 2012 *DIN:* 05359656	• Airox Foundation
Ashima Sanjay Jaiswal *Designation*: Non-Executive Director *Address:* Shreeja Bunglow, Plot No. 209, N-1, Sector B, Aurangabad 431 003, Maharashtra, India *Occupation*: Business *Date of birth:* October 23, 1978 *Age:* 43 years *Term:* Five years from July 16, 2022 and liable to retire by rotation *Period of Directorship:* Since September 21, 2012 *DIN:* 05359660	• Airox Foundation
Janardhan Pralhadrao Gupta *Designation*: Independent Director *Address:* 419, N-3 CIDCO, Aurangabad 431 003, Maharashtra, India *Occupation*: Business	• Cosmo Ferrites Limited

Name, designation, address, occupation, date of birth, age, term, period of directorship and DIN	Directorships in other companies
Date of birth: December 12, 1952 *Age:* 69 years *Term:* Five years from April 4, 2022, and not liable to retire by rotation. *Period of Directorship:* Since April 4, 2022 *DIN:* 07029205	
Ravi Shivramakrishna Raman *Designation*: Independent Director *Address:* Plot no G–48, Sector N-4, CIDCO, Aurangabad, 431 003, Maharashtra India *Occupation*: Business *Date of birth:* June 15, 1954 *Age:* 68 years *Term:* Five years from April 4, 2022, and not liable to retire by rotation. *Period of Directorship:* Since April 4, 2022 *DIN:* 03377622	• Flexoplast Abrasives (India) limited

Brief profiles of our Directors

Sanjay Bharatkumar Jaiswal is the Managing Director of our Company and has been associated with our Company since its incorporation. He holds a degree in Bachelor of Engineering (Chemical) from Dr. Babasaheb Ambedkar Marathwada University, and a Masters in Management Studies from the K. J. Somaiya Institute of Management Studies and Research. He was previously associated with Siemens Limited through his proprietorship firm, M/s SA Medical.

Ashima Sanjay Jaiswal is the Non-Executive Director of our Company and has been associated with our Company since its incorporation. She has passed the Secondary School Certificate Examination.

Janardhan Pralhadrao Gupta is an Independent Director of our Company. He holds a degree in Bachelor of Commerce from the University of Rajasthan. He participated in the management development programme on human resource development organised by XLRI, Jamshedpur, Institute for Management and Labour Studies and is a member of American Management Association. He was previously associated with Cosmo Films Limited and its associated companies in various functions and capacities, and currently serves as an independent director on the board of Cosmo Ferrites Limited.

Ravi Shivramakrishna Raman is an Independent Director of our Company. He holds a degree in Bachelor of Engineering (Mechanical) from the Indian Institute of Technology, Mumbai. He was previously associated with Consolidated Pneumatic Tool Company (India) Limited, Hindustan Ferodo Limited, The Bombay Company Limited, Forbes Forbes Campbell & Co Limited, Forbes Gokak Limited, The Bombay Burmah Trading Corporation Limited, Hindustan Composite Limited, High Technology Transmission System (India) Private Limited and Tower Mechanics Private Limited, and currently serves as a director on the board of Flexoplast Abrasives India Limited.

Relationship between our Directors and the Key Managerial Personnel

Except for Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal, who are husband and wife, respectively, none of our Directors are related to each other or to the Key Managerial Personnel of our Company.

Terms of Appointment of our Executive Director

Sanjay Bharatkumar Jaiswal

Sanjay Bharatkumar is on the Board our Company since its incorporation. He has most recently been appointed as the Managing Director of our Company for a period of five years with effect from April 4, 2022, pursuant to the resolutions passed by our Board and Shareholders on March 30, 2022 and April 4, 2022, respectively.

According to the terms of his employment letter dated April 4, 2022, and resolutions passed by our Board and Shareholders on March 30, 2022 and April 4, 2022, respectively, he is entitled to the following compensation and benefits:

Particulars	Remuneration paid
Salary (includes basis salary, house rent allowance and other allowances)	₹ 1.55 million per month
Benefits and deductions (includes gratuity, club fees, mobile bill/ broadband, vehicle, and provident fund contribution, etc.)	₹ 0.05 million per month

In Fiscal 2022, he received an aggregate compensation of ₹ 19.20 million from our Company.

Remuneration paid to our Non-Executive Director

In Fiscal 2022, Ashima Sanjay Jaiswal received an aggregate compensation of ₹ 19.20 million from our Company, as an Executive Director. She has most recently been designated as the Non-Executive Director of our Company pursuant to the resolution passed by our Board on July 16, 2022. As on the date of this Draft Red Herring Prospectus, our Non-Executive Director is entitled to receive a fixed sitting fees of ₹ 15,000 for attending each meeting of our Board and various committees of our Board. Further, our Non-Executive Director is entitled to reimbursements for her expenses, travel, and other expenses incurred in connection to attending meeting of our Board and committees. Further, based on the recommendation of the Nomination and Remuneration Committee, Ashima Jaiswal is entitled to receive a commission for Fiscal 2023.

Remuneration paid to our Independent Directors

Our Independent Directors may be entitled to receive independent director fees, as determined by our Board from time to time. Our Independent Directors are entitled to receive a fixed sitting fee of ₹ 15,000 as their sitting fees for attending every meetings of our Board and committees**.** Further, our Independent Directors are entitled to reimbursements for their travel, hotel and other incidental expenses incurred in connection to attending meeting of our Board and committees.

All our Independent Directors were appointed in Fiscal 2023, and accordingly no remuneration was paid to any of our Independent Directors in Fiscal 2022.

Remuneration paid to our Directors by our subsidiary

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

Bonus or profit sharing plan for our Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

Contingent and deferred compensation payable to our Directors

There is no contingent or deferred compensation payable to our Directors, which does not form part of their remuneration.

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed in '***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***' on page 70, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which any of our Directors were appointed on our Board or as a member of the senior management.

Service contracts with Directors

There are no service contracts entered into with any of the Directors, which provide for benefits upon termination of employment.

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them.

Our Directors may also be interested to the extent of Equity Shares and to the extent of any dividend payable to them, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees 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 the Offer.

For further details regarding the shareholding of our Directors, see '***Capital Structure - Shareholding of our Directors and Key Managerial Personnel in our Company***' on page 70.

Interest in land and property

Except as disclosed below, none of our Directors are interested in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus, or presently, proposed to be acquired by it:

Our Company has taken the our Registered and Corporate Office premises, situated at Unit No. D-27, 5th Floor, Empire Mall Private Limited (PTC), Chikalthana, Aurangabad 431 006, Maharashtra, India, for a term commencing on September 3, 2021 until October 3, 2022, from S.A. Medical, which is a sole proprietorship firm of our Managing Director, Sanjay Bharatkumar Jaiswal, who may be deemed to be interested in the rent received from such premises. The term of the said sub-lease has been further extended until July 4, 2025 by way of an agreement dated September 26, 2022. For details see '***Restated Financial Information – Note 33 – Related party disclosures***' on page 203.

Interest in promotion of our Company

Except for Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal, who are our Promoters, none of our Directors have any interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus.

Loans to Directors

As on the date of this Draft Red Herring Prospectus, no loans have been availed by our Directors from our Company.

Confirmations

None of our Directors are, and during the five years prior to the date of this Draft Red Herring Prospectus, have been on the board of any listed company whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure.

None of our Directors have been or are directors on the board of any listed companies which is or has been delisted from any stock exchange(s) during his/her tenure.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name of Director	Date of Change	Reasons
Sanjay Bharatkumar Jaiswal	April 4, 2022*	Appointed as Managing Director
Janardhan Pralhadrao Gupta	April 4, 2022*	Appointed as Independent Director
Ravi Shivramakrisha Raman	April 4, 2022*	Appointed as Independent Director
Ashima Sanjay Jaiswal	July 16, 2022	Re-designated as Non-Executive Director

* *Regularised pursuant to a resolution passed by our shareholders on April 4, 2022.*

Borrowing Powers

Pursuant to the resolution passed by our Board on May 20, 2022 and subject to the applicable laws, our Board has been authorised to borrow sums of money which, together with the monies borrowed by our Company shall not at any time exceed the amount of ₹ 1,000 million or the limits prescribed under Section 180(1)(c) of the Companies Act 2013, whichever is higher.

Corporate Governance

As on the date of this Draft Red Herring Prospectus, there are four Directors on our Board comprising one Executive Director, one Non-Executive Director (who is a woman Director) and two Independent Directors. Sanjay Bharatkumar Jaiswal is the Managing Director of our Company. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof. Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act.

Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee;

(d) Corporate Social Responsibility Committee; and

(e) Risk Management Committee of the Board.

Audit Committee

The Audit Committee was re-constituted by a resolution of the Board dated May 20, 2022. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the

SEBI Listing Regulations. The Audit Committee currently comprises of:

(a) Janardhan Pralhadrao Gupta (Chairperson);

(b) Ravi Shivramakrishna Raman (Member); and

(c) Sanjay Bharatkumar Jaiswal (Member)

The Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference:

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee;

(3) to obtain outside legal or other professional advice;

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(5) such other powers as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation to the Board of Directors of the Company for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) examining and 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. modified opinion(s) in the draft audit report.

(5) reviewing, with the management, the quarterly, half-yearly and annual 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(9) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

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 applicable accounting standards and/or the Companies Act, 2013.*

(10) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given

(11) scrutiny of inter-corporate loans and investments;

(12) valuation of undertakings or assets of the Company and appointing a registered valuer in terms of Section 247 of the Companies Act, 2013, wherever it is necessary;

(13) evaluation of internal financial controls and risk management systems;

(14) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(15) 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;

(16) discussion with internal auditors of any significant findings and follow-up thereon;

(17) 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;

(18) 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;

(19) 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;

(20) reviewing the functioning of the whistle blower mechanism;

(21) monitoring the end use of funds through public offers and related matters;

(22) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(23) approval of appointment of chief financial officer (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;

(24) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and

(25) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger,

amalgamation etc., on the listed entity and its shareholders;

(26) formulating, reviewing and making recommendations to the Board to amend the terms of reference of Audit Committee from time to time;

(27) reviewing compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively.

(28) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws, as and when amended from time to time, or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

Additionally, 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;
- The appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations in terms of the SEBI Listing Regulations:

  a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
  b. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations.

- The financial statements, in particular, the investments made by any unlisted subsidiary; and
- Such information as may be prescribed under the Companies Act and SEBI Listing Regulations

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by the Board on May 20, 2022. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises of:

(a) Ravi Shivramakrishna Raman (Chairperson);

(b) Janardhan Pralhadrao Gupta (Member); and

(c) Ashima Sanjay Jaiswal (Member)

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

- 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

- Formulation of criteria for evaluation of independent directors and the Board;

- Devising a policy on Board diversity;

- 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 their appointment and removal and carrying out evaluation of every director's performance (including independent director), its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

- 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;

- Recommend to the board, all remuneration, in whatever form, payable to senior management;

- The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:

  - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

  (a) administering the employee stock option plans of the Company, as may be required;

  (b) determining the eligibility of employees to participate under the employee stock option plans of the Company;

  (c) granting options to eligible employees and determining the date of grant;

  (d) determining the number of options to be granted to an employee;

  (e) determining the exercise price under the employee stock option plans of the Company; and

  (f) construing and interpreting the employee stock option plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company.

- frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable;

(c) carrying out any other activities as may be delegated by the Board of Directors of the Company functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(d) Performing such other functions as may be necessary or appropriate for performance of its duties;

(e) Perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and

(f) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") including the following:

- Determining the eligibility of employees to participate under the ESOP Scheme;
- Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
- Date of grant;
- Determining the exercise price of the option under the ESOP Scheme;
- The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
- The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
- The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
- The grant, vest and exercise of option in case of employees who are on long leave;
- Allow exercise of unvested options on such terms and conditions as it may deem fit;
- The procedure for cashless exercise of options;
- Forfeiture/ cancellation of options granted;
- Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

  (i) the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action and for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option; and

(ii) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated May 20, 2022, in compliance with Section 178 and any other applicable law of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises of:

(a) Janardhan Pralhadrao Gupta (Chairperson);

(b) Ravi Shivramakrishna Raman (Member) and

(c) Sanjay Bharatkumar Jaiswal (Member)

Scope and terms of reference:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

- considering and looking into various aspects of interest of shareholders, debenture holders and other security holders
- resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- approve requests for transposition, deletion, consolidation, sub-division, change of name etc. of shares, debentures and other securities;
- to dematerialize or rematerialize the issued shares;
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

CSR Committee

The CSR Committee was re-constituted by a resolution of our Board dated May 20, 2022 and its composition and terms of reference are in compliance with Section 135 and other applicable provisions of the Companies Act 2013. The CSR Committee currently comprises of:

(a) Sanjay Bharatkumar Jaiswal (Chairperson);

(b) Ashima Sanjay Jaiswal (Member); and

(c) Ravi Shivramakrishna Raman (Member)

Scope and terms of reference:

The Corporate Social Responsibility Committee be and is hereby authorized to perform the following functions:

(a) formulate and recommend to the Board, a '***Corporate Social Responsibility Policy***' which shall indicate amongst others, the guiding principles for selection, implementation and monitoring the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and amount to be incurred for such expenditure shall be as per the applicable law;

(c) monitor the corporate social responsibility policy of the Company and its implementation from time to time and issue any necessary directions as required for proper implementation and timely completion of corporate social responsibility programme;

(d) Delegating responsibilities to the CSR team and supervising proper execution of all the delegated responsibilities; and

(e) any other activity as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated May 20, 2022. The scope and functions of the Risk Management Committee are in compliance with the Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises of:

(a) Sanjay Bharatkumar Jaiswal (Chairperson);

(b) Janardhan Pralhadrao Gupta (Member);

(c) Ravi Shivramakrishna Raman (Member)

Scope and terms of reference:

The role and responsibility of the Risk Management Committee shall be as follows:

- Formulation of a detailed risk management policy which shall include: (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee; (b) measures for risk mitigation including systems and processes for internal control of identified risks; and (c) business continuity plan;

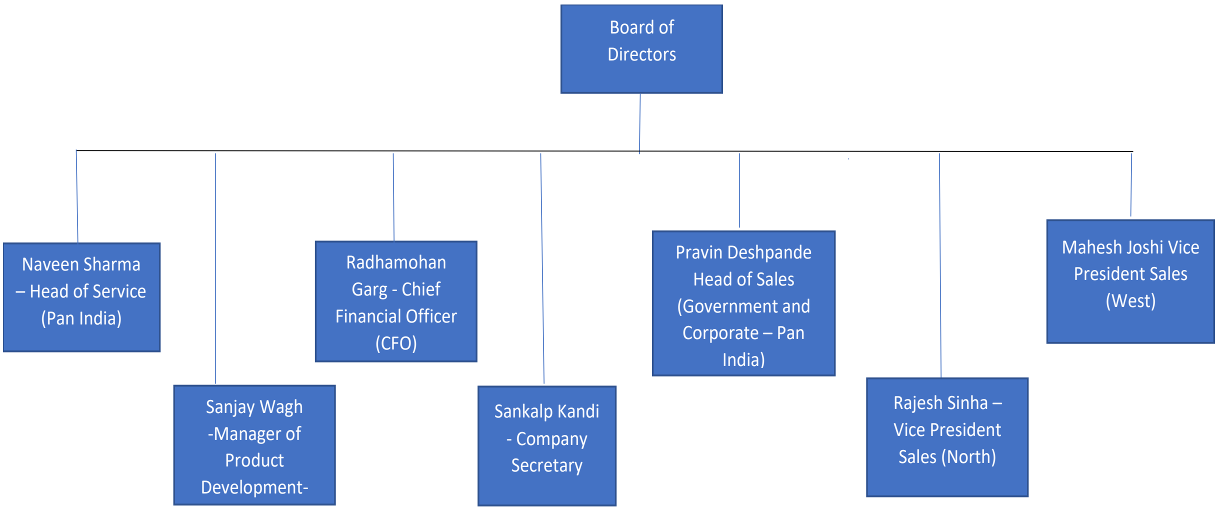
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;

- Approve the process for risk identification and mitigation;
- Decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
- Monitor the Company's compliance with the risk structure;
- Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- Approve major decisions affecting the risk profile or exposure and give appropriate directions;
- Consider the effectiveness of decision making process in crisis and emergency situations;
- Generally, assist the Board in the execution of its responsibility for the governance of risk;
- Keep the Board of directors of the Company informed about the nature and content of its discussions, recommendations and actions to be taken; and
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- Implement and monitor policies and/or processes for ensuring cyber security;
- Monitor and review regular updates on business continuity;
- Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management Organisation Structure



Key Managerial Personnel

In addition to our Managing Director, Sanjay Bharatkumar Jaiswal, whose details are provided in '- ***Brief Profiles of our Directors***' above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

Radhamohan Garg is the Chief Financial Officer of our Company. He has been associated with our Company since January 25, 2022. He holds a degree in Bachelor of Commerce from the University of Ajmer. He has completed his Masters' in Commerce from Maharshi Dayanand Saraswati University. He is also a member of the Institute of Chartered Accountant of India and the Institute of Cost and Works Accountants of India. Prior to joining our Company, he was associated with Birla Precision Technologies Limited. In Fiscal 2022, he received an aggregate compensation of ₹ 0.46 million.

Sankalp Kandi is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since December 15, 2021. He holds degree in Bachelor of Commerce and a degree in Bachelor of Law from Shivaji University, Kolhapur. He is a member of the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with A.H Nagar & Company (Chartered Accountants) and Videocon Industries Limited. In Fiscal 2022, he received an aggregate compensation of ₹ 0.17 million from the Company.

Naveen Sharma is the head of service (pan India) vertical of our Company. He has been associated with Company since January 5, 2013. He holds a degree in Bachelor of Technology from Rajasthan Technical University, Kota. Prior to joining our Company, he was associated with Pace Engineers. In Fiscal 2022, he received an aggregate compensation of ₹ 1.08 million.

Sanjay Wagh is the manager of product development vertical of our Company. He has been associated with our Company since November 22, 2012. He holds a degree in Bachelor of Engineering from Rashtrasant Tukadoji Maharaj Nagpur University and also a Diploma in Electronics and Communication Engineering from Maharashtra State Board of Technical Education, Nagpur. Prior to joining our Company, he was associated with Hemant Surgical Industries Limited. In Fiscal 2022, he received an aggregate compensation of ₹ 0.80 million.

Pravin Deshpande is the head of sales (government and corporate Pan India) vertical of our Company. He has been associated with our Company since August 23, 2021. He holds a degree in Bachelor of Science from the Dr. Babasaheb Ambedkar Marathwada University, Aurangabad. Prior to joining our Company, he was associated with Peters Surgical India Private Limited. In Fiscal 2022, he received an aggregate compensation of ₹ 0.55 million.

Mahesh Joshi is the vice president - sales (west) of our Company. He has been associated with our Company since October 9, 2012. He holds a Diploma in Mechanical Engineering from Board of Technical Examinations, Maharashtra. Prior to joining our Company, he was associated with Mahindra and Mahindra Limited. In Fiscal 2022, he received an aggregate compensation of ₹ 0.64 million.

Rajesh Kumar Sinha is the vice president - sales (north) of our Company. He was associated with our Company as regional sales manager from October 16, 2012 to November 18, 2017 and thereafter re-joined our Company on September 16, 2019 as the vice president sales (north). He holds a degree in Bachelor of Science from Magadh University, Bodhgaya, Bihar. He has completed Post Graduate Diploma in Computer Application from the Indian Institute of Business Management, Patna. Prior to joining our Company, he was associated with PCI Gases India Private Limited, Ranbaxy Laboratories Limited, Purak Vinimay Limited, Juggat Pharma, division of Jagdale Industries Limited and Galpha Laboratories Limited. In Fiscal 2022, he received an aggregate compensation of ₹ 1.00 million.

Status of Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Bonus or profit sharing plan for the Key Managerial Personnel

There is no bonus or profit sharing plan for the Key Managerial Personnel of our Company.

Shareholding of Key Managerial Personnel in our Company

Other than Sanjay Bharatkumar Jaiswal, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. For further details, see '***Capital Structure***' beginning on page 60.

Service Contracts with Key Managerial Personnel

Our Company has not entered into any service contracts, pursuant to which the Key Managerial Personnel are entitled to benefits upon retirement/termination of employment. Except statutory benefits upon termination of their employment in our Company or superannuation, no Key Managerial Personnel, are entitled to any benefit upon termination of employment or superannuation.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of the Key Managerial Personnel of our Company have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Interest of Key Managerial Personnel

Except as disclosed above under '- ***Interest of Directors***', none of our Key Managerial Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business.

Changes in Key Managerial Personnel during the last three years

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name of Key Managerial Personnel	Date of Change	Reasons
Rajesh Kumar Sinha	September 16, 2019	Appointment as vice president (sales-north)
Pravin Deshpande	August 23, 2021	Appointment as head of government and corporate sales (pan India)
Sankalp Kandi	December 15, 2021	Appointment as Company Secretary
Sankalp Kandi	April 15, 2022	Appointment as Compliance Officer
Radhamohan Garg	January 25, 2022	Appointment as Chief Financial Officer
Sanjay Bharatkumar Jaiswal	April 4, 2022	Appointment as Managing Director

Employee stock option and stock purchase schemes

For details of the employee stock option scheme of our Company, see '***Capital Structure – Employee Stock Option Scheme***' on page 70.

Payment or Benefit to Key Managerial Personnel of our Company

No non salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Sanjay Bharatkumar Jaiswal and Ashima Sanjay Jaiswal are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters, who are also the Equity Shareholders, hold in aggregate 22,282,345 Equity Shares, which constitutes 99.99 % of the issued, subscribed and paid-up Equity Share capital of our Company. None of the members of our Promoter Group hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

For details on shareholding of our Promoters in our Company, see '***Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding (including Promoters' contribution) - Build-up of Promoter's shareholding in our Company***' on page 64.

Details of our Promoters

Sanjay Bharatkumar Jaiswal

Sanjay Bharatkumar Jaiswal, born on August 15, 1974, aged 48 years, is our Promoter and Managing Director. He is a resident of, Shreeja Bunglow, Plot No. 209, N-1, Sector B, Aurangabad 431 003 Maharashtra, India. For the complete profile of Sanjay Bharatkumar Jaiswal along with the details of his educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, his business and financial activities, see '***Our Management***' on page 142.

The permanent account number of Sanjay Bharatkumar Jaiswal is AENPJ3988F.

Ashima Sanjay Jaiswal

Ashima Sanjay Jaiswal, born on October 23, 1978, aged 43 years, is our Promoter and Non-Executive Director. She is a resident of, Shreeja Bunglow, Plot No 209, N-1 Sector B, Aurangabad 431 003 Maharashtra, India. For the complete profile of Ashima Sanjay Jaiswal along with the details of her educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, her business and financial activities, see '***Our Management***' on page 142.

The permanent account number of Ashima Sanjay Jaiswal is AEUPJ5108A.

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhar card number and driving licence number of each of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in the section '***Our Management***' on page 142, and as provided below, our Promoters are not involved in any other ventures.

Sanjay Bharatkumar Jaiswal is the sole proprietor at M/s. S.A. Medical, partner at M/s. Oxyzone Healthcare and is a director at Airox Foundation. Ashima Sanjay Jaiswal is a director at Airox Foundation.

Change in the management and control of our Company

There has been no change in the control of our Company in the last five years.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and hold Equity Shares in our Company to the extent applicable and dividend and distribution declared thereon, if any. For details of the shareholding of our Promoters in our Company, see '***Capital Structure – Notes to Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding – Build-up of Promoters' shareholding in our Company***' on page 64. Our Promoters, who are also the Directors, may be deemed to be interested to the extent of their remuneration/fees, benefits and reimbursement of expenses, payable to them, if any. For further details, see '***Restated Financial Information – Note 33 – Related party disclosures***' on page 203.

Except for the registered office which is taken on a sublease basis from Sanjay Bharatkumar Jaiswal, our Promoters have no interest in any property acquired by our Company during the three years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery. For details see '***Restated Financial Information – Note 33 – Related party disclosures***' on page 203.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Payments or benefits to our Promoters or members of our Promoter Group

Except in ordinary course of business and as disclosed in, '***Our Management***' and '***Financial Information***' on pages 142 and 163, respectively, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or members of our Promoter Group.

Confirmations

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of the companies our Promoters are associated with or companies promoted by any of them, have been delisted or suspended in the past.

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our promoters have not been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Common Pursuits

Our Promoters do not have any direct interest in any venture that is involved in any activities similar to those conducted by our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Material Guarantees to third parties with respect to the Equity Shares

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Promoter Group

Apart from our Promoters, the following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

A. *Natural persons who are part of the Promoter Group*

Name of Promoter	Name of relative	Relationship
Sanjay Bharatkumar Jaiswal	Chandrakala Bharatkumar Jaiswal	Mother
	Ashima Sanjay Jaiswal	Spouse
	Pravin Bharatkumar Jaiswal	Brother
	Sunita Prakash Jaiswal	Sister
	Varsha Shirish Jaiswal	Sister
	Akshad Sanjay Jaiswal	Son
	Tanishka Sanjay Jaiswal	Daughter
	Nirmala Ravindralal Jaiswal	Spouse's mother
	Ashish Ravindralal Jaiswal	Spouse's brother
	Priya Yogesh Jaiswal	Spouse's sister
	Aarti Pravin Jaiswal	Spouse's sister
Ashima Sanjay Jaiswal	Nirmala Ravindralal Jaiswal	Mother
	Sanjay Bharatkumar Jaiswal	Spouse
	Ashish Ravindralal Jaiswal	Brother
	Priya Yogesh Jaiswal	Sister
	Aarti Pravin Jaiswal	Sister
	Akshad Sanjay Jaiswal	Son
	Tanishka Sanjay Jaiswal	Daughter
	Chandrakala Bharatkumar Jaiswal	Spouse's mother
	Pravin Bharatkumar Jaiswal	Spouse's brother
	Sunita Prakash Jaiswal	Spouse's sister
	Varsha Shirish Jaiswal	Spouse's sister

B. Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Airox Foundation; and
2. Oxyzone Healthcare LLP

OUR GROUP COMPANY

As per the SEBI ICDR Regulations, for the purpose of identification of group companies, our Company has considered the companies with which (i) there were related party transactions as disclosed in the Restated Financial Information; and (ii) other companies considered material by our Board pursuant to the Materiality Policy.

With respect to point (ii) above, for the purpose of disclosure in this Draft Red Herring Prospectus, a company (other than the companies covered under the schedule of related party transactions) shall be considered "material" and will be disclosed as a 'Group Company' in this Draft Red Herring Prospectus if it is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and has entered into one or more related party transactions during the period after the last completed financial year and the stub period, if any, which individually or in the aggregate, exceed 10% of the total revenue of our Company as included in this Draft Red Herring Prospectus until the date of filing of this Draft Red Herring Prospectus, will be included as group companies.

Accordingly, as on the date of this Draft Red Herring Prospectus, based on the above, we do not have any Group Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under Ind AS 24, for the Fiscals 2022, 2021, and 2020, see '***Restated Financial Information – Note 33 – Related party disclosures***' on page 203. For a summary of the related party transactions for the Fiscals 2022, 2021, and 2020, see '***Summary of the Offer Document – Summary of Related Party Transactions***' on page 18.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. Our Company has adopted a policy on dividend distribution ('**Dividend Policy**') pursuant to a resolution of our Board dated May 20, 2022.

In accordance with the Dividend Policy, the Board shall, *inter* alia, consider the following financial, internal and external parameters before declaring dividend: (i) cash balances, (ii) operating cash flow, (iii) profit for the year and profit trends, (iv) earnings per share, (v) working capital requirements, (vi) capital expenditure requirements, (vii) business expansion and growth, (viii) economic environment, (ix) capital markets, (x) global conditions, (xi) statutory provisions and guidelines (government policies, taxation, legal requirements), and (xii) dividend payout ratio of competitors. Additionally, 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 dividend in the foreseeable future.

In accordance with our Dividend Policy, our Board shall recommend/declare dividend as per the provisions of the Companies Act. Interim dividend shall be paid on declaration of the same by our Board and the final dividend will be paid on the approval of shareholders at an annual general meeting. Our Company has not declared any dividends in the last three Fiscals and the period from April 1, 2022 until the date of this Draft Red Herring Prospectus. However, this is not necessarily indicative of any dividend declaration in the future. For details in relation to risks involved in this regard, see '***Risk Factors - Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements***' on page 36.

SECTION V – FINANCIAL INFORMATION
RESTATED FINANCIAL INFORMATION

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Examination Report

The Board of Directors
Airox Technologies Limited
Unit No. D-27, 5th Floor,
Empire Mall Private Limited (PTC),
Chikalthana,
Aurangabad - 431006.
Maharashtra, India

Independent Auditor's Examination Report on Restated Financial Information in connection with the proposed Initial Public Offering of Airox Technologies Limited (formerly known as Airox Technologies Private Limited)

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated May 31, 2022.
2. We have examined the attached Restated Financial Information, expressed in Indian Rupees in millions, of Airox Technologies Limited (formerly known as Airox Technologies Private Limited) (hereinafter referred to as the "Company" or the "Issuer") comprising:
   (a) the "Restated Statement of Assets and Liabilities" as at March 31, 2022, March 31, 2021 and March 31, 2020 (enclosed as Annexure I);
   (b) the "Restated Statement of Profit and Loss" for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 (enclosed as Annexure II);
   (c) the "Restated Statement of Changes in Equity" for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 (enclosed as Annexure III);
   (d) the "Restated Statement of Cash Flows" for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 (enclosed as Annexure IV);
   (e) the "Notes to the Restated Financial Information" for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 (enclosed as Annexure V); and
   (f) the "Statement of Adjustments to Audited Financial Statements as at and for the year ended March 31, 2022 and Audited Special Purpose Financial Statements as at and for the years ended March 31, 2021 and March 31, 2020" (enclosed as Annexure VI]);

   (hereinafter together referred to as the "Restated Financial Information"), prepared by the Management of the Company in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "IPO" or "Issue") in accordance with the requirements of:

   i. Section 26 of the Companies Act, 2013 as amended from time to time (the "Act");
   ii. Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and
   iii. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

   The said Restated Financial Information has been approved by the Board of Directors of the Company at their meeting held on September 29, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") and initialed by us for identification purposes only.

Management's Responsibility for the Restated Financial Information

3. The preparation of the Restated Financial Information, for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (SEBI), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), in connection with the proposed IPO, is the responsibility of the Management of the Company. The Restated Financial Information have been prepared by the Management of the Company on the basis of preparation stated in note 1.1 to the Restated Financial Information included in Annexure V.

The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

4. Our work has been carried out considering the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 of the Act, and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Regulations and the Guidance Note in connection with the Issue.

5. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. Our examination of the Restated Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America, standards of the Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.

7. The Restated Financial Information, expressed in Indian Rupees in millions, has been prepared by the Company's Management from:

   (a) Audited financial statements of the Company as at and for the year ended March 31, 2022, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 20, 2022.

   (b) Audited special purpose financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020, respectively, prepared by the Company in accordance with Ind AS for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the 'Peer Review Board' of the ICAI as required by SEBI communication to merchant bankers dated October 28, 2021 (refer to Note 1.1 of the Restated Financial Information), which have been approved by the Board of Directors at their meeting held on September 20, 2022.

8. For the purpose of our examination, we have relied on

   (a) Auditors' report issued by us on the financial statements of the Company as at and for the year ended March 31, 2022 referred to in paragraph 7(a) above, on which we issued an unmodified opinion vide our report dated September 20, 2022. Also, refer to our disclaimer of opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements as reported in Annexure A to the said Auditors' report; and

   (b) Auditors' reports issued by us on the special purpose financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020 as referred in Paragraph 7(b) above, on which we issued an unmodified opinion vide our separate reports both dated September 20, 2022.

9. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2022. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to March 31, 2022.

Opinion

10. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

    a. have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note;

    b. have been prepared after incorporating adjustments in respect of changes in the accounting policies (as disclosed in Annexure VI to the Restated Financial Information), material errors, if any, and regrouping/reclassifications retrospectively to reflect the same accounting treatment as per the accounting policies as at and for the year ended March 31, 2022, for all the reporting periods; and

c. there are no qualifications in the auditors' reports which require any adjustments.

11. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements and audited special purpose financial statements mentioned in paragraph 7 above.

12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or other auditors on the financial statements of the Company.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restriction on Use

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the Securities and Exchange Board of India, BSE Limited and the National Stock Exchange of India Limited in connection with the proposed 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 22108391AWLJQD9310

Place: Mumbai
Date: September 29, 2022

AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)
CIN- U72900MH2012PLC236206
Annexure I: Restated Statement of Assets and Liabilities
(All amounts are in INR Million, unless stated otherwise)

	Annexure V Notes	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Assets				
Non current assets				
Property, plant and equipment	3 (a)	99.47	16.67	18.03
Right-of-use assets	4	29.25	33.22	20.76
Capital work-in-progress	3 (a)	-	-	-
Intangible assets	3(b)	-	-	-
Financial assets				
Security deposits		5.85	5.27	4.69
Other financial assets	5 (d)	18.63	21.46	1.69
Current tax assets (net)	27B	-	-	0.52
Deferred tax assets (net)	16	12.50	31.62	7.52
Other non-current assets	9A	2.08	-	-
Total non-current assets		**167.78**	**108.24**	**53.21**
Current assets				
Inventories	6	529.57	207.53	68.02
Financial assets				
Investments	5(a)	533.72	0.10	-
Trade receivables	7	115.58	266.65	33.32
Cash and cash equivalents	8	25.96	43.61	12.32
Bank balances other than cash and cash equivalents	5 (b)	4.41	1.58	0.59
Other financial assets	5 (c)	10.26	3.40	-
Other current assets	9B	79.18	4.40	7.75
Total current assets		**1,298.68**	**527.27**	**122.00**
Total assets		**1,466.46**	**635.51**	**175.21**
Equity and liabilities				
Equity				
Equity share capital	10	222.82	44.64	44.64
Other equity				
Reserves and surplus	11	852.37	132.45	(28.25)
Total equity		**1,075.19**	**177.09**	**16.39**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	12A	-	8.00	6.73
Lease liabilities	4	2.58	5.92	7.24
Contract liabilities	17 B	50.36	47.99	6.68
Employee benefit obligations	14	3.97	2.96	2.47
Total non-current liabilities		**56.91**	**64.87**	**23.12**
Current liabilities				
Financial liabilities				
Borrowings	12B	-	64.04	57.09
Lease liabilities	4	3.34	3.04	2.81
Trade payables				
Total outstanding dues of micro and small enterprises	18	3.67	43.56	1.82
Total outstanding dues of creditors other than micro and small enterprises	18	133.74	143.00	27.95
Other financial liabilities	13	2.98	-	-
Contract liabilities	17 B	98.98	44.75	30.57
Employee benefit obligations	14	0.38	0.29	0.25
Current tax liabilities (net)	15	48.80	66.66	-
Other current liabilities	17 A	42.47	28.21	15.21
Total current liabilities		**334.36**	**393.55**	**135.70**
Total liabilities		**391.27**	**458.42**	**158.82**
Total equity and liabilities		**1,466.46**	**635.51**	**175.21**

The above Restated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - V and Statement of Adjustments to the Audited financial statements for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 appearing in Annexure - VI.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: - 012754N/N500016

Neeraj Sharma
Partner
Membership no.: 108391

Place: Mumbai
Date: September 29, 2022

For and on behalf of the board of Directors of AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)

Sanjay Jaiswal
Managing Director
DIN No: 05359656

Ashima Jaiswal
Director
DIN No: 05359660

Radhamohan Garg
Chief Financial Officer

Sankalp Kandi
Company Secretary

Place: Aurangabad
Date: September 29, 2022

AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)
CIN- U72900MH2012PLC236206
Annexure II: Restated Statement of Profit and Loss
(All amounts are in INR Million, unless stated otherwise)

	Annexure V Notes	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Income				
Revenue from operations	19	2,265.97	729.87	171.25
Other income	20	31.44	2.68	1.14
Total income		**2,297.41**	**732.55**	**172.39**
Expenses				
Cost of Raw materials consumed	21	788.37	462.02	92.13
Changes in inventories of finished goods and stores and spares	22	40.90	(74.38)	7.68
Employee benefit expense	23	82.08	43.91	32.86
Depreciation and amortisation expense	24	6.26	5.76	5.00
Finance costs	25	13.40	14.07	7.96
Other expenses [includes net impairment losses of financial assets of INR 4.80 million (March 31, 2021: INR 18.27 million and March 31, 2020: INR NIL)]	26	161.20	66.15	18.50
Total expenses		**1,092.21**	**517.53**	**164.13**
Restated profit before tax		**1,205.20**	**215.02**	**8.26**
Income tax expense				
Current tax	27	285.69	80.04	1.70
Deferred Tax	27	19.13	(23.75)	(1.04)
Total tax expense		**304.82**	**56.29**	**0.66**
Restated profit for the year		**900.38**	**158.73**	**7.60**
Other comprehensive income/ (loss)				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefit obligations		(0.16)	0.20	(0.12)
Income tax relating to these items		0.04	(0.05)	0.03
Restated other comprehensive income/(loss) for the year, net of tax		**(0.12)**	**0.15**	**(0.09)**
Restated total comprehensive income for the year		**900.26**	**158.88**	**7.51**
Restated earnings per equity share - Basic and Diluted (in Rs.) (Face value of share - Rs. 10 each) (refer note 10)	35	40.34	7.11	0.34

The above Restated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - V and Statement of Adjustments to the Audited financial statements for the years ended March 31, 2022 , March 31, 2021 and March 31, 2020 appearing in Annexure - VI.

This is the Restated Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: - 012754N/N500016

Neeraj Sharma
Partner
Membership no.: 108391

Place: Mumbai
Date: September 29, 2022

For and on behalf of the board of Directors of AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)

Sanjay Jaiswal
Managing Director
DIN No: 05359656

Ashima Jaiswal
Director
DIN No: 05359660

Radhamohan Garg
Chief Financial Officer

Sankalp Kandi
Company Secretary

Place: Aurangabad
Date: September 29, 2022

AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)
CIN- U72900MH2012PLC236206
Annexure III: Restated Statement of Changes in Equity
(All amounts are in INR Million, unless stated otherwise)

A. Equity share capital:	**Annexure V Notes**	**No. of shares**	**Amount**
As at April 1, 2019	*10*	4,464,350	44.64
Change in equity share capital		-	-
As at March 31, 2020		4,464,350	44.64
Change in equity share capital		-	-
As at March 31, 2021		**4,464,350**	**44.64**
Change in equity share capital		17,818,000	178.18
As at March 31, 2022		**22,282,350**	**222.82**

B. Other equity

Particulars	**Reserves and Surplus**			
	Capital redemption reserve	**Securities premium**	**Retained earnings**	**Total**
As at April 1, 2019	-	0.07	(35.83)	(35.76)
Restated profit for the year	-	-	7.60	7.60
Restated other comprehensive income/(loss)	-	-	(0.09)	(0.09)
As at March 31, 2020	-	**0.07**	**(28.32)**	**(28.25)**
Adjustment on account of transition to Ind AS	-		1.82	1.82
Restated profit for the year	-	-	158.73	158.73
Restated other comprehensive income/(loss)	-	-	0.15	0.15
As at March 31, 2021	-	**0.07**	**132.38**	**132.45**
Restated profit for the year	-	-	900.38	900.38
Restated other comprehensive income/(loss)	-	-	(0.12)	(0.12)
Transferred from Retained earnings	0.39	-	(0.39)	-
Transaction with Owners in their capacity as Owners:				
Bonus shares issued during the year	-	-	(178.57)	(178.57)
Premium paid on shares bought back during the year	-	-	(1.77)	(1.77)
As at March 31, 2022	**0.39**	**0.07**	**851.91**	**852.37**

The above Restated Statement of Changes in Equity should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - V and Statement of Adjustments to the Audited financial statements for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 appearing in Annexure - VI.

This is the Restated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: - 012754N/N500016

For and on behalf of the board of Directors of AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)

Neeraj Sharma
Partner
Membership no.: 108391

Sanjay Jaiswal
Managing Director
DIN No: 05359656

Ashima Jaiswal
Director
DIN No: 05359660

Radhamohan Garg
Chief Financial Officer

Sankalp Kandi
Company Secretary

Place: Mumbai
Date: September 29, 2022

Place: Aurangabad
Date: September 29, 2022

AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)
CIN- U72900MH2012PLC236206
Annexure IV: Restated Statement of Cash Flows
(All amounts are in INR Million, unless stated otherwise)

Sr.no	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Cash flow from operating activities**			
	Net profit before tax	1,205.20	215.02	8.26
	Adjustments for:			
	Depreciation and amortisation expenses	6.26	5.76	5.00
	Unwinding of discount on security deposit	(0.39)	(0.38)	-
	Fair value gain on valuation of investments	(1.33)	-	-
	Realised (gain) / Loss on Mutual Fund Investments	(26.30)	-	-
	Provision for expected credit loss	1.82	0.01	-
	Interest income from financial assets	(0.29)	(0.34)	(0.24)
	Interest on delayed payments of taxes	12.31	8.35	-
	Interest expense on lease liability	0.49	0.63	0.71
	Interest and other finance cost	0.60	5.09	7.25
	Operating profits before working capital changes	**1,198.37**	**234.14**	**20.98**
	Adjustments for changes in:			
	(Increase)/ Decrease in Inventories	(322.06)	(139.51)	2.18
	(Increase)/ Decrease in trade receivables	149.25	(233.34)	18.33
	(Increase)/ Decrease in Other financial assets	1.94	(3.65)	(4.00)
	(Increase)/ Decrease in other current assets	(82.91)	3.35	(6.06)
	Increase/(Decrease) in employee benefit obligations	1.10	0.53	0.85
	Increase/ (Decrease) in Trade payables	(49.12)	156.69	(9.53)
	Increase/(Decrease) in Other current liabilities and non current liabilities	58.46	60.29	2.23
		(243.34)	(155.64)	4.00
	Cash generated from operations before tax	**955.03**	**78.50**	**24.98**
	Income taxes paid	(303.55)	(12.86)	(2.22)
	Net cash generated from operating activities	**651.48**	**65.64**	**22.76**
B	**Cash flow from investing activities**			
	Purchase of property, plant and equipment	(84.18)	(0.52)	(4.99)
	Redemption of mutual funds	1,104.53	(0.10)	-
	Investment in mutual funds	(1,610.52)	-	-
	Acquisition of right of use asset	-	(13.09)	(10.95)
	Payment for investments in fixed deposits	(1.36)	(37.01)	(0.64)
	Proceeds from maturity of fixed deposits	0.75	16.68	-
	Net cash flow used in investing activities	**(590.78)**	**(34.04)**	**(16.58)**
C	**Cash Flow from financing activities**			
	Proceeds from long term borrowings	0.33	9.67	5.13
	Repayment of long term borrowings	(8.33)	(8.40)	(3.20)
	Proceeds from short term borrowings	2,465.10	562.49	216.14
	Repayment of short term borrowings	(2,529.14)	(555.54)	(209.20)
	Lease payments including interest	(3.54)	(3.44)	(1.70)
	Interest Paid other than on lease liabilities	(0.60)	(5.09)	(7.25)
	Buy back of shares	(2.17)	-	-
	Net cash flow used in financing activities	**(78.35)**	**(0.31)**	**(0.08)**
	Net Increase / (Decrease) in Cash and Cash Equivalents	**(17.65)**	**31.29**	**6.10**
	Opening Cash and cash equivalents	**43.61**	**12.32**	**6.22**
	Closing Cash and cash equivalents	**25.96**	**43.61**	**12.32**

Details of non-cash investing and financing activities:			
The following are the non-cash investing and financing activities:			
Bonus issue of shares	178.57	-	-
Acquisition of right of use asset	-	1.75	12.25

The above Restated Statement of Cash Flows should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - V and Statement of Adjustments to the Audited financial statements for the years ended March 31, 2022 , March 31, 2021 and March 31, 2020 appearing in Annexure - VI.

This is the Restated Statement of Cash Flows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: - 012754N/N500016

Neeraj Sharma
Partner
Membership no.: 108391

Place: Mumbai
Date: September 29, 2022

For and on behalf of the board of Directors of AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)

Sanjay Jaiswal
Managing Director
DIN No: 05359656

Ashima Jaiswal
Director
DIN No: 05359660

Radhamohan Garg
Chief Financial Officer

Sankalp Kandi
Company Secretary

Place: Aurangabad
Date: September 29, 2022

General Information

Airox Technologies Limited is a limited company domiciled in India, with its registered office situated at Unit No. D-27, 5th Floor, Empire Mall Private Limited, Chikalthana, Aurangabad 431006. The Company has been incorporated under the provision of Companies Act 2013.

The Company is primarily in business of selling oxygen generators and providing installation and maintenance services in relation to the same.

1. Summary of significant accounting policies

1.1. Basis of preparation

'These Restated Statement of Assets and Liabilities of the Company as at March 31, 2022, March 31, 2021 and March 31, 2020, and the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows and Notes to Restated Financial Information for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, and Statement of Adjustments to the Audited Financial Statements as at and for the year ended March 31, 2022 and Audited Special Purpose Financial Statements as at and for the years ended March 31, 2021 and March 31, 2020 (referred to as "Statement of Adjustments to the Audited Financial Statements") are together referred as "Restated Financial Information".

The Restated Financial Information has been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with proposed Initial Public Offering ("IPO") of its equity shares.

The Restated Financial Information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

a) Section 26 of the Companies Act, 2013, as amended from time to time ("the Act");

b) Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by SEBI; and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Company has adopted Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as "Ind AS") for the year ended March 31, 2022 and prepared its first financial statements in accordance with Indian Accounting Standards (Ind AS) for the period ended March 31, 2022 with the transition date as April 1, 2020. An explanation of how the transition from accounting standards notified under the Companies(Accounting Standards) Rules, 2006 (as amended) ("Previous GAAP") to Ind AS has affected the Company's Restated Financial Information is set out in Annexure V- Note 28.

The Book Running Lead Managers (BRLMs) received a communication from Securities and Exchange Board of India (SEBI) vide email dated October 28, 2021 through Association of Investment Bankers of India (AIBI), which stated that *"LM shall ensure that all issuer companies filing offer document should provide Consolidated Financial Statements (CFS) prepared in accordance with Indian Accounting Standard (Ind AS) for all the three years and the stub period (if applicable) audited and certified by the statutory auditor(s) who holds a valid certificate by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). The same shall be applicable for companies which are not falling under Phase 1 and Phase 2 of MCA Roadmap and have consequently provided proforma financial statements for any of the three financial years" (the "SEBI Communication")*. Accordingly, for the purpose of preparation of Restated Financial Information. we have been requested by the BRLMs to prepare special purpose financial statements for the years ended March 31, 2020 and March 31, 2021 complying in all material aspects with Ind AS since the statutory financial statements of the Company for the years ended March 31, 2020 and March 31, 2021 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended).

The Restated Financial Information has been prepared by the Management of the Company from:
(i) the Audited Financial Statements for the year ended March 31, 2022 prepared in accordance with Ind AS

(ii) the Audited Special Purpose Financial Statements for the year ended March 31, 2021 which have been prepared by adjusting the previous GAAP audited statutory financial statements for the year ended March 31, 2021, approved by the Board of Directors of the Company at their meeting held on September 13, 2021, for Ind AS adjustments (both remeasurements and reclassifications) on the date of transition, i.e. April 1, 2020 and following the accounting policies (both mandatory exceptions and optional exemptions) as per Ind AS 101.

(iii) the Audited Special Purpose Financial Statements for the year ended March 31, 2020 which have been prepared by adjusting the previous GAAP audited statutory financial statements for the year ended March 31, 2020, approved by the Board of Directors of the Company at their meeting held on December 11, 2020, for Ind AS adjustments (both remeasurements and reclassifications) on the date of transition, i.e. April 1, 2020 and following the accounting policies (both mandatory exceptions and optional exemptions) as per Ind AS 101.

The Restated Financial Information:
a. have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors, if any, and regrouping/reclassifications retrospectively as at and for the years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022 and

b. do not require any adjustment for qualifications as there are no qualifications in the underlying auditor's reports which require any adjustments.

Historical cost convention

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

1.2 . Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle of an entity is the time between the acquisition of assets for processing and their realization in the form of cash or cash equivalents. The Company has determined that its operating cycle is 12 months.

1.3 . Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Managing Director of the Company assesses the financial performance and the position of the Company and he is the chief operating decision maker of the Company.

1.4. Foreign currency translation

(a) Functional and presentation currency

The items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates (that is, 'functional currency'). The financial statements are presented in INR which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

1.5. Revenue from contracts with Customers

The Company sells oxygen generators (equipment) and provides related installation and maintenance services to the customers. The contracts with the customers at the time of sale of equipment generally include the following promises:
- supply of equipment
- installation of equipment at customer location
- performance warranty (including service during the warranty period)
- annual/comprehensive service for a specified period
- financing (resulting from timing of collection of consideration and delivery of services)

The Company also sells annual and comprehensive service contracts separately to the customers for previously supplied equipment.

The Company has identified the above promises to be separate performance obligations under the contract. The promise relating to financing is not considered material and hence not separately accounted.
Transaction price agreed in the contract is allocated to the identified separate performance obligations based on the relative standalone selling prices of the respective obligations. Revenue is recognised excluding the taxes and duties (like goods and services tax (GST)) collected on behalf of the Government.
The Company provides warranties against any product defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets when the expected cost of such repairs/replacement is likely to be significant.

(i) Revenue from sale of finished products

Revenue from supply of equipment is recognised when control of the goods is transferred to the customer, which is generally when the equipment is delivered at the customer site (point in time) based on terms of sales agreed with the customer.

ii) Installation services

The Company, in view of short period of installation, recognises revenue from installation services upon completion of such services and on receipt of confirmation from customers.

iii) Maintenance contracts - annual and comprehensive

Revenue from service contracts is recognised over time on straight line basis which is the most appropriate measure of the progress towards complete satisfaction of these performance obligations.

iv) Service warranties

The Company provides preventive maintenance services in certain cases at the time of sale of generators. A portion of the transaction price is allocated to the preventive maintenance services and recognised based on the time lapsed.

1.7. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.8. Leases

As a lessee
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
• fixed payments (including in-substance fixed payments), less any lease incentives receivable
• variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
• amounts expected to be payable by the company under residual value guarantees
• the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
• payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee’s incremental borrowing rate is used, being the rate that the company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:
• where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
• uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by company, which does not have recent third party financing

• makes adjustments specific to the lease, e.g. term, country, currency and security.
If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company uses that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following

•the amount of the initial measurement of lease liability
•any lease payments made at or before the commencement date
•any initial direct costs
•restoration cost
Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right- of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

1.9. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.10. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.11. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

1.12. Investments and other financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
• those to be measured at amortised cost.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at at Fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset.

(c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

• **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/expenses. Impairment losses are presented as separate line item in the statement of profit and loss.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

(d) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(e) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(f) Income recognition

Interest Income

Interest income from financial assets at fair value through profit or loss is disclosed within other income. Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends

Dividends are received from financial assets at fair value through profit or loss. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

1.13. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.14. (a) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as determined by the management as follows:

Type of asset	Estimated Useful life
Building	30
Vehicles	8
Computers	3 (Servers -6 years)
Office Equipment	5
Furniture and Fixtures	10

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/(expenses).

1.14 (b) Intangible assets

(a) Product development cost

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Company are recognised as intangible assets.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Property, plant and equipment used in Research and Development are capitalised. Development costs are recognised as intangible assets when the following criteria are met:
1. it is technically feasible to complete the intangible asset so that it will be available for use
2. management intends to complete the intangible asset and use or sell it
3. there is an ability to use or sell the intangible asset
4. it can be demonstrated how the intangible asset will generate probable future economic benefits
5. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
6. the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use

1.15. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.16. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1.17. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. The Company does not recognise a contingent liability but has disclosed its existence in the restated financial information.

1.18. Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Bonus

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(b) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the restated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.19. Contributed equity

Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.
The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Qualifying transaction costs incurred in anticipation of an issuance of equity instruments is deferred on the balance sheet until the equity instrument is recognised. Deferred costs are subsequently reclassified as a deduction from equity when the equity instruments are recognised.

The transaction costs incurred with respect to the proposed IPO of the Company is recognised as an asset to the extent recoverable from the selling shareholders. Remaining costs are allocated between new issue of shares and listing of existing equity shares. The costs attributable to listing of existing shares is recognised in profit or loss. The remaining costs attributable to new issuance of shares is deferred on the balance sheet and recognised in equity once the instrument is issued. If the equity instruments are not subsequently issued, the deferred transaction costs are charged off to profit or loss.

1.20. Dividends

Provision is made for any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.21. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:
•the profit attributable to owners of the Company
•by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
•the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
•the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

1.22. Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

1.23. Inventories

Raw materials and stores, work in progress, and finished goods

Raw materials and stores, work in progress, and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable 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. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

1.24. Rounding of amounts

All amounts disclosed in the Restated Financial Information and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

2. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. The areas involving critical estimates or judgements are:

• Revenue Recognition

The Company's contracts with customers could include promises to transfer products and multiple services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/services and the ability of the customer to benefit independently from such goods/services.

Judgement is also required for determination of standalone selling price of the underlying performance obligations. The Company uses averages of the historical selling prices for such services where available. For installation services, the selling price is determined based on the cost of providing such services plus a reasonable margin.

• Impairment of trade receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 29.

(All amounts are in INR Million, unless stated otherwise)

3 (a) Property, plant and equipment

Particulars	Plant and machinery	Building	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Total	Capital work in progress
Year ended March 31, 2020								
Gross carrying amount								
Gross carrying amount as on April 1, 2019	-	12.96	3.31	1.82	0.08	0.50	18.67	-
Additions	-	-	-	3.38	1.38	0.23	4.99	-
Disposals/ Capitalised								-
Gross carrying amount as at March 31, 2020	-	12.96	3.31	5.20	1.46	0.73	23.66	-
Accumulated depreciation								
Accumulated depreciation as at April 1, 2019	-	0.96	2.14	0.61	0.06	0.49	4.26	-
Depreciation charge during the year	-	0.41	0.39	0.20	0.19	0.18	1.37	-
Accumulated depreciation as at March 31, 2020	-	1.37	2.53	0.81	0.25	0.67	5.63	-
Net carrying amount as at March 31, 2020	-	11.59	0.78	4.39	1.21	0.06	18.03	-
Year ended March 31, 2021								
Gross carrying amount								
Gross carrying amount as at March 31, 2020	-	12.96	3.31	5.20	1.46	0.73	23.66	-
Additions	-	-	-	-	-	0.51	0.51	-
Disposals/ Capitalised	-	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2021	-	12.96	3.31	5.20	1.46	1.24	24.17	-
Accumulated depreciation								
Accumulated depreciation as at March 31, 2020	-	1.37	2.53	0.81	0.25	0.67	5.63	-
Depreciation charge during the year	-	0.41	0.39	0.49	0.28	0.30	1.87	-
Closing accumulated depreciation as at March 31, 2021	-	1.78	2.92	1.30	0.53	0.97	7.50	-
Net carrying amount as at March 31, 2021	-	11.18	0.39	3.90	0.93	0.27	16.67	-
Year ended March 31, 2022								
Gross carrying amount								
Gross carrying amount as at March 31, 2021	-	12.96	3.31	5.20	1.46	1.24	24.17	-
Additions	11.12	53.48	16.60	3.46	-	0.43	85.09	64.60
Disposals/ Capitalised	-	-	-	-	-	-	-	(64.60)
Gross carrying amount as at March 31, 2022	11.12	66.44	19.91	8.66	1.46	1.67	109.26	-
Accumulated depreciation								
Accumulated depreciation as at March 31, 2021	-	1.78	2.92	1.30	0.53	0.97	7.50	-
Depreciation charge during the year	0.13	0.22	0.71	0.55	0.26	0.42	2.29	-
Accumulated depreciation as at March 31, 2022	0.13	2.00	3.63	1.85	0.79	1.39	9.79	-
Net carrying amount as at March 31, 2022	10.99	64.44	16.28	6.81	0.67	0.28	99.47	-

(All amounts are in INR Million, unless stated otherwise)

3 (b) Intangible assets

Particulars	**Product development costs**
Year ended March 31, 2020	
Gross carrying amount	
Gross carrying amount as on April 1, 2019	4.39
Additions	-
Gross carrying amount as at March 31, 2020	**4.39**
Accumulated amortisation	
Accumulated amortisation as at April 1, 2019	3.29
Amortization charge during the year	1.10
Closing accumulated amortisation as at March 31, 2020	**4.39**
Net carrying amount as at March 31, 2020	**-**
Year ended March 31, 2021	
Gross carrying amount	
Gross carrying amount as at March 31, 2020	-
Additions	-
Gross carrying amount as at March 31, 2021	**-**
Accumulated amortisation	
Accumulated amortisation as at March 31, 2020	-
Amortization charge during the year	-
Accumulated amortisation as at March 31, 2021	**-**
Net carrying amount as at March 31, 2021	**-**
Year ended March 31, 2022	
Gross carrying amount	
Gross carrying amount as at March 31, 2021	-
Additions	-
Gross carrying amount as at March 31, 2022	**-**
Accumulated amortisation	
Accumulated amortisation as at March 31, 2021	-
Amortisation charge during the year	-
Accumulated amortisation as at March 31, 2022	**-**
Net carrying amount as at March 31, 2022	**-**

(All amounts are in INR Million, unless stated

4 Leases

The Company's leasing arrangements include land and office premises. Rental contracts for office premises are typically made for fixed periods of 3 to 6 years, but have extension options. The leasehold term of land is 99 years. The lease liability pertaining to the leasehold land has been paid at the inception of the contract.

Following are the changes in the carrying value of right of use assets (ROU assets) :

Particulars	Land	Building	Total
Balance as on April 01, 2019	-	11.04	**11.04**
Additions during the year	-	12.25	**12.25**
Depreciation charge for the year	-	2.53	**2.53**
Balance as on March 31, 2020	-	**20.76**	**20.76**
Less: Transitional impact as on April 1, 2020 (Refer Annexure VI)	-	**(1.51)**	**(1.51)**
Balance as on April 01, 2020	-	**22.27**	**22.27**
Additions during the year	13.09	1.75	14.84
Depreciation charge for the year	0*	3.89	3.89
Balance as on March 31, 2021	**13.09**	**20.13**	**33.22**
Additions during the year	-	-	-
Depreciation charge for the year	-	3.97	**3.97**
Balance as on March 31, 2022	**13.09**	**16.16**	**29.25**

* Amount is below the rounding off norm followed by the Company.

The following is the break-up of current and non-current lease liabilities :

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Current lease liabilities	3.34	3.04	2.81
Non-current lease liabilities	2.58	5.92	7.24
Total	**5.92**	**8.96**	**10.05**

The following is the movement in lease liabilities :

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Balance as of 1 April	8.96	10.05	11.04
Additions	-	1.72	-
Finance cost accrued during the period (included in finance cost)	0.49	0.63	0.71
Payment of lease liabilities	3.54	3.44	1.70
Balance as of 31 March	**5.91**	**8.96**	**10.05**

Payments associated with short-term leases are recognised as and when incurred as rent expense within other expense in statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less.

Expenses related to short-term leases is INR 0.29 million (March 31, 2021: INR NIL, March 31, 2020: INR 0.12 million). (Refer Note 26).

Extension and termination options:

Extension and termination options are included in a number of leases across the company. These terms are used to maximise operational flexibility in terms of managing contracts.

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(All amounts are in INR Million, unless stated otherwise)

		Current		
5(a)	**Financial assets**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	Investments in mutual funds- Quoted- at fair value through profit or loss	533.72	0.10	-
	Total	**533.72**	**0.10**	**-**

Details of Investments in mutual funds (Quoted)

Particulars	No. of Units (in absolute terms)			Carrying value		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Aditya Birla Sun Life Arbitrage Fund-Gr	6,950,307.47	-	-	150.12	-	-
Aditya Birla Sun Life Low Duration Fund- Growth	62,210.92	39.26	-	33.34	0.02	-
ICICI Prudential Floating Interest Fund	-	62.65	-	-	0.02	-
IDFC Arbitrage Fund-Growth-(Regular Plan)	3,792,716.60	-	-	100.09	-	-
Kotak Low duration Fund	-	7.69	-	-	0.02	-
Mahindra Manulife Low Duration Fund	-	15.69	-	-	0.02	-
Invesco India Ultra Short Term Fund	-	9.49	-	-	0.02	-
TAFG Tata Arbitrage Fund-Regular Plan-Growth	12,840,540.90	-	-	150.10	-	-
UTI Arbitrage Fund- Regular Plan Growth	3,520,950.71	-	-	100.07	-	-
Aggregate amount of quoted investments				**533.72**	**0.10**	**-**
Aggregate amount of market value thereof				**533.72**	**0.10**	**-**
Aggregate amount of impairment in the value of investments				-	-	-

5 (b)	**Bank balances other than cash and cash equivalents**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	Deposits with original maturity of more than 3 months but remaining maturity less than 12 months*	4.41	1.58	0.59
	Total	**4.41**	**1.58**	**0.59**

*Held as margin money against Bank Guarantee and Borrowings

			Current	
5 (c)	**Financial assets**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	Other financial assets			
	Receivable from related parties [refer note 33]	8.13	-	-
	Deposits with customers against tender process	2.13	3.40	-
	Total	**10.26**	**3.40**	**-**

5 (d)	**Non Current Financial assets**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	Other financial assets			
	Deposits with customers against tender process	-	0.90	0.81
	Deposits with Banks	18.63	20.56	0.88
	Total	**18.63**	**21.46**	**1.69**

*Held as margin money against Bank Guarantee and Borrowings

6	**Inventories**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	Raw materials	400.90	66.76	32.80
	Finished goods	-	-	12.62
	Stores and spares	19.72	22.62	10.60
		420.62	**89.38**	**56.02**
	Finished goods in transit	43.05	81.05	6.07
	Raw materials in transit	65.90	37.10	5.93
		108.95	**118.15**	**12.00**
	Total	**529.57**	**207.53**	**68.02**

7	**Trade receivables**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	Unsecured			
	Trade receivables considered good	117.40	266.66	33.32
	Trade receivables which have significant increase in credit risk	-	-	-
	Trade receivables- credit impaired	-	-	-
		117.40	**266.66**	**33.32**
	Less: Allowances for expected credit loss	(1.82)	(0.01)	-
	Total	**115.58**	**266.65**	**33.32**

Note:
Refer Note 1 of Annexure V for information about credit risk and market risk on receivables.

(All amounts are in INR Million, unless stated otherwise)

Debtors ageing schedule

Particulars	Outstanding as on March 31, 2022 from the due date							Total
	Unbilled dues	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- Considered good	-	-	13.37	58.51	45.52	-	-	**117.40**
- Credit impaired	-	-	-	-	-	-	-	**-**
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	**-**
- Credit impaired	-	-	-	-	-	-	-	**-**
Total	**-**	**-**	**13.37**	**58.51**	**45.52**	**-**	**-**	**117.40**

Particulars	Outstanding as on March 31, 2021 from the due date							Total
	Unbilled dues	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- Considered good	-	-	262.77	3.16	0.20	0.26	0.27	**266.66**
- Credit impaired	-	-	-	-	-	-	-	**-**
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	**-**
- Credit impaired	-	-	-	-	-	-	-	**-**
Total	**-**	**-**	**262.77**	**3.16**	**0.20**	**0.26**	**0.27**	**266.66**

Particulars	Outstanding as on March 31, 2020 from the due date							Total
	Unbilled dues	Not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- Considered good	-	-	18.37	0.33	2.54	12.08	-	**33.32**
- Credit impaired	-	-	-	-	-	-	-	**-**
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	
- Credit impaired	-	-	-	-	-	-	-	**-**
Total	**-**	**-**	**18.37**	**0.33**	**2.54**	**12.08**	**-**	**33.32**

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
8	**Cash and cash equivalents**			
	Balances with bank:			
	In current accounts	24.83	40.22	9.70
	Cash on hand	1.13	3.39	2.62
	Total	**25.96**	**43.61**	**12.32**

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
9A	**Other non current assets**			
	Capital Advances	2.08	-	-
	Total Other non current assets	**2.08**	**-**	**-**

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
9B	**Other current assets**			
	Advances to suppliers	2.45	3.09	4.50
	Advances to employees	0.36	0.08	2.97
	Balances with government authorities	75.55	0.87	0.24
	Prepaid expenses	0.82	0.36	0.04
	Total other current assets	**79.18**	**4.40**	**7.75**

(All amounts are in INR Million, unless stated otherwise)

10 Equity Share Capital	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Authorized:			
22,860,600 (March 31, 2021 :4,960,000; March 31, 2020: 4,960,000) ordinary equity shares Rs.10	228.61	49.60	49.60
139,400 (March 31 2021 :40,000; March 31, 2020: 40,000) Class A non voting shares of Rs.10	1.39	0.40	0.40
	230.00	**50.00**	**50.00**
Issued, subscribed and paid up:			
2,22,82,350 (March 31, 2021 :44,56,470, March 31, 2020: 44,56,470) ordinary equity shares of Rs.10 each	222.82	44.56	44.56
NIL (March 31, 2021: 7,880; March 31, 2020: 7,880) Class A non voting shares of Rs. 10 each	-	0.08	0.08
	222.82	**44.64**	**44.64**

Number of shares have been disclosed in absolute terms.

a) Movement in Subscribed and Paid-up Equity Share Capital

Ordinary equity shares	Authorized share capital (number of shares)			Subscribed and paid up share capital (number of shares)		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Shares Outstanding at the beginning of the year	4,960,000	4,960,000	4,960,000	4,456,470	4,456,470	4,456,470
Add: Increase in authorised capital during the year	17,900,600	-	-	-	-	-
Add: Bonus shares allotted during the year	-	-	-	17,825,880	-	-
Outstanding at the end of the year	22,860,600	4,960,000	4,960,000	**22,282,350**	**4,456,470**	**4,456,470**

Class A non voting shares	Authorized share capital (number of shares)			Subscribed and paid up share capital (number of shares)		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity Shares Outstanding at the beginning of the year	40,000	40,000	40,000	7,880	7,880	7,880
Add: Increase in authorised capital during the year	99,400	-	-	-	-	-
Add: Bonus shares allotted during the year	-	-	-	31,520	-	-
Less: Buy back of shares	-	-	-	(39,400)	-	-
Outstanding at the end of the year	**139,400**	**40,000**	**40,000**	**-**	**7,880**	**7,880**

Ordinary equity shares	Authorized share capital (Amount)			Subscribed and paid up share capital (Amount)		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity Shares Outstanding at the beginning of the year	49.60	49.60	49.60	44.56	44.56	44.56
Add: Increase in authorised capital during the year	179.01	-	-			
Add: Bonus shares allotted during the year				178.26	-	-
Outstanding at the end of the year	228.61	49.60	49.60	**222.82**	**44.56**	**44.56**

Class A non voting shares	Authorized share capital (Amount)			Subscribed and paid up share capital (Amount)		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	0.40	0.40	0.40	0.08	0.08	0.08
Add: Increase in authorised capital during the year	0.99	-	-			
Add: Bonus shares allotted during the year	-	-	-	0.31	-	-
Less: Buy back of shares	-	-	-	(0.39)	-	-
Equity Shares Outstanding at the end of the year	**1.39**	**0.40**	**0.40**	**-**	**0.08**	**0.08**

b) Rights, preferences and restrictions attached to Equity Shares

The Company has ordinary equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Class A non voting shares will have no voting rights.

(i) Out of above equity shares, the Company had allotted 1,642,800 ordinary equity shares as fully paid up bonus shares by capitalisation of profits transferred from Retained earnings, pursuant to the resolution passed at the Board Meeting held dated on March 15, 2016.

(ii) Out of above equity shares, the Company had allotted 2,000,000 ordinary equity shares as fully paid up bonus shares by capitalisation of profits transferred from Retained earnings, pursuant to the resolution passed at the Board Meeting held dated on March 30, 2019.

(iii) Out of above equity shares, the Company had allotted 17,825,880 ordinary equity shares and 31,520 class A non voting shares as fully paid up bonus shares by capitalisation of profits transferred from Retained earnings, pursuant to the resolution passed at the Board Meeting held dated on September 30, 2021.

c) Details of Shareholders holding more than 5% Equity Shares in the Company

Name of the shareholder	March 31, 2022		March 31, 2021		March 31, 2020	
	Numbers of	% holding	Numbers of shares	% holding	Numbers of shares	% holding
Ordinary equity shares						
Sanjay Bharatkumar Jaiswal	15,680,525	70.37%	3,136,105	70.25%	3,136,105	70.25%
Ashima Sanjay Jaiswal	6,601,820	29.62%	1,320,365	29.58%	1,320,365	29.58%
Class A non voting shares						
Vinay Deshpande	-	-	2,717	34.00%	2,717	34.00%
Rajeshkumar Sinha	-	-	1,631	21.00%	1,631	21.00%
Sanjay Wagh	-	-	815	10.00%	815	10.00%
Naveen Sharma	-	-	815	10.00%	815	10.00%
Mahesh Joshi	-	-	1,630	21.00%	1,630	21.00%

(All amounts are in INR Million, unless stated otherwise)

d) Details of shareholding of promoters in the company

Name of the Shareholder	March 31, 2022		March 31, 2021		March 31, 2020	
	Numbers of	% holding	Numbers of shares	% holding	Numbers of shares	% holding
Equity shares						
Sanjay Bharatkumar Jaiswal	15,680,525	70.37%	3,136,105	70.25%	3,136,105	70.25%
Ashima Sanjay Jaiswal	6,601,820	29.62%	1,320,365	29.58%	1,320,365	29.58%

11	Reserves and Surplus	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	i. Retained earnings	851.91	132.38	(28.32)
	ii. Capital redemption reserve	0.39	-	-
	iii. Securities premium reserve	0.07	0.07	0.07
	Total reserves and surplus	**852.37**	**132.45**	**(28.25)**

i. Retained earnings			
Opening balance	132.38	(26.50)	(35.83)
Add: Profit/(loss) for the year	900.38	158.73	7.60
Item of other comprehensive income recognised directly in retained earnings- Remeasurement of post employment benefit obligations, net of tax	(0.12)	0.15	(0.09)
Less: Bonus shares issued during the year	(178.57)	-	-
Less: Premium paid on shares bought back during the year	(1.77)	-	-
Less: Transferred to capital redemption reserve	(0.39)	-	-
Closing balance (A)	**851.91**	**132.38**	**(28.32)**
ii. Capital redemption reserve			
Opening balance	-	-	-
Add: Transferred from retained earnings during the year	0.39	-	-
Closing balance (B)	**0.39**	**-**	**-**
iii. Securities Premium Reserve			
Balance at the beginning and end of the year (C)	0.07	0.07	0.07
Total reserves and surplus (A+B+C)	**852.37**	**132.45**	**(28.25)**

Nature and purpose of reserves
Securities premium reserves
Securities premium reserves is used to record the premium of issue of shares. This reserve is utilized in accordance with the provisions of the Companies Act, 2013.
Capital redemption reserve
Capital redemption reserve has been created in accordance with the provisions of section 69 of the Companies Act, 2013. The balance in the reserve can be utilised for future buy backs

12A	Non- current borrowings	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Secured			
	Term loans			
	From banks	-	8.00	7.88
	Less: Current maturities of long-term borrowings (included in current borrowings)	-	-	(1.15)
	Non current borrowings	**-**	**8.00**	**6.73**

Term loans were repayable within 60-120 months from the date of drawdown. Interest rates charged were linked to MCLR ranging between 7.5% to 11.50% p.a.

12B	Current Borrowings	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Secured			
	From banks	-	64.04	55.94
	Current maturities of long-term borrowings	-	-	1.15
	Total	**-**	**64.04**	**57.09**

Term loans were repayable within 60-120 months from the date of drawdown and Loans from banks were repayable on demand. Interest rates charged were linked to MCLR ranging between 7.5% to 11.50% p.a. The borrowings has been secured by charge on Inventory, Trade receivables, Company's fixed assets and personal guarantees from the directors.

(All amounts are in INR Million, unless stated otherwise)

13 Other financial liabilities	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Creditors for capital purchases	2.98	-	-
Total	**2.98**	**-**	**-**

14 Employee benefit obligations	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Gratuity (Refer Note 32)			
Non-current	3.97	2.96	2.47
Current	0.38	0.29	0.25
Total	**4.35**	**3.25**	**2.72**

15 Current tax liabilities	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current tax liabilities [refer note 27 B]	48.80	66.66	-
Total	**48.80**	**66.66**	**-**

16 Deferred tax assets (net)	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	14.87	32.20	7.90
Deferred tax liabilities	2.37	0.58	0.38
Net Deferred tax assets	**12.50**	**31.62**	**7.52**
Deferred tax assets/(liabilities) arise from the following:			
Deferred income tax assets			
Deferred revenue	12.06	30.18	6.31
Right of use assets	0.01	0.15	-
Provision for doubtful debts	0.46	-	-
Expenses allowed on payment basis	2.34	1.87	1.59
	14.87	**32.20**	**7.90**
Deferred income tax liabilities			
Property, plant and equipment	2.04	0.58	0.32
Fair value changes in mutual fund investment	0.33	-	-
Others			0.06
	2.37	**0.58**	**0.38**
Net Deferred tax assets/(liabilities)	**12.50**	**31.62**	**7.52**

Changes in deferred tax (assets)/ liabilities in statement of profit and loss (credited)/ charged during the year	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Statement of profit and loss			
Deferred revenue	18.12	(23.87)	(1.07)
Right of use assets	0.15	0.15	-
Provision for doubtful debts	(0.46)	-	-
Expenses allowed on payment basis	(0.47)	(0.29)	(0.35)
Property, plant and equipment	1.46	0.26	0.32
Fair value changes in mutual fund investment	0.33	-	0.06
Total (credited)/ charged in statement of profit and loss	**19.13**	**(23.75)**	**(1.04)**
Other comprehensive income			
Remeasurement of post employment benefit obligations	0.04	(0.05)	0.03
Total (credited)/ charged in other comprehensive income	**0.04**	**(0.05)**	**0.03**

17 A Other liabilities	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	2.10	1.62	0.58
Other payables *	40.37	26.59	14.63
Total	**42.47**	**28.21**	**15.21**

* Includes amount aggregating to INR 8.05 million, INR 7.20 million and INR 6.46 million on March 31, 2022, March 31, 2021 and March 31, 2020 respectively determined and provided for Company's share and employee's share of provident fund, including interest and penalties.

17 B Contract liabilities	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current:			
Deferred revenue	71.03	30.21	15.59
Advance from customers	27.95	14.54	14.98
	98.98	**44.75**	**30.57**
Non-Current:			
Deferred revenue	50.36	47.99	6.68
Total	**50.36**	**47.99**	**6.68**

(All amounts are in INR Million, unless stated otherwise)

Revenue recognised that was included in the deferred revenue balance at the beginning of the year	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Revenue recognised that was included in the contract liability balance at the beginning of the year	30.21	15.59	12.74
Total	**30.21**	**15.59**	**12.74**

18 Trade payables	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 37)	3.67	43.56	1.82
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	133.74	143.00	27.95
Total	**137.41**	**186.56**	**29.77**

Particulars	**Outstanding as on March 31, 2022 from invoice date**						**Total**
	Unbilled	**Not due**	**Less than 1 year**	**1-2 yrs.**	**2-3 yrs.**	**More than 3 years**	
Undisputed trade payables							
Micro enterprises and small enterprises	-	-	3.67	-	-	-	**3.67**
Others	-	-	133.38	0.36	-	-	**133.74**
Total	**-**	**-**	**137.05**	**0.36**	**-**	**-**	**137.41**

Particulars	**Outstanding as on March 31, 2021 from invoice date**						**Total**
	Unbilled	**Not due**	**Less than 1 year**	**1-2 yrs.**	**2-3 yrs.**	**More than 3 years**	
Undisputed trade payables							
Micro enterprises and small enterprises	-	-	43.56	-	-	-	**43.56**
Others	-	-	142.26	0.24	0.50	-	**143.00**
Total	**-**	**-**	**185.82**	**0.24**	**0.50**	**-**	**186.56**

Particulars	**Outstanding as on March 31, 2020 from due date of invoice date**						**Total**
	Unbilled	**Not due**	**Less than 1 year**	**1-2 yrs.**	**2-3 yrs.**	**More than 3 years**	
Undisputed trade payables							
Micro enterprises and small enterprises	-	-	1.82	-	-	-	**1.82**
Others	-	-	27.02	0.93	0.00	-	**27.95**
Total	**-**	**-**	**28.84**	**0.93**	**0.00**	**-**	**29.77**

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AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)
CIN- U72900MH2012PLC236206
Annexure V: Notes to the Restated Financial Information
(All amounts are in INR Million, unless stated otherwise)

12C. Net debt reconciliation

An analysis of net debt and the movements in net debt for March 31, 2022, March 31, 2021 and March 31, 2020

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	25.96	43.61	12.32
Current and Non-current borrowings	-	(72.04)	(63.82)
Lease Liabilities	(5.91)	(8.96)	(10.05)
Investments	533.72	0.10	-
Net Cash/(Debt)	**553.77**	**(37.29)**	**(61.55)**

	Other assets		Liabilities from financing activities		Total
	Cash and cash Equivalents	Investments	Borrowings	Lease obligations	
Net debt as on April 01, 2019	6.22	-	(55.05)	(11.04)	(59.87)
Additions to lease liabilities	-	-	-	-	-
Cash flows	6.10	-	(8.77)	0.99	(1.68)
Interest Expenses	-	-	(7.25)	(0.71)	(7.96)
Interest paid	-	-	7.25	0.71	7.96
Net debt as on March 31, 2020	**12.32**	**-**	**(63.82)**	**(10.05)**	**(61.55)**
Additions to lease liabilities	-	-	-	(1.72)	(1.72)
Cash flows	31.29	0.10	(8.22)	2.81	25.98
Interest Expenses	-	-	(5.09)	(0.63)	(5.72)
Interest paid	-	-	5.09	0.63	5.72
Net debt as on March 31, 2021	**43.61**	**0.10**	**(72.04)**	**(8.96)**	**(37.29)**
Additions to lease liabilities	-	-	-	-	-
Fair value gain on valuation of investments	-	27.63	-	-	27.63
Cash flows	(17.65)	505.99	72.04	3.05	563.43
Interest Expenses	-	-	(0.60)	(0.49)	(1.09)
Interest paid	-	-	0.60	0.49	1.09
Net debt as on March 31, 2022	**25.96**	**533.72**	**-**	**(5.91)**	**553.77**

(All amounts are in INR Million, unless stated otherwise)

19	**Revenue from operations**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
	Revenue from Contracts with the Customers			
	Sale of products	2,153.14	670.26	134.47
	Sales of services	96.46	47.05	29.31
	Sale of spares	16.37	12.56	7.47
	Total	**2,265.97**	**729.87**	**171.25**

A	**Revenue from contracts with customers**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
	Disaggregation of revenue			
i	**Sale of Products**			
	Sale of oxygen generator set	2,153.14	670.26	134.47
	Sales of spares	16.37	12.56	7.47
ii	**Sales of services**			
	Annual maintenance contracts	2.63	2.86	2.56
	Comprehensive maintenance contracts	33.19	26.78	18.81
	Installation services and Service warranties	60.64	17.41	7.94
	Total	**2,265.97**	**729.87**	**171.25**
iii	**Timing of revenue recognition**			
	Point in time	2,192.64	690.57	141.94
	Over time	73.33	39.30	29.31
	Total	**2,265.97**	**729.87**	**171.25**

B	**Reconciliation of revenue recognised with contract price:**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
	Contract Price	2,415.31	822.61	208.50
	Adjustments for:			
	Contract liabilities	(149.34)	(92.74)	(37.25)
	Total	**2,265.97**	**729.87**	**171.25**

C The performance obligations are part of contracts that have an original expected duration of less than one year. Therefore, the company has used the practical expedient to not disclose the transaction price allocated to the remaining performance obligations.

20	**Other income**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
	Interest income on financial assets at amortised cost	0.29	0.34	0.24
	Net foreign exchange differences	3.07	1.96	0.90
	Unwinding of discount on security deposits	0.39	0.38	-
	Net fair value changes in mutual fund investment	1.33	-	-
	Net gain on sale of investments	26.30	-	-
	Other miscellaneous income	0.06	-	-
	Total	**31.44**	**2.68**	**1.14**

21	**Cost of Raw materials consumed**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
	Inventory at the beginning of the year	103.86	38.73	33.23
	Purchases	1,151.31	527.15	97.63
	Less: Inventory at the end of the year	466.80	103.86	38.73
	Total	**788.37**	**462.02**	**92.13**

(All amounts are in INR Million, unless stated otherwise)

22	Changes in inventories of finished goods and stores and spares	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	(Increase)/Decrease in Inventory of finished goods and stores and spares			
	Opening inventory			
	Stores and spares	22.62	10.60	9.53
	Finished goods	81.05	18.69	27.44
	Total	**103.67**	**29.29**	**36.97**
	Closing inventory			
	Stores and spares	19.72	22.62	10.60
	Finished goods	43.05	81.05	18.69
	Total	**62.77**	**103.67**	**29.29**
	(Increase)/Decrease in Inventory of finished goods and stores and spares	**40.90**	**(74.38)**	**7.68**

23	Employee benefit expense	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Salaries, wages and bonus	77.58	42.36	31.53
	Contribution to provident fund (refer note 32)	0.88	0.73	0.57
	Gratuity (refer note 32)	0.94	0.74	0.73
	Staff welfare expenses	2.68	0.08	0.03
	Total	**82.08**	**43.91**	**32.86**

24	Depreciation and amortisation expense	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Depreciation on property, plant and equipment	2.29	1.87	1.37
	Depreciation on right of use of assets	3.97	3.89	2.53
	Amortisation of intangible assets	-	-	1.10
	Total	**6.26**	**5.76**	**5.00**

25	Finance cost	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Interest on borrowings from banks	0.60	5.09	7.25
	Interest on lease liabilities (refer note 4)	0.49	0.63	0.71
	Interest on delayed payment of income taxes	12.31	8.35	-
	Total	**13.40**	**14.07**	**7.96**

26	Other expenses	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Repairs and maintenance-machines	0.10	0.10	-
	Repairs and maintenance-others	1.65	0.14	0.38
	Power and fuel	0.22	0.08	0.08
	Legal and professional fees	2.68	1.16	0.76
	Payment to Auditors (refer note 26(a) below)	2.20	0.25	0.10
	Insurance	0.76	0.20	0.04
	Rent	0.29	-	0.12
	Travelling and conveyance	18.03	12.63	9.26
	Allowance for credit losses	1.82	0.01	-
	Communication expenses	1.82	0.52	0.41
	Sales and promotion expenses	1.98	2.54	0.65
	Loading and unloading charges	5.50	4.35	0.50
	Bad debts written off	2.98	18.27	-
	Rates and taxes	2.76	1.90	0.56
	Printing and stationery	0.28	0.13	0.16
	Freight octroi and packing expenses	15.01	7.33	1.70
	Expenditure towards corporate social responsibility activities (Refer Note 38)	14.63	-	-
	Sales Commission	80.73	10.41	2.08
	Miscellaneous expenses	7.76	6.13	1.70
	Total	**161.20**	**66.15**	**18.50**

(All amounts are in INR Million, unless stated otherwise)

26 (a) Details of payment to auditors	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to auditors			
As auditor:			
a. Audit fees	2.20	0.21	0.06
b. Tax audit fee	-	0.04	0.04
Total	**2.20**	**0.25**	**0.10**

27 Income tax expense	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax			
Pertaining to profit for the current year	285.69	80.04	1.70
Deferred tax	19.13	(23.75)	(1.04)
Income tax expense	**304.82**	**56.29**	**0.66**

27A Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before income tax expenses	1,205.20	215.02	8.26
Tax at the Indian tax rate of 25.168% (March 31, 2021 - 25.17%; 31 March 31, 2020 - 26%)	303.32	54.12	2.08
Tax effect of amounts:			
Income chargeable at lower rate	(2.24)	-	-
Expenses not allowable for tax purposes	4.04	2.10	-
Income taxed in earlier year	-	-	(2.52)
Others	(0.30)	0.07	1.10
Total	**304.82**	**56.29**	**0.66**
Net current tax expenses recognised in Statement of Profit & Loss	**304.82**	**56.29**	**0.66**

B. Tax Movement:

	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening current tax (liabilities)/ assets	(66.66)	0.52	-
Provision for the current year	(285.69)	(80.04)	(1.70)
Taxes paid	303.55	12.86	2.22
Closing current tax (liabilities)/ assets	**(48.80)**	**(66.66)**	**0.52**

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28 First-time adoption of Ind AS
Transition to Ind AS

The accounting policies set out in Annexure V have been applied in preparing the Restated Financial Information for the year ended March 31, 2022, March 31, 2021 and March 31, 2020. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1 ,2020 while preparing Restated Financial Information for the year ended March 31, 2020. Accordingly, suitable restatement adjustments are made in the financial statements as of March 31, 2020 and April 1, 2019 and for the year ended March 31, 2020.

An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's Financial Information is set out in the following tables and notes.

(a) Exemptions and exceptions availed
In preparing financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A.1 Ind AS mandatory exceptions

A.1.1 Estimates

a. The estimates at April 01, 2019 and at March 31, 2020 and March 31, 2021 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation.

A.1.2. Classification and measurement of financial assets

b. Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

A.2 Optional exemptions availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

A.2.1 Determining whether an arrangement contains a lease:
(i) Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

(ii) The Company as a first time adopter of Ind AS has recognised lease liabilities and right of use of assets, by applying the following approach to all of its leases at the date of transition:
(A) measure lease liability at the present value of the remaining lease payment discounted using the lessee's incremental borrowing rate at the date of transition of Ind AS.
(B) measure a right of use of asset on a lease by lease basis at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (lease equalisation reserve) relating to that lease recognised in the Balance Sheet immediately before the date of transition.

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(All amounts are in INR Million, unless stated otherwise)

Explanation of transition to Ind AS

The below mentioned reconciliations provide a quantification of the effect of significant differences arising from Indian GAAP to Ind AS in accordance with Ind AS 101 for the following:

Reconciliation of Equity

I Reconciliations between Ind AS and previous GAAP for Equity:

Particulars	Notes	As at March 31, 2021	As at March 31, 2020	As at April 1, 2020	As at April 1, 2019
Equity as per previous GAAP		**262.71**	**52.32**	**52.32**	**48.44**
Ind AS adjustments [Increase/ (decrease) in equity] (A)					
Ind AS 115 "Revenue from contracts with customers"	i (a)	(122.76)	(8.88)	(8.88)	(21.50)
Inventory in respect to the above adjustment	i (a)	81.05	6.07	6.07	18.26
Impact of Ind AS 116	ii	(0.35)	(1.51)	-	-
Tax impact on above adjustments		10.58	0.41	0.70	0.82
Total (A)		**(31.48)**	**(3.91)**	**(2.11)**	**(2.42)**
Changes due to correction of errors (B)					
Revenue recognition	i (b)	(78.20)	(22.27)	(22.27)	(17.60)
Accrual of employee benefit obligations	iii	(17.39)	(15.35)	(15.35)	(13.04)
Inventory	iv	48.36	(1.90)	(1.90)	(12.44)
Tax impact on above adjustments		8.65	7.50	7.50	5.95
Short payment of taxes for the year		(7.20)	-	-	-
Interest on delayed payments		(8.35)	-	-	-
Total (B)		**(54.14)**	**(32.02)**	**(32.02)**	**(37.13)**
Equity as per Ind AS		**177.09**	**16.39**	**18.21**	**8.89**

II Reconciliations between Ind AS and previous GAAP for total comprehensive income

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Net income under previous GAAP		**210.39**	**4.82**
Changes due to accounting policy (A)			
Ind AS 115 "Revenue from contracts with customers"	i (a)	(113.88)	12.63
Inventory in respect to the above adjustment	i (a)	74.98	(12.19)
Impact of Ind AS 116	ii	(0.35)	(1.51)
Tax impact on above adjustments		9.87	(0.27)
Total (A)		**(29.38)**	**(1.35)**
Changes due to rectification of errors (B)			
Revenue		(55.93)	(4.67)
Accrual of employee benefit obligations	i (b)	(2.04)	(2.31)
Inventory	iii	50.08	9.70
Tax impact on above adjustments	iv	1.16	1.41
Short payment of taxes for the year		(7.20)	-
Interest on delayed payments		(8.35)	-
Total (B)		**(22.28)**	**4.13**
Profit for the year under Ind AS		**158.73**	**7.60**
Other comprehensive income			
Remeasurement of post employment benefit obligations net of tax		0.15	(0.09)
Total Other comprehensive income as per Ind AS		**158.88**	**7.51**

(All amounts are in INR Million, unless stated otherwise)

i **Ind AS 115 "Revenue from contracts with customers"**

(a) Under the previous GAAP, revenue was recognised when risks and rewards of the goods were transferred to the customer whereas under Ind AS, revenue is recognised when the control of the goods is transferred to the customer. This has resulted in shift in the timing of recognition of revenue on sale of goods to the customers. Below table summarises impact of all the performance obligations not getting satisfied as on the date of transition, March 31, 2021, March 31, 2020 and April 1, 2019.

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Increase in Inventory	81.05	6.07	18.26
Decrease in trade receivables	(122.76)	(8.88)	(21.50)
Net impact on total equity	(41.71)	(2.81)	(3.24)
Net increase / (decrease) in revenue for the year	(113.88)	12.63	
Increase in inventory	74.98	(12.19)	
Decrease in profit before tax for the year	(38.90)	0.44	

The change in total equity as on April 1, 2020 is same as that of March 31, 2020

(b) The Company had incorrectly recorded revenue for certain contracts at point in time instead of over the period of the contract. These contract were in the nature of maintenance contracts and service warranties. The Company has rectified the same, thus resulting into a increase in deferred revenue by INR 78.20 million, INR 22.27 million and INR 17.60 million as on March 31, 2021, March 31, 2020 and April 01, 2019 respectively. This has also resulted in decrease in revenue by INR 55.93 million and INR 4.67 million for the year ended March 31, 2021 and March 31, 2020.

ii **Impact on Ind AS 116 leases**

On transition to Ind AS, the Company has recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under previous GAAP. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of the transition date with a corresponding debit to Right-of-use asset, after adjusting amount of any prepaid or accrued lease payments relating to the lease recognised.

Under Ind AS, all lease contracts, with limited exceptions for short term and low value leases, are recognized in the financial statements by way of right-of use assets and corresponding lease liabilities. This resulted in recognition of "Right-of-Use asset" (ROU) of Rs. 11.35 million and a corresponding "lease liability" of Rs 10.05 million as on the date of transition and ROU of Rs. 11.04 million and a corresponding lease liability of 11.04 million as on the April 1, 2019. The rental expenses recognised in statement of profit and loss for the year ended March 31, 2021 and March 31, 2020 under previous GAAP has been replaced by the recognition of depreciation expense on ROU asset and interest expense on lease liability. The related impact on statement of Profit and Loss is as given below

	Statement of profit and loss		Change in equity	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
Depreciation and amortisation expenses	3.54	2.53	3.54	2.53
Finance Cost	0.63	0.71	0.63	0.71
Unwinding of discount on security deposits	(0.38)	-	(0.38)	-
Other expenses	(3.44)	(1.70)	(3.44)	(1.70)
Total	0.35	1.54	0.35	1.54

iii **Accrual of employee benefit obligations**

In the previous years, the Company had not recognised certain employee benefit obligations (both long term and short term). As on April 1, 2019, the Company has accrued a liability of INR 13.04 million for the earlier years, thus resulting into reduction of equity as on April 1, 2019 with the same amount.

The Company has further recognised a liability of INR 2.31 million for the year ended March 31, 2020 and INR 2.04 million for the year ended March 31, 2021. resulting into a decrease in profits before tax by the same amount in the respective years, and a reduction in total equity of INR 15.35 million and INR 17.39 as of March 31, 2020 and March 31, 2021 respectively.

iv **Inventory**

As of March 31, 2019, March 31, 2020 and March 31, 2021, the Company had incorrectly recorded and valued the inventories. The Company has rectified the same, thus resulting into a decrease of INR 12.44 million in the inventory as on April 1, 2019 and increase in inventory by Rs 1.90 million and 48.36 million for March 31, 2020 and March 31, 2021 respectively and corresponding increase / decrease in total equity with the same amount in the respective years. The increase / decrease in inventory balances has resulted into an increase in profit before tax by INR 9.70 million and INR 50.08 million for the year ended March 31, 2020 and March 31, 2021 respectively.

(All amounts are in INR Million, unless stated otherwise)

29 Financial Risk Management

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. This note explains the nature and source of financial risks and the Company's consideration of these risks for the purpose of financial reporting.

(A) Credit Risk

Credit risk arises from cash and cash equivalents, investments, and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and other financial assets. Trade receivables are majorly unsecured and are derived from revenue earned through customers.

The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by the management. In case of sale of equipment, the Company generally obtains advance against sales order for substantial portion of the order value. The risk of credit loss mainly arises from delay in payment beyond the credit period and occasional dispute around the product performance. For maintenance services, the Company generally bills and collects the amount in advance leading to minimisation of the credit risk

The Company has used the expected credit loss model to assess the impairment loss on trade receivables and other financial assets, and has provided it wherever appropriate. The expected loss has been calculated considering the existing dispute with identified customers and payment profile over the last 24 months.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by International and domestic credit rating agencies. Investment primarily include investment in liquid mutual funds with high credit ratings.

(B) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and maintains adequate source of financing, if required, through the use of short term bank deposits. Processes and policies related to such risks are overseen by senior management.

Maturities of financial liabilities
The table below provides details regarding the contractual maturities of significant financial liabilities:

Contractual maturities of financial liabilities: (undiscounted)

Particulars	Less than 6 months	6 Months- 1 year	1-2 years	More than 2 years	Total
March 31, 2022					
Borrowings	-	-	-	-	-
Lease liabilities	1.79	1.83	2.47	0.15	6.24
Trade payables	134.92	2.13	0.36	-	137.41
Other Financial Liabilities	-	2.98	-	-	2.98
Total	**136.70**	**6.94**	**2.83**	**0.15**	**146.63**
March 31, 2021					
Borrowings	64.04	-	8.00	-	72.04
Lease liabilities	1.79	1.75	3.62	2.64	9.80
Trade payables	185.67	0.15	0.24	0.50	186.56
Total	**251.50**	**1.90**	**11.86**	**3.14**	**268.40**
March 31, 2020					
Borrowings	57.09	-	6.73	-	63.82
Lease liabilities	1.59	1.84	3.53	6.26	13.22
Trade payables	28.79	0.05	0.93	-	29.77
Total	**87.47**	**1.89**	**11.19**	**6.26**	**106.81**

(All amounts are in INR Million, unless stated otherwise)

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks majorly includes financial assets and liabilities in foreign currency and investments in quoted instruments. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks.

(i) Foreign currency risk

The Company's risk to foreign exchange fluctuations arises mainly from foreign currency transactions, primarily with respect to the trade payables. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Trade Payables			
USD	96.57	58.97	17.13
EUR	0.78	0.07	0.03

Sensitivity

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation for the period end for a 10% average change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupees strengthened 10% against the relevant currency. For a 10% weakening of the Rupees against relevant currency, there would be a comparable impact on the profits or equity, and the balances below would be negative.

Sensitivity Analysis

Particulars	Impact on profit after tax		
	March 31, 2022	March 31, 2021	March 31, 2020
USD Sensitivity			
INR/USD - increase by 10%	(9.66)	(5.90)	(1.71)
INR/USD - decrease by 10%	9.66	5.90	1.71
EUR Sensitivity			
INR/EUR - increase by 10%	(0.08)	(0.01)	0.00
INR/EUR - decrease by 10%	0.08	0.01	(0.00)

*** Holding other variables constant**

ii) Price risk

(a) Exposure

Security price risk is the risk that the fair value of a financial instrument will fluctuate due to change in market traded prices. The company invests its surplus funds primarily in liquid schemes of mutual funds (debt instruments) which are categorised as low risk products from liquidity and interest rate perspectives. The carrying amount of the Company's investments are designated as at fair value through profit or loss at the end of the reporting period.[Refer Note 5(a)].

b) Sensitivity

Company has invested in the growth model of these securities as at the year end. The sensitivity analysis below is presented with reference to changes in NAV of these securities:-

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
NAV- Increase by 1%*	5.34	0.00	-
NAV- Decrease by 1%*	(5.34)	(0.00)	-

* holding all other variables constant

(All amounts are in INR Million, unless stated otherwise)

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

a) Interest rate risk exposure

On Financial Liabilities

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Variable rate borrowings	-	72.04	63.82
Total	-	72.04	63.82

b) Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Interest expense rates- Increase by 50 basis points (50 bps)*	-	0.36	0.32
Interest expense rates- Decrease by 50 basis points (50 bps)*	-	(0.36)	(0.32)

* holding all other variables constant

30 Capital management

i. **Risk management**

For the purposes of the Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 , March 31, 2021 and March 31, 2020.

(All amounts are in INR Million, unless stated otherwise)

31 Fair value measurements

a) Financial instruments by category

	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	FVTPL	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVPL**	**Amortised cost**
Financial assets						
Security deposits	-	5.85	-	5.27	-	4.69
Trade receivables	-	115.58	-	266.65	-	33.32
Cash and bank balances	-	25.96	-	43.61	-	12.32
Bank balances other than cash and cash equivalents	-	4.41	-	1.58	-	0.59
Investments	533.72	-	0.10	-	-	-
Other financial assets	-	28.89	-	24.86	-	1.69
Total financial assets	**533.72**	**180.69**	**0.10**	**341.97**	**-**	**52.61**
Financial liabilities						
Borrowings	-	-	-	72.04	-	63.82
Trade payables	-	137.41	-	186.56	-	29.77
Other financial liabilities	-	2.98	-	-	-	-
Total financial liabilities	**-**	**140.39**	**-**	**258.60**	**-**	**93.59**

b) Fair value hierarchy

Items of recurring fair value measurements only include investments in mutual funds which are classified as Level 1 investments. Fair value of items measured at amortised cost as presented in table in note a) above are not materially different from their carrying value primarily due to their short -term nature and at market rate of interest.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfer of levels during the year.

For other financial assets and liabilities that are measured at amortised cost, the carrying amounts approximate the fair value.

(All amounts are in INR Million, unless stated otherwise)

32 Employee benefit obligations

(a) Defined contribution plan and amounts recognised in the statement of profit and loss

	March 31, 2022	March 31, 2021	March 31, 2020
Contribution to provident fund	0.88	0.73	0.57

(b) Defined benefit plans

A. Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a unfunded plan.

Details of changes and obligation under the gratuity plan is given as below:-

I Changes in obligation during the years ended March 31, 2022, March 31, 2021 and March 31, 2020

		March 31, 2022	March 31, 2021	March 31, 2020
(i)	Opening balance	3.25	2.72	1.87
(ii)	Current service cost	0.70	0.55	0.57
(iii)	Interest cost	0.24	0.19	0.16
(iv)	Remeasurements	0.16	(0.20)	0.12
	Present value of obligation as at year end	**4.35**	**3.25**	**2.72**

II Net liabilities recognised in the balance sheet as at March 31, 2022, March 31, 2021 and March 31, 2020

		March 31, 2022	March 31, 2021	March 31, 2020
(i)	Present value of obligation as at year end	4.35	3.25	2.72
(ii)	Liabilities recognised in the balance sheet			
	- Current	0.38	0.29	0.25
	- Non- current	3.97	2.96	2.47

III Expense recognized in the statement of profit and loss for the years ended March 31, 2022, March 31, 2021 and March 31, 2020

		March 31, 2022	March 31, 2021	March 31, 2020
(i)	Current service cost	0.70	0.55	0.57
(ii)	Interest cost	0.24	0.19	0.16
	Net expenses recognised in the statement of profit and loss	**0.94**	**0.74**	**0.73**

IV Remeasurement of (Gain)/loss recognised in other comprehensive income

		March 31, 2022	March 31, 2021	March 31, 2020
(i)	Actuarial changes arising from changes in financial assumptions	(0.12)	(0.02)	0.16
(ii)	Actuarial changes arising from changes in experience adjustments	0.28	(0.18)	(0.04)
	Net expenses/ (gain) recognised in other comprehensive income	**0.16**	**(0.20)**	**0.12**

V Principal actuarial assumptions

		March 31, 2022	March 31, 2021	March 31, 2020
(i)	Discount rate (per annum)	7.12%	6.71%	6.61%
(ii)	Salary growth rate	10.00%	10.00%	10.00%
(iii)	Mortality Rate	IALM 2012-14	IALM 2012-14	IALM 2012-14
(iv)	Retirement age	60/68 years	60/68 years	60/68 years
(v)	Withdrawal rate (per annum)	15.00%	15.00%	15.00%

(All amounts are in INR Million, unless stated otherwise)

VI Quantitative sensitivity analysis for significant assumptions is as below:

(Increase) / decrease in present value of defined benefits obligations at the end of the period/year	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Discount rate			
Increase by 1%	(0.27)	(0.21)	(0.18)
Decrease by 1%	0.31	0.23	0.20
Salary Increase			
Increase by 1%	0.26	0.20	0.17
Decrease by 1%	(0.25)	(0.19)	(0.17)
Withdrawal rate			
Increase by 1%	(0.04)	(0.04)	(0.04)
Decrease by 1%	0.04	0.04	0.04

Sensitivity due to mortality and attrition are not material and hence, impact of change due to these assumptions are not calculated.

VII Maturity profile of defined benefit obligations

Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
0 to 1 year	0.40	0.31	0.25
1 to 2 year	0.44	0.31	0.25
2 to 3 year	0.47	0.34	0.26
3 to 4 year	0.47	0.35	0.29
4 to 5 year	0.57	0.35	0.29
5 year onwards	5.43	3.99	3.40

VIII The average duration of the defined benefit plan obligation at the end of the March 31, 2022 is 21 years (March 31, 2021: 22 years: March 31, 2020: 23 years)

IX The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

X The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of each reporting period.

XI The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

B. Risk Exposure

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

(i) Discount rate

The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(ii) Salary escalation rate

More than expected increase in the future salary levels may result in change in the liability.

(iii) Employee Turnover rate/Withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in change in the liability

(iv) Mortality / Disability

If the actual mortality rate in the future turns out to be more or less than expected then it may result in change in the liability

(All amounts are in INR Million, unless stated otherwise)

33 Related party disclosures:

In accordance with the requirements of Ind AS 24, following are details of the transactions during the year with

(a) Names of related party and related party relationship

Ultimate Controlling Party	Mr. Sanjay Jaiswal, Managing Director
Other parties controlled by the Ultimate Controlling party	M/s. Hotel Avon International
Key Management Personnel (KMP) & their relatives having control over the Company	Mrs. Ashima Jaiswal- Director

(b) Details of related party transactions and outstanding balances for the year ended year ended March 31, 2022
The following table provides the total amount of transactions that have been entered into with related parties and balance as the year end.

		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Transaction entered during the year			
1	**Lease payments**			
	Key Management Personnel & their relatives			
	Principal portion			
	Sanjay Jaiswal	1.98	1.98	1.17
	Ashima Jaiswal	0.90	0.90	0.24
	Interest portion			
	Sanjay Jaiswal	0.25	0.36	0.44
	Ashima Jaiswal	0.16	0.21	0.24
2	**Managerial Remuneration**			
	Key Management Personnel & their relatives			
	Sanjay Jaiswal	19.20	9.60	4.80
	Ashima Jaiswal	19.20	9.60	2.70
3	**Acquisition of right of use asset**			
	Sanjay Jaiswal	-	-	1.30
4	**Security deposit given**			
	Sanjay Jaiswal	-	-	4.70
5	**Other parties controlled by the Ultimate Controlling party**			
	Promotional expenses			
	M/s. Hotel Avon International	0.14	0.02	-
	Balance as at year end			
1	**Lease liabilities**			
	Sanjay Jaiswal	2.83	4.57	6.19
	Ashima Jaiswal	2.07	2.81	3.50
2	**Security deposit receivable***			
	Sanjay Jaiswal	5.42	5.06	4.70
3	**Other receivables**			
	Sanjay Jaiswal	5.72	-	-
	Ashima Jaiswal	2.41	-	-

* Includes unwinding of interest

Note - In addition to the hypothecation of Company's fixed assets and current assets, Mr. Sanjay Jaiswal and Mrs. Ashima Jaiswal has also given personal guarantee in the form of providing mortgage of their personal properties for the credit facilities availed by the Company from Bank of Maharashtra Limited and Kotak Mahindra Bank Limited.

(All amounts are in INR Million, unless stated otherwise)

34	Contingent liabilities and commitments	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Claims against the company not acknowledged as debts:			
	Income tax matters	1.57	0.17	0.01
	Sales tax and Service tax matters	12.36	12.36	11.02
	Total contingent liabilities	**13.93**	**12.53**	**11.03**

i It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities.

35	Earnings per share	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Restated net profit /(loss) for calculation of basic EPS	900.38	158.73	7.60
(b)	Weighted average number of equity shares outstanding during the year	22,321,426	22,321,750	22,321,750
	Restated basic earnings per share**	**40.34**	**7.11**	**0.34**

** Diluted earnings per share is same as basic earning per share as there are no potential equity shares.
As stated in note 10, the Company has issued bonus shares in the current year. The weighted average number of shares for previous years have also been therefore restated to reflect the issue of such bonus shares. Impact of buy back of shares have been given to the current year weighted average number of shares

36 Segment Information

The Company is engaged in the business of sale of oxygen generators and other ancillary activities. The Chief Operating Decision Maker ("CODM") of the Company examines the performance and make decisions for resource allocation. The CODM reviews these activities as one single segment to evaluate the overall performance of Company's operations. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the years, is as reflected in the Restated Financial Information. Geographical segment revenue from external customers by location of customers are not given as 100% of the revenue from operations are from India.

Major Customer: Revenue from 2 customers (March 31, 2021, 2 customers and March 31, 2020, NIL) of the Company's business are INR. 573.07 million (March 31, 2021 INR. 342.92 million and March 31, 2020 INR NIL million) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for all the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

(This space has been intentionally left blank)

(All amounts are in INR Million, unless stated otherwise)

37 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') has been determined to the extent such parties have been identified on the basis of information available with the company. The amount of principal and Interest outstanding during the year is given below:

		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	3.67	43.56	1.82
b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.29	0.05	0.01
c)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
d)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
e)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
f)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.24	0.04	0.01
g)	Further interest remaining due and payable for earlier years	0.05	0.01	-

38 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects.

Corporate Social Responsibility (CSR)

	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount spent during the year on various projects	14.63	-	-
Amount required to be spent as per Section 135 of Companies Act, 2013	1.32	-	-
Amount spent during the year on:			
(i) Construction of an asset	-	-	-
(ii) on purposes other than (i) above	14.63	-	-
Accrual towards unspent obligations in relation to:		-	-
- Ongoing Project	-	-	-
- Other than ongoing Project	-	-	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31 March 2022
-	1.32	14.63	13.31

39 During the year, the Company has identified the following non-compliances with labour laws and has taken following steps for regularizing the same:

1) Employees' Provident Funds & Miscellaneous Provisions Act, 1952 - The Company inadvertently had not paid its share and employee's share of provident fund for certain employees since their joining. Subsequent to the year ended March 31, 2022, the authorities visited the Company on May 23, 2022 and based on their review of relevant records, instructed the Company to remit the dues for the period from April 2013 to April 2022 amounting to INR 0.83 million without providing the details of the amount computed by them. Accordingly, the Company paid the said amount on June 09, 2022 and August 17, 2022.

2) Employees' State Insurance Act, 1948 - The Company had not obtained registration under the ESI Act and consequently not paid the dues payable to the authorities in respect of its employees covered thereunder. Subsequent to the year end, the Company has registered itself with the authorities, w.e.f April 01, 2022 and with the involvement of external consultants has determined and recorded total liability of INR 1.74 million, INR 1.51 million and INR 1.41 million on March 31, 2022, March 31, 2021 and March 31, 2020 respectively for the expected liability including interest and penalties for non registration and non-payment of dues for the respective years. The Company has approached the relevant authorities for their assessment of the dues and guidance with the payment thereof and awaits response.

3) The Payment of Bonus Act, 1965 - The Company had not paid the statutory bonus payable to its eligible employees in the current and earlier years. The management with the involvement of external consultants has determined and recorded total liability of INR 4.59 million, INR 3.79 million and INR 3.14 million as on March 31, 2022, March 31, 2021 and April 01, 2020 respectively for the expected liability. Subsequent to the year end, the Company has made payment aggregating INR 2.39 million to the existing employees on August 04, 2022 and is making efforts to identify the erstwhile employees and settle their dues, as applicable.

40 Pursuant to Section 63 of the Companies Act, 2013, the Company has issued bonus shares during the year and in the previous years, in the presence of defaults on account of non-payment of statutory dues of the employees as described in the Note 39 above. Pursuant to the detection of non-compliance mentioned in Note 39, an application for compounding of offence has been made to the Ministry of Corporate Affairs (MCA) dated August 07, 2022. The Company has received the final order on August 30, 2022 and has made necessary payments for penalties as prescribed in the said final order.

41 The Company in its extraordinary general meeting of the shareholders on April 25, 2022 approved the conversion of the Company into a Public Limited Company in terms of the relevant provisions of the Companies Act, 2013, and the rules made thereunder. Upon conversion, name of the Company has been changed to "Airox Technologies Limited" and a fresh certificate of incorporation dated May 18, 2022 has been issued by the Registrar of Companies (ROC).

(All amounts are in INR Million, unless stated otherwise)

42 Additional regulatory information required by Schedule III

A) Ratio Analysis & its elements

Particulars	Times/ %	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	% change from March 31, 2021 to March 31, 2022	% change from March 31, 2020 to March 31, 2021	% change from March 31, 2021 to March 31, 2022	% change from March 31, 2020 to March 31, 2021
Current ratio	Times	3.88	1.34	0.90	290%	149%	The increase in mainly on account of increase in the Investment in mutual funds. Further, the trade receivables have decreased and Inventory is increased in line with the increase in the revenue.	The ratio has improved mainly because of increase in Inventory and trade receivable in line with revenue. The increase in above is more in proportion as compared to increase in trade payables.
Debt-Equity Ratio	Times	0.01	0.46	4.51	1.20%	10.15%	The change is not material.	The change is not material.
Debt Service Coverage ratio	Times	(0.37)	19.49	2.13	-2%	916%	Debt Service ratio is earnings available for debt divided by debt (including leases). Considering the increase in the profit & reduction in debt, this ratio has improved.	Debt Service ratio is earnings available for debt divided by debt (including leases). Considering the increase in the profit, this ratio has improved.
Return on Equity ratio	%	83.74%	89.63%	46.37%	93.43%	193.30%	The change is because of increase in profitability.	The change is because of increase in profitability.
Inventory Turnover ratio	Times	2.25	2.81	1.44	80%	195%	Considering the increase in the purchases in line with the revenue, the inventory turnover ratio has increased.	Considering the increase in the purchases in line with the revenue, the inventory turnover ratio has increased.
Trade Receivable Turnover Ratio	Times	11.86	4.87	4.03	244%	121%	Considering the increase in the revenue, the trade receivable turnover ratio has increased.	Considering the increase in the revenue, the trade receivable turnover ratio has increased.
Trade Payable Turnover Ratio	Times	7.11	4.87	2.83	146%	172%	Considering the increase in the cost of goods sold in line with the revenue, the trade payable turnover ratio has increased.	Considering the increase in the cost of goods sold in line with the revenue, the trade payable turnover ratio has increased.
Net Capital Turnover Ratio	Times	2.35	5.46	(13.59)	43%	-40%	Considering the increase in the revenue, the net capital turnover ratio has increased.	Considering the increase in the amount of working capital, the net capital turnover ratio has decreased.
Net Profit ratio	%	39.19%	21.67%	4.41%	180.87%	491.60%	Considering the increase in the revenue and the resultant profitability, the net profit ratio has increased.	Considering the increase in the revenue and the resultant profitability, the net profit ratio has increased.
Return on Capital Employed	%	107.64%	94.68%	41.05%	113.69%	230.62%	Considering the increase in the revenue and the resultant profitability, the return on capital employed has increased.	Considering the increase in the revenue and the resultant profitability, the return on capital employed has increased.
Return on Investment	%	83%	36%	9%	231%	389%	Considering the increase in the revenue and the resultant profitability, the return on investment ratio has increased.	Considering the increase in the revenue and the resultant profitability, the return on investment ratio has increased.

Element of Ratio			For the year ended March 31, 2022		For the year ended March 31, 2021		For the year ended March 31, 2020	
Ratios	Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	Numerator	Denominator
Current ratio	Current Assets	Current Liabilities	1,298.68	334.36	527.27	393.55	122.00	135.70
Debt-Equity Ratio	Debt (borrowing+lease liabilities)	Total Equity	5.92	1,075.19	81.00	177.09	73.87	16.39
Debt Service Coverage ratio	Profit for the period/year + Finance cost + Depreciation	Lease liabilities + Interest accrued on borrowings	920.05	(2,460.80)	178.56	9.16	20.56	9.66
Return on Equity ratio	Profit for the period/year	Total Equity	900.38	1,075.19	158.73	177.09	7.60	16.39
Inventory Turnover ratio	Purchases+Changes in inventories	Average Inventory	829.27	368.55	387.64	137.78	99.81	69.11
Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivable	2,265.97	191.12	729.87	149.99	171.25	42.49
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	1,151.31	161.99	527.15	108.17	97.63	34.54
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	2,265.97	964.32	729.87	133.72	171.25	(12.60)
Net Profit ratio	Profit for the period/year	Total income	900.38	2,297.41	158.73	732.55	7.60	172.39
Return on Capital Employed	Earning before interest and tax	Total Assets - Current liabilities	1,218.60	1,132.10	229.09	241.96	16.22	39.51
Return on Investment	Earning before interest and tax	Total Assets	1,218.60	1,466.46	229.09	635.51	16.22	175.21

42B **Other regulatory information required by Schedule III**

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Wilful defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

c) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

d) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

e) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact for the years ended March 31, 2022, March 31, 2021 and March 31, 2020

f) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

g) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

h) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the years ended March 31, 2022, March 31, 2021 and March 31, 2020

i) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the years March 31, 2022, March 31, 2021 and March 31, 2020

j) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in note 3 (a) to the financial statements, are held in the name of the Company.

k) Borrowings secured against the current assets

List of banks to which current assets statements are submitted:

Bank Name

Kotak Mahindra Bank Limited

Bank of Maharashtra Limited

(Amount in Million)

Quarter ended	**Particulars of securities provided**	**Amount as per books of account**	**Amount as reported in the quarterly**	**Amount of difference**	**Reason for material discrepancies**
March, 2022	Trade receivables and contract assets	230.44	230.44	-	
March, 2022	Inventories	420.60	505.80	(85.20)	The difference is on account of period end closing entries
December, 2021	Trade receivables and contract assets	167.68	167.68	-	
December, 2021	Inventories	374.90	329.70	45.20	The difference is on account of period end closing entries
September, 2021	Trade receivables and contract assets	375.61	375.61	-	
September, 2021	Inventories	225.00	159.63	65.37	The difference is on account of period end closing entries
June, 2021	Trade receivables and contract assets	388.06	388.06	-	
June, 2021	Inventories	160.00	147.60	12.40	The difference is on account of period end closing entries
March, 2021	Trade receivables and contract assets	108.34	108.34	-	
March, 2021	Inventories	126.66	399.20	(272.54)	The difference is on account of period end closing entries and error in inventory recording.
December, 2020	Trade receivables and contract assets	110.30	110.30	-	
December, 2020	Inventories	154.60	212.22	(57.62)	The difference is on account of period end closing entries and error in inventory recording.
September, 2020	Trade receivables and contract assets	62.90	62.90	-	
September, 2020	Inventories	81.48	62.76	18.72	The difference is on account of period end closing entries and error in inventory recording.
June, 2020	Trade receivables and contract assets	74.24	74.24	-	
June, 2020	Inventories	45.56	53.46	(7.90)	The difference is on account of period end closing entries and error in inventory recording.
March, 2020	Trade receivables and contract assets	18.02	18.02	-	
March, 2020	Inventories	49.33	58.10	(8.77)	The difference is on account of period end closing entries and error in inventory recording.
December, 2019	Trade receivables and contract assets	18.02	18.02	-	
December, 2019	Inventories	61.05	74.42	(13.37)	The difference is on account of period end closing entries and error in inventory recording.

(All amounts are in INR Million, unless stated otherwise)

September, 2019	Trade receivables and contract assets	37.39	37.39	-	
September, 2019	Inventories	35.06	45.08	(10.02)	The difference is on account of period end closing entries and error in inventory recording.
June, 2019	Trade receivables and contract assets	11.99	11.99	-	
June, 2019	Inventories	42.78	68.65	(25.87)	The difference is on account of period end closing entries and error in inventory recording.

l) Registration of charges or satisfaction with Registrar of Companies
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

m) Utilisation of borrowings availed from banks
The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were was taken.

43 The Novel Coronavirus (COVID-19), a Global Pandemic, has rapidly spread throughout the world. Outbreak of COVID - 19 has significantly affected the social and economic activities worldwide and, as a result, could affect the operations and results of the Company. In line with the advisories, orders and directions issued by the local and state government authorities to prevent and contain the spread of Coronavirus, the Management has taken necessary measures. The Management has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic in the assessment of recoverability of trade receivables and contract assets upto the date of approval of these financial results. In this assessment, the Company has performed sensitivity analysis on the key assumptions used. However, the impact assessment of COVID-19 is an ongoing process, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any significant impact on the Company's financial position.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: - 012754N/N500016

For and on behalf of the board of Directors of
AIROX TECHNOLOGIES LIMITED
(Formerly known as Airox Technologies Private Limited)

Neeraj Sharma
Partner
Membership no.: 108391

Sanjay Jaiswal
Managing Director
DIN No: 05359656

Ashima Jaiswal
Director
DIN No: 05359660

Radhamohan Garg
Chief Financial Officer

Sankalp Kandi
Company Secretary

Place: Mumbai
Date: September 29, 2022

Place: Aurangabad
Date: September 29, 2022

AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)
CIN- U72900MH2012PLC236206

Annexure VI: Statement of Adjustments to the Audited Financial Statements as at and for the year ended March 31, 2022 and Audited Special Purpose Financial Statements as at and for the year ended March 31, 2021 and March 31, 2020.

(All amounts are in INR Million, unless stated otherwise)

Summarized below are the restatement adjustments made to the Audited Financial Statements as at and for the year ended March 31, 2022, Audited Special Purpose Financial Statements as at and for the year ended March 31, 2021 and March 31, 2020 and their impact on equity and profit of the Company.

Part A: Statement of Adjustments to Audited Financial Statements and Audited Special Purpose Financial Statements.
Reconciliation between audited equity and restated equity

	Particulars	Notes	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
A.	**Total Equity as per Audited Financial Statements and Audited Special Purpose Financial Statements**	**Annexure I**	1,075.19	177.09	16.39
B.	**Adjustments:**				
	Material restatement adjustment				
	(i) Audit qualifications		-	-	-
	(ii) Adjustments due to prior period items/other adjustment		-	-	-
	(iii) Change in accounting policies		-	-	-
	(iv) Deferred tax impact on adjustments, as applicable		-	-	-
C.	**Total impact of adjustments (i+ii+iii+iv)**		**-**	**-**	**-**
D.	**Total equity as per restated financial information (A+C)**		**1,075.19**	**177.09**	**16.39**

Reconciliation between audited profit and restated profit:

	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Profit after tax as per Audited Financial Statements and Audited Special Purpose Financial Statements**	**Annexure II**	900.38	158.73	7.60
B.	**Adjustments:**				
	Material restatement adjustment				
	(i) Audit qualifications		-	-	-
	(ii) Adjustments due to prior period items/other adjustment		-	-	-
	(iii) Change in accounting policies		-	-	-
	(iv) Deferred tax impact on adjustments, as applicable		-	-	-
C.	**Total impact of adjustments (i+ii+iii+iv)**		-	-	-
D.	**Restated profit after tax as per Restated Financial Information (A+C)**		**900.38**	**158.73**	**7.60**

Notes to adjustment:

i) Audit qualifications - There are no audit qualifications in auditor's report for the year ended March 31, 2022 , March 31, 2021, and March 31, 2020.

ii) Material regrouping/reclassification- There were no material regroupings/ reclassifications in Audited Financial Statements for the year ended March 31, 2022 and Audited Special Purpose Financial Statements for the years ended March 31, 2021 and March 31, 2020 requiring any adjustments in Restated Financial Information.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting period beginning on or after April 1, 2021. Pursuant to these amendments, the Company has made necessary regroupings/reclassification, as applicable, in the Audited Special Purpose Financial Statements. Therefore, no adjustments were necessary in the Restated Financial Information for all the years presented.

iii) Material errors - There were no material errors in Audited Financial Statements for the year ended March 31, 2022, Audited Special Purpose Financial Statements for the years ended March 31, 2021 and March 31, 2020 requiring any adjustments in Restated Financial Information.

AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)
CIN- U72900MH2012PLC236206

Annexure VI: Statement of Adjustments to the Audited Financial Statements as at and for the year ended March 31, 2022 and Audited Special Purpose Financial Statements as at and for the year ended March 31, 2021 and March 31, 2020.

(All amounts are in INR Million, unless stated otherwise)

Part B: Reconciliation of Retained Earning as per Special Purpose Financial Statements with Retained Earnings as per Restated Financial Information as at March 31, 2020

The Company has followed the same accounting policy choices as at April 01, 2019, as adopted on April 1, 2020 for transition to Ind AS, while preparing the Restated Financial Information for the ended March 31, 2022, March 31, 2021 and March 31, 2020.

The equity balance computed under Restated Financial Information for the year ended March 31, 2020 and equity balance computed on transition to Ind AS on April 01, 2020, differs due to adjustments made for the year ended March 31, 2020. Accordingly, the closing equity balance as at March 31, 2020 of the Restated Financial Information differs from equity balance in Restated Financial Information as at April 01, 2020. The reconciliation of the same is as follows :

	Particulars	Amount
A	**Total Equity**	
	Balance as at March 31, 2020 as per Restated Financial Information	16.39
B	**Adjustments**	
	Leases	1.51
	Deferred Tax on Adjustments	0.31
	Balance as at April 1, 2020 presented as comparatives as per Audited Financial Statements for the year ended March 31, 2022	18.21

Part C: Non adjusting items

a) **Emphasis of Matters not requiring adjustments to Restated Financial Information are reproduced below in respect of the Audited Special Purpose Financial Statement for the year ended March 31, 2021 and March 31, 2020:**

1 **Emphasis of matters for the year ended March 31, 2021**

(i) We draw your attention to Note 1.1 to the special purpose financial statements, which describes the purpose and basis of its preparation. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose financial statements for the purposes for which those have been prepared.

Note 1.1 has been reproduced below:

The Company has adopted Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred “Ind AS”) for the year ended March 31, 2022 and prepared its first financial statements in accordance with Indian Accounting Standards (Ind AS) for the year ended March 31, 2022 with the transition date as April 1, 2020. 'These Special Purpose Financial Statements for the year ended March 31, 2021 have been prepared by adjusting the previous GAAP audited statutory financial statements for the year ended March 31, 2021, approved by the Board of Directors of the Company at their meeting held on September 13, 2021, for Ind AS adjustments (both remeasurements and reclassifications) on the date of transition, i.e. April 1, 2020 and following the accounting policies (both mandatory exceptions and optional exemptions) as per Ind AS 101.

Our opinion is not modified in respect of above matter.

2 **Emphasis of Matter for the year ended March 31, 2020**

(i) We draw your attention to Note 1.1 to the special purpose financial statements, which describes the purpose and basis of its preparation. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose Note 1.1 has been reproduced below:

The Company has adopted Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred “Ind AS”) for the year ended March 31, 2022 and prepared its first financial statements in accordance with Indian Accounting Standards (Ind AS) for the year ended March 31, 2022 with the transition date as April 1, 2020.

This Special Purpose Financial Statement for the year ended March 31, 2020 have been prepared by adjusting the previous GAAP audited statutory financial statements for the year ended March 31, 2020, approved by the Board of Directors of the Company at their meeting held on Dec 11, 2020, for Ind AS adjustments (both remeasurements and reclassifications) on the date of transition, i.e. April 1, 2020 and following the accounting policies (both mandatory exceptions and optional exemptions) as per Ind AS 101.

Our opinion is not modified in respect of above matter.

Annexure VI: Statement of Adjustments to the Audited Financial Statements as at and for the year ended March 31, 2022 and Audited Special Purpose Financial Statements as at and for the year ended March 31, 2021 and March 31, 2020.

(All amounts are in INR Million, unless stated otherwise)

b) **Auditor's Comments in Annexure A to Auditors' Report:**
In addition to the audit opinion on the financial statements, the auditors are required to comment upon the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls (IFC report). Certain statements/ comments included in the IFC, which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements presented.

Basis for Disclaimer of Opinion
According to the information and explanation given to us, the Company has not established its internal financial control with reference to financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Disclaimer of Opinion
(a) As described in the Basis for Disclaimer of Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

(b) We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2022, and the disclaimer does not affect our opinion on the financial statements of the Company.

c) **Auditor's Comments in Annexure B to Auditors' Report:**

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2020 ("the CARO 2020 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the financial statements as at and for the financial years ended March 31, 2022. Certain statements/ comments included in the CARO in the financial statements, which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements presented.

Except for the dues relating to Provident Fund and Employee State Insurance (ESI) as described in note 39 to the Financial statements, according to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect to goods and service tax, duty of customs, income taxes and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2022, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund $	835,534	FY 2014-15 to FY 2021-22	15th day of the next month for the each of the respective month's dues	Paid on June 09, 2022 and August 17, 2022
Employee State Insurance Act, 1948	Employee State Insurance $	1,739,777	FY 2014-15 to FY 2021-22	15th day of the next month for the each of the respective month's dues	Yet to be paid

$ Includes interest and penalties.

Clause (vii)(b) of CARO 2020 Order

According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service tax, duty of customs, provident fund, and Employee State insurance which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount	Forum where the dispute is
The Finance Act, 1994	Service Tax #	8,436,138	FY 2015-16 and FY 2016-17	Central Excise, Customs &
Gujarat Value Added Tax, 2003	Value added tax	3,927,000	FY 2014-15 to FY 2016-17	Deputy Commissioner (Appeals)
Income Tax Act, 1961	Income tax	958,320	FY 2013-14 to FY 2015-16 FY 2018-19 to FY 2020-21	Income Tax Officer - TDS ward
Income Tax Act, 1961	Income tax	603,820	FY 2017-18 to FY 2019-20	Commissioner of Income Tax - Appeals

Includes interest and amount paid till date Rs 1,539,215

OTHER FINANCIAL INFORMATION

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below.

(in ₹ million other than share data)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Restated earnings per Equity Share - Basic	40.34	7.11	0.34
Restated earnings per Equity Share - Diluted	40.34	7.11	0.34
Return on net worth (%)	83.74	89.63	46.37
Net asset value per Equity Share (in ₹)	48.25	39.67	3.67
EBITDA	1,224.86	234.85	21.22

Notes:

1. *Net worth means the aggregate of paid-up equity share capital and other equity (all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account as per the Restated Financial Information).*
2. *Net asset value per Equity Share is calculated by dividing net worth by number of Equity Shares outstanding at the end of the year used in calculation of basic and diluted earnings per share.*
3. *EBITDA is calculated as the sum of (i) restated profit for the year, (ii) total tax expenses, (iii) depreciation and amortization expenses, and (iv) finance costs.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the year ended March 31, 2022, March 31, 2021, and March 31, 2020, and the reports thereon dated September 20, 2022, September 13, 2021, and December 11, 2020, respectively ("**Audited Financial Statements**") are available at https://airoxtechnologies.com/airoxInvestorrelation.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders may have significant influence and should not be relied upon or used as a basis for any investment decision. None of the BRLMs or any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2022, as derived from our Restated Financial Information. This table should be read in conjunction with the sections titled '***Risk Factors***, '***Management's Discussion and Analysis of Financial Condition and Results of Operations*** and '***Financial Information***' and beginning on pages 21, 216 and 163, respectively.

(₹ in million, except ratios)

Particulars	Pre-offer as at March 31, 2022	As adjusted for the Offer*
Borrowings		
Non-current borrowings# (I)	-	-
Current maturities of long-term debt# (II)	-	-
Current borrowings# (III)	-	-
Total borrowings (IV = I + II + III)	-	-
Equity		
Equity share capital (V)	222.82	222.82
Other Equity# (VI)	852.37	852.37
Total Equity (VII = V + VI)	1,075.19	1,075.19
Total borrowings/ Total Equity (VIII = IV/ VII)	-	-

* *There will be no change in capital structure post the Offer since it is an initial public offering by way of an Offer for Sale by the Promoter Selling Shareholders.*

\# *These terms shall carry the meaning as per Schedule III of the Companies Act.*

Notes:

The above has been computed on the basis on amounts derived from the Restated Financial Information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Financial Information for the Fiscals 2022, 2021 and 2020, including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, the financial information for the Fiscals 2022, 2021 and 2020, included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with Section 26 of the Companies Act, 2013, 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. For further information, see '**Financial Information**' on page 163.*

Unless the context otherwise requires, in this section, references to 'we', 'us', 'our', 'the Company' or 'our Company' refers to Airox Technologies Limited.

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Assessment of Medical Oxygen Manufacturing Industry in India" released in September 2022 **("CRISIL Report")** prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated February 8, 2022 and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see '**Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk**' on page 35. Also see, '**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**' on page 12.*

*This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read '**Forward-Looking Statements**' and '**Risk Factors**' beginning on pages 14 and 21, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year.*

OVERVIEW

We are one of the leading players among the PSA oxygen generator providers in terms of operating income, as of Fiscal 2021 (*Source: CRISIL Report*). We are also a market leader with a market share of 50-55%, in terms of operational private hospital PSA medical oxygen market, as of Fiscal 2022 (*Source: CRISIL Report*). We are among the pioneers to facilitate the penetration of on-premise PSA oxygen generators in Indian hospitals with nearly 872 installed and operational PSA oxygen generators, as of March 31, 2022 (*Source: CRISIL Report*). We are an established player with an experience of more than one decade in the PSA oxygen generation market and has been able to capture and penetrate the Indian medical oxygen generation market to become a market leader with around 30-31% of market share as of Fiscal 2022, in terms of total installed operational PSA oxygen generators in India, which includes both government and public sector hospital PSA medical oxygen market (*Source: CRISIL Report*). Our oxygen generators use advanced technologies as we have dedicated processes and specialised molecular sieves for the PSA oxygen generators, which have been customised for Indian environmental and electricity conditions. In India, the demand for medical oxygen is expected to grow at a CAGR of 7-7.5%, in terms of volume, from Fiscal 2020 to Fiscal 2027 (*Source: CRISIL Report*). The medical oxygen consumption (non-covid and non-industrial) in India during Fiscal 2022 was 1,250-1,350 tonne/day and, our Company, with a consumption of 350 tonne/day through the 872 installed and operational PSA oxygen generators as of March 31, 2022, occupies a market share of 25-27% (*Source: CRISIL Report*).

We commenced our operations as a manufacturer of PSA oxygen generators in 2012. Over the years, we have diversified our business by including other products in our portfolio such as AMOG-22 oxygen generators, oxygen analyser, auto change over system and container-based oxygen generators. We also provide after sales maintenance services by entering into annual maintenance contracts and comprehensive maintenance contracts with our customers.

We have recently, in April 2022, shifted to our new manufacturing facility situated in Aurangabad, Maharashtra. Our new facility, having an area of approximately 43,723 sq.ft., is equipped with advanced equipment, modern technology, and automated systems. Prior to shifting our operations to our new facility, we were operating from two facilities, also situated in Aurangabad, Maharashtra, having a cumulative area of approximately 10,708 sq.ft. In India, over 80% of the hospitals procure medical oxygen through cylinders and going forward, more than half of the demand of medical oxygen is expected to be met through PSA method by Fiscal 2027 (*Source: CRISIL Report*). We believe that we are well positioned to capitalise the growth opportunity in this sector with our recently inaugurated manufacturing facility at Aurangabad, Maharashtra and by leveraging our long-standing relationships with our customers and creating a variety of product options for our customers.

As of March 31, 2022, we had supplied 872 PSA oxygen generators, which includes 72 PSA oxygen generators to Central Medical Services Society and 34 PSA oxygen generators to other international agencies. As of March 31, 2022, we have installed our PSA oxygen generators at 710 private hospitals, including Gujarat Adani Institute of Medical Sciences, Jankidevi Bajaj Gram Vikas Sanstha, Shree Narayan Hospital, CU Shah Medical College and Hospital, Goyal Hospital and Research Centre Private Limited, Kailash Cancer Hospital and Research Center, Gorak, Waghodia, Vadodara, and KIMS-ICON Hospital and to 162 government hospitals, including Vardhman Mahavir Medical College and Safdarjung Hospital. Our major corporate customers include Reliance Foundation and Toyota Industries Engine India Private Limited.

As research and development is a key element of our growth, our Company has a qualified and experienced in-house R&D team of four employees as of March 31, 2022, led by Sanjay Wagh, who is the manager of product development in our Company since November 22, 2012. Our R&D team focuses on the development of new products, concepts, solutions, and understanding the expectations of our customers on to-be manufactured products, whilst simultaneously focusing on cost competitiveness. We developed AMOG-22 oxygen generator, which is a custom designed oxygen generator made for production of oxygen at high altitudes.

We are present in 28 states and three union territories in India, and are further evaluating our expansion into overseas markets, such as in Bangladesh, Nepal, Bhutan, Philippines, African continent and Indonesia. We rely to a significant extent on the relationships we have with our third-party distributors, as they play a significant role in enhancing customer awareness of our products. We have a wide network of distributors through which we sell our products. As of March 31, 2022, we had 16 distributors across India.

We have a long-standing strategic relationship with AirSep Corporation, an international provider of molecular sieves and vessels, pursuant to which we import vessels and sieves from AirSep Corporation. We are an authorized and exclusive distributor of the products manufactured by AirSep Corporation in India and other agreed countries for a period of 10 years from April 13, 2022. The sieves manufactured by AirSep Corporation are approved by US FDA and have CE Medical Devices Class II certification. The sieves are also the most critical component in the PSA oxygen generators utilised for separation of oxygen from other gases during the generation process. This makes it mandatory for players to use high-quality sieves to avoid any reduction in their oxygen purity levels. However, limitation of access to such high-quality sieves creates a technical barrier to new entrants entering the market. Our Company has received ISO 13485:2016 and ISO 9001:2015 certifications for manufacturing and service of PSA oxygen systems and ATF based mobile oxygen systems, manufacture, sales, installations and after sales services of hyperbaric chambers.

We also benefit from our relationship with one of our multi-national customers, who is a supplier of gas in India, and with which we have entered into framework supply agreements, for the design, supply, installation and commissioning of the PSA oxygen generators at various locations across India. We have also entered into agreements for the operation and maintenance of the equipment at various customer sites across India. Further, we have most recently entered into a supply arrangement with an international organisation for supply of PSA oxygen generators for a period of one year from July 15, 2022, which is renewable for a further term of two years.

We are led by one of our experienced Promoters, Sanjay Bharatkumar Jaiswal. Our Promoter, Sanjay Bharatkumar Jaiswal was awarded with the Entrepreneur of the year (male) award at MSME India Business Awards in 2021. We have a dedicated management team with a strong understanding of the industry that enables us to effectively identify and take advantage of market opportunities. We believe that the experience of senior management team has significantly contributed to our success and growth.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial condition are affected by several important factors including:

Effects of the COVID-19 pandemic on our results of operations

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. During the first half of 2020, COVID-19 spread to a majority of countries across the world, including India. Patients suffering from severe COVID-19 symptoms do need medical oxygen as part of their treatment. There have been multiple waves of COVID-19 infections in India and globally, including a severe second wave in India in April and May 2021. Since March 2021, and more particularly in April and May 2021, there was a significant resurgence in the daily number of new COVID-19 infections primarily caused by the Delta variant. Due to the COVID-19 crisis, there was a nation-wide demand for medical oxygen, especially from hospitals. The demand for medical oxygen in India peaked to nearly 9,000 tonne/day during the second wave of COVID-19 crisis as compared to the peak requirement of 3,000 tonne/day during the first wave of COVID-19 crisis (*Source: CRISIL Report*). The COVID-19 pandemic has also exposed the challenges in medical oxygen production and delivery, thereby highlighting the importance of producing oxygen on-site with the PSA oxygen generators compared to procurement of oxygen through cylinders (*Source: CRISIL Report*). As a manufacturer of PSA oxygen generators, we have experienced steady growth in Fiscal 2021 and Fiscal 2022 due to significantly increased demand for medical oxygen caused by the COVID-19 pandemic. As a result, the demand for our PSA oxygen generators also increased. Consequently, we sold 285 units of our PSA oxygen generators in Fiscal 2022, as compared to 155 units of PSA oxygen generators in Fiscal 2021. These factors resulted in our revenue from operations increasing by ₹ 1,536.10 or by 210.46% from ₹ 729.87 million in the Fiscal 2021, to ₹ 2,265.97 million in the Fiscal 2022. However, the COVID-19 pandemic in India since has been in decline barring a few spikes for a short period and the demand for medical oxygen too has not witnessed the peak it reached during the severe second wave of the pandemic. While the National Council for Clinical Establishments, under the Directorate General of Health Services, has recommended installation of mini oxygen/PSA oxygen generators across India for the existing and new hospitals with a capacity of more than 50 beds as a response to the challenges posed by the COVID-19 pandemic, we cannot assure that the demand for medical oxygen will witness the peak it had during the second wave of the pandemic and consequently, it cannot be assured that our growth rate will not be affected in future.

Please see, '***Risk Factors – The outbreak of COVID-19 led to an increase in awareness and demand of our products and an increase in our revenue. We cannot predict future demand for our products or the future impact of the COVID-19 pandemic on our business, operating results, cash flows and/or financial condition. Our inability to manage our future growth may have an adverse impact on our business and financial condition***' on page 21.

Availability and price of raw materials

Our business operations are primarily dependent on the availability of specific parts. The major raw materials required for manufacturing of the PSA oxygen generators are molecular sieves and vessels, which we import from AirSep Corporation. Our cost of raw material consumed increased by ₹ 326.35 million or by 70.64% from ₹ 462.02 million in the Fiscal 2021, to ₹ 788.37 million in the Fiscal 2022. AirSep Corporation is our strategic partner, and we are an authorised distributor of their products in India and other agreed neighbouring countries for a period of 10 years since April 2022. A termination of our arrangement with AirSep Corporation for any reason will adversely impact our business operations and results of operations. Please see, '***Risk Factors – We are dependent on our strategic partner for the supply of molecular sieves and vessels. Any fluctuations in the price, availability and quality of the raw materials could cause delay and increase our costs which may have an adverse effect on our business and operations***' on page 22. Other than our relationship with AirSep Corporation, we procure all of our raw materials by way of purchase orders on an on-going basis and therefore, are required to pay for such products at the prevailing market rates.

The availability and price of raw materials is subject to a number of factors beyond our control including changes in global economic conditions, industry cycles, demand-supply dynamics and attempts by particular producers to capture market share. Interruption of, or a shortage in the supply of, raw materials may result in our inability to operate our production facilities at optimal capacities, leading to a decline in production and sales. In addition, while competition for procuring raw material may result in an increase in raw material prices, our ability to pass on such increases in overall operational costs may be limited. Furthermore, any increase in the cost of raw materials which results in an increase in prices of our products, may reduce demand for our products and thereby affect our margins and profitability.

Expansion in product portfolio and into overseas market

Our product portfolio includes PSA oxygen generators, AMOG-22 oxygen generators, oxygen analyser, auto change over system and container-based oxygen generators. We will continue to expand our product portfolio and strive to provide differentiated offerings to our customers. Our Company manufactures refrigerating dryers as a component for oxygen generators for captive use. We intend to sell refrigerating dryer independently in the market which is used widely in automobile, chemical and pharmaceutical industries. While our new manufacturing facility at Aurangabad, Maharashtra already has the capacity to manufacture refrigerant dryers, it cannot be assured that we will successful in expanding our product portfolio and be able to create a stable customer base for our new products. We are currently present in 28 states and three union territories in India, and are further evaluating our expansion into overseas markets, such as in Bangladesh, Nepal, Bhutan, Philippines, African continent and Indonesia. We are an authorized and exclusive distributor of the products manufactured by AirSep Corporation in India and other agreed countries for a period of 10 years from April 13, 2022. We aim to leverage our relationship with our strategic partner, AirSep Corporation, to expand globally, in other countries. However, given our lack of experience in operating in overseas markets and our dependence on new distributors for our overseas customers, we cannot assure that our expansion plans in overseas markets will be successful and that such expansion will not have a material adverse impact on our future business and results of operations.

Foreign exchange fluctuations

We are exposed to foreign exchange rate fluctuations (mainly in USD and EUR) in respect of purchase of raw materials for our PSA oxygen generators from AirSep Corporation. While we seek to pass on all losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. The exchange rate between the Indian Rupee and these currencies, primarily the US Dollar, has substantially increased in the recent times and our results of operations can be adversely affected by such increase and may be impacted by fluctuations in the future. Please see '***Risk Factors - We face foreign exchange risks that could adversely affect our results of operations***' on page 33.

SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS

Statement of Compliances and Basis of Preparation

The Restated Financial Information, which has been approved by the Board of Directors of our Company, has been prepared in accordance with the requirements of:

(a) Section 26 of the Companies Act, 2013, as amended from time to time (the "**Act**");
(b) Paragraph (A) of Clause 11(I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "**SEBI ICDR Regulations**"), issued by SEBI; and
(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time (the "**Guidance Note**").

Our Company has adopted Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India (referred to as "**Ind AS**") for the year ended March 31, 2022 and prepared its first financial statements in accordance with Ind AS for the period ended March 31, 2022 with the transition date as April 1, 2020.

The Restated Financial Information:

(a) have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors, if any, and regrouping/ reclassifications retrospectively as at and for the years ended March 31, 2021, and March 31, 2020, to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the year ended March 31, 2022; and

(b) do not require any adjustment for qualifications as there are no qualifications in the underlying auditor's reports which require any adjustments.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

Current versus non-current classification

Our Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is: (a) expected to be realised or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realised within 12 months after the reporting period; or (d) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current assets.

A liability is current when: (a) it is expected to be settled in the normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle of an entity is the time between the acquisition of assets for processing and their realization in the form of cash or cash equivalents. Our Company has determined that its operating cycle is 12 months.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Our Managing Director assesses the financial performance and the position of our Company, and he is the chief operating decision maker of our Company.

Foreign currency translation

Functional and presentation currency

The items included in the financial statements of our Company are measured using the currency of the primary economic environment in which our Company operates (that is ‘functional currency’). The financial statements are presented in INR which is our Company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Revenue from contracts with Customers

Our Company sells oxygen generators (equipment) and provides related installation and maintenance services to the customers. The contracts with the customers at the time of sale of equipment generally include the following promises:

- supply of equipment;
- installation of equipment at customer location;
- performance warranty (including service during the warranty period);
- annual/comprehensive service for a specified period; and
- financing (resulting from timing of collection of consideration and delivery of services).

Our Company also sells annual and comprehensive service contracts separately to the customers for previously supplied equipment.

Our Company has identified the above promises to be separate performance obligations under the contract. The promise relating to financing is not considered material and hence not separately accounted. Transaction price agreed in the contract is allocated to the identified separate performance obligations based on the relative standalone selling prices of the respective obligations. Revenue is recognised excluding the taxes and duties (like goods and services tax (GST)) collected on behalf of the Government.

Our Company provides warranties against any product defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets when the expected cost of such repairs/replacement is likely to be significant.

(i) Revenue from sale of finished products

Revenue from supply of equipment is recognised when control of the goods is transferred to the customer, which is generally when the equipment is delivered at the customer site (point in time) based on terms of sales agreed with the customer.

(ii) Installation services

Our Company, in view of short period of installation, recognises revenue from installation services upon completion of such services and on receipt of confirmation from customers.

(iii) Maintenance contracts - annual and comprehensive

Revenue from service contracts is recognised over time on straight line basis which is the most appropriate measure of the progress towards complete satisfaction of these performance obligations.

(iv) Service warranties

Our Company provides preventive maintenance services in certain cases at the time of sale of generators. A portion of the transaction price is allocated to the preventive maintenance services and recognised based on the time lapsed.

Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Our Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by our Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the company under residual value guarantees,
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, our Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then our Company uses that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date
- any initial direct costs
- restoration cost

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If our Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Our Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Investments and other financial assets

(a) Classification

Our Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether our Company has made an irrevocable election at the time of initial recognition to account for the equity investment at Fair value through other comprehensive income (FVOCI).

Our Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset.

(c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on our Company's business model for managing the asset and the cash flow characteristics of the asset. Our Company classifies its debt instruments into the following categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/expenses. Impairment losses are presented as separate line item in the statement of profit and loss.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

(d) Impairment of financial assets

Our Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, our Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(e) Derecognition of financial assets

A financial asset is derecognised only when:

- Our Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, our Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if our Company has not retained control of the financial asset. Where our Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(f) Income recognition

Interest Income

Interest income from financial assets at fair value through profit or loss is disclosed within other income. Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends

Dividends are received from financial assets at fair value through profit or loss. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of our Company or the counterparty.

Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to our Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as determined by the management as follows:

Type of asset	Estimated Useful life
Building	30
Vehicles	8
Computers	3 (Servers – 6 years)
Office Equipment	5
Furniture and Fixtures	10

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/(expenses).

Intangible assets

Product development cost

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by our Company are recognised as intangible assets. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Property, plant and equipment used in Research and Development are capitalised. Development costs are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use
- management intends to complete the intangible asset and use or sell it
- there is an ability to use or sell the intangible asset
- it can be demonstrated how the intangible asset will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use

Trade and other payables

These amounts represent liabilities for goods and services provided to our Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless our Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Our Company does not recognise a contingent liability but has disclosed its existence in the restated financial information.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Bonus

Our Company recognises a liability and an expense for bonuses. Our Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Post-employment obligations

Our Company operates the following post-employment schemes: (i) defined benefit plans such as gratuity; and (ii) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the restated statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Our Company pays provident fund contributions to publicly administered provident funds as per local regulations. Our Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Qualifying transaction costs incurred in anticipation of an issuance of equity instruments is deferred on the balance sheet until the equity instrument is recognised. Deferred costs are subsequently reclassified as a deduction from equity when the equity instruments are recognised.

The transaction costs incurred with respect to the Offer is recognised as an asset to the extent recoverable from the selling shareholders. Remaining costs are allocated between new issue of shares and listing of existing equity shares. The costs attributable to listing of existing shares is recognised in profit or loss. The remaining costs attributable to new issuance of shares is deferred on the balance sheet and recognised in equity once the instrument is issued. If the equity instruments are not subsequently issued, the deferred transaction costs are charged off to profit or loss.

Dividends

Provision is made for any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Earnings Per Share

Basic earnings per share: Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account (i) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and (ii) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

Inventories

Raw materials and stores, work in progress, and finished goods

Raw materials and stores, work in progress, and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable 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. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income is divided into revenue from operations and other income. The following table shows our revenue from operations and other income:

(₹ in million, except percentages)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
A1. Sale of products	2,153.14	670.26	134.47
Percentage of revenue from operations (% of A)	*95.02%*	*91.83%*	*78.52%*
A2. Sale of services	96.46	47.05	29.31
Percentage of revenue from operations (% of A)	*4.26%*	*6.45%*	*17.12%*
A3. Sale of spares	16.37	12.56	7.47
Percentage of revenue from operations (% of A)	*0.72%*	*1.72%*	*4.36%*
A. Revenue from operations (A1+A2+A3)	**2,265.97**	**729.87**	**171.25**
B. Other income	**31.44**	**2.68**	**1.14**
Total income (A+B)	**2,297.41**	**732.55**	**172.39**

Revenue from Operations

Our revenue from operations is primarily generated from (i) sale of products, (ii) sale of services, and (iii) sale of spares.

Revenue from sale of products

Our revenue from sale of products accounted for 95.02%, 91.83% and 78.52% of our revenue from operations for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. Our revenue from sale of products primarily consists of sale of PSA oxygen generator sets, oxygen booster, oxygen analysers, container based oxygen generators and AMOG-22 oxygen generators. All our products are currently manufactured in our manufacturing facility in Aurangabad, Maharashtra.

Revenue from sale of services

Our revenue from sale of services accounted for 4.26%, 6.45% and 17.12% of our revenue from operations for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. Our services primarily consist of annual maintenance contracts, comprehensive maintenance contracts and warranty and installation services, which our Company provides to its customers.

Revenue from sale of spares

Our revenue from sale of spares accounted for 0.72%, 1.72% and 4.36% of our revenue from operations for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. Our revenue from sale of spares primarily consists of income from sale of oxygen analyser and auto change over systems. All our spare parts are currently manufactured in our manufacturing facility in Aurangabad, Maharashtra.

Other Income

Other income includes (i) interest income on financial assets at amortised cost, (ii) income from net foreign exchange differences, (iii) income from unwinding of discount on security deposit, (iv) income from net changes in mutual fund investment, (v) net gain on sale of investments, and (v) other miscellaneous income.

Expenses

Our expenses comprise of (i) cost of raw materials consumed, (ii) changes in inventories of stock in trade, spares and finished goods, (iii) employee benefit expense, (iv) depreciation and amortisation expense, (v) finance cost, and (vi) other expenses.

The following table sets forth our expenditure as a percentage of our revenue from operations for the periods indicated:

(₹ in million, except percentages)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Cost of raw materials consumed	788.37	462.02	92.13
Percentage of revenue from operations	*34.79%*	*63.30%*	*53.80%*
Changes in inventories of stock in trade, spares and finished goods	40.90	(74.38)	7.68
Percentage of revenue from operations	*1.80%*	*(10.19)%*	*4.48%*
Employee benefit expense	82.08	43.91	32.86
Percentage of revenue from operations	*3.62%*	*6.02%*	*19.19%*
Depreciation and amortisation expenses	6.26	5.76	5.00
Percentage of revenue from operations	*0.28%*	*0.79%*	*2.92%*
Finance cost	13.40	14.07	7.96
Percentage of revenue from operations	*0.59%*	*1.93%*	*4.65%*
Other expenses	161.20	66.15	18.50
Percentage of revenue from operations	*7.11%*	*9.06%*	*10.80%*
Total expenses	**1,092.21**	**517.53**	**164.13**

Cost of raw materials consumed

Cost of raw materials consumed comprises of raw material costs incurred in the manufacturing of our products, such as PSA oxygen generator sets, contained based oxygen generators and AMOG-22 oxygen generators and our spare parts, such as oxygen analyser and auto change over systems. The primary component involved in the manufacturing of PSA oxygen generators include molecular sieves and vessels. Raw materials represent a significant majority of our total expenditure. Cost of raw materials consumed accounted for 34.79%, 63.30% and 53.80% of our revenue from operations for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Changes in inventories of stock in trade, spares and finished goods

Changes in inventories of stock in trade, spares and finished goods consists of costs attributable to an increase or decrease in inventory levels during the relevant financial period stock in trade, spares and finished goods. Changes in inventories of stock in trade, spares and finished goods accounted for 1.80%, (10.19)% and 4.48% of our revenue from operations for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Employee benefit expense

Employee benefit expense includes (i) salaries, wages and bonus, (ii) contribution to provident fund, (iii) contribution to gratuity, and (iv) staff welfare expenses. Employee benefit expense accounted for 3.62%, 6.02% and 19.19% of our revenue from operations for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Depreciation and amortisation expenses

Depreciation represents depreciation on property, plant and equipment and depreciation on right of use of assets. Amortisation represents amortisation of intangible assets. Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values over their estimated useful lives, these lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

Depreciation and amortisation expense accounted for 0.28%, 0.79% and 2.92% of our revenue from operations for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Finance cost

Finance cost include (i) interest on borrowings from banks, (ii) interest and finance charges on lease liabilities, and (iii) interest on delayed payment of income taxes. Finance cost accounted for 0.59%, 1.93% and 4.65% of our revenue from operations for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Other expenses

Other expenses include repairs and maintenance expenses, power and fuel expenses, legal and professional fees, payment to auditors, insurance, rent, travelling and conveyance, allowance for credit losses, communication expenses, sales and promotion expenses, loading and unloading charges, bad debts written off, rates and taxes, printing and stationery, freight octroi and packaging expenses, expenditure towards CSR activities, sales commission and miscellaneous expenses. Other expenses accounted for 7.11%, 9.06% and 10.80% of our revenue from operations for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

RESULTS OF OPERATIONS

Fiscal 2022 compared with Fiscal 2021

Total income

Our total income increased significantly by ₹ 1,564.86 million or by 213.62% from ₹ 732.55 million in the Fiscal 2021, to ₹ 2,297.41 million in the Fiscal 2022. This was primarily due to increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by ₹ 1,536.10 million or by 210.46% from ₹ 729.87 million in the Fiscal 2021, to ₹ 2,265.97 million in the Fiscal 2022. This increase was primarily driven by ₹ 1,482.88 million increase in revenue from sale of products, ₹ 49.41 million increase in revenue from sale of services, and ₹ 3.81 million increase in revenue from sale of spares.

Revenue from sale of products

Our revenue from sale of products increased significantly by ₹ 1,482.88 million or by 221.24% from ₹ 670.26 million in the Fiscal 2021, to ₹ 2,153.14 million in the Fiscal 2022. This increase was primarily driven by increase in sale of our PSA oxygen generator sets, which was due to an increase in demand for medical oxygen attributable to the COVID-19 pandemic and particularly the second wave of the COVID-19 pandemic in India.

Additionally, due to the unavailability of medical oxygen during the COVID-19 crisis, few states such as Andhra Pradesh, Haryana and Maharashtra have made it mandatory for hospitals with certain number of beds to install oxygen generators. In addition, the National Council for Clinical Establishments, under the Directorate General of Health Services, has recommended installation of mini oxygen/PSA oxygen generators across India for the existing and new hospitals with a capacity of more than 50 beds (*Source: CRISIL Report*). These regulatory directions also positively impacted our revenue from sale of products in Fiscal 2022.

Revenue from sale of services

Our revenue from sale of services increased by ₹ 49.41 million or by 105.02% from ₹ 47.05 million in the Fiscal 2021, to ₹ 96.46 million in the Fiscal 2022. This increase was primarily due to our increased focus on after sales services and consequent increase in warranty and installation services and annual maintenance contracts/ comprehensive maintenance contracts.

Revenue from sale of spares

Our revenue from sale of spares increased by ₹ 3.81 million or by 30.33% from ₹ 12.56 million in the Fiscal 2021, to ₹ 16.37 million in the Fiscal 2022. This increase was primarily driven by the increase in spare parts, such as oxygen analyser and auto change over systems manufactured by our Company. The primary reason such increase in demand of spare part is attributable to increase in the sale of our PSA oxygen generator sets.

Other income

Our other income increased by ₹ 28.76 million or by 1,073.13% from ₹ 2.68 million in the Fiscal 2021, to, ₹ 31.44 million in the Fiscal 2022. This increase was primarily driven by returns from investments in mutual funds.

Expenditure

Total expenses increased significantly by ₹ 574.68 million or by 111.04% from ₹ 517.53 million in the Fiscal 2021, to ₹ 1,092.21 million in the Fiscal 2022. This was primarily driven by ₹ 326.35 million or by 70.64% increase in cost of raw materials consumed. The main raw materials required for the manufacturing of PSA oxygen generators are molecular sieves and vessels, which we import from AirSep Corporation.

Cost of raw materials consumed

Cost of raw material consumed increased by ₹ 326.35 million or by 70.64% from ₹ 462.02 million in the Fiscal 2021, to ₹ 788.37 million in the Fiscal 2022 on account of higher production resulting from an increase in volume of sales due to increased demand for medical oxygen to the COVID-19 pandemic, particularly the second wave of the pandemic in India. As a percentage of our revenue from operations, our cost of raw materials consumed accounted for 34.79% in the Fiscal 2022 compared to 63.30% in the Fiscal 2021.

Changes in inventories of stock in trade, spares and finished goods

Changes in inventories of stock in trade, spares and finished goods decreased by 154.99% from an increase of ₹ 74.38 million in the Fiscal 2021 to a decrease of ₹ 40.90 million in the Fiscal 2022. This was primarily attributable to increase in sale of our products in Fiscal 2022.

Employee benefit expense

Employee benefit expense increased by ₹ 38.17 million or by 86.93% from ₹ 43.91 million in the Fiscal 2021, to ₹ 82.08 million in the Fiscal 2022. This was primarily due to (a) increment in salaries of employees, and (ii) new appointments made by our Company resulting from a significant increase in our operations.

Depreciation and amortisation expenses

Our depreciation and amortisation expense increased by ₹ 0.50 million or by 8.68%, from ₹ 5.76 million in the Fiscal 2021, to ₹ 6.26 million in the Fiscal 2022. The increase in depreciation was primarily due to depreciation on property, plant and equipment.

Finance cost

Finance cost decreased by ₹ 0.67 million or by 4.76% from ₹ 14.07 million in the Fiscal 2021, to ₹ 13.40 million in the Fiscal 2022. This decrease in finance cost is primarily attributable to decrease in interest on borrowings from banks, which decreased from ₹ 5.09 million in the Fiscal 2021 to ₹ 0.60 million in the Fiscal 2022 due to decrease in borrowings availed by our Company.

Other expenses

Other expenses increased significantly by ₹ 95.05 million or by 143.69% from ₹ 66.15 million in the Fiscal 2021, to ₹ 161.20 million in the Fiscal 2022. This was primarily attributable to an increase of (i) ₹ 7.68 million in freight octroi and packaging expenses, and (ii) ₹ 70.32 million in sales commission, which was due to increased operation in Fiscal 2022.

Restated profit before tax

In light of above discussions, our Restated profit before tax increased significantly by ₹ 990.18 million or by 460.51% from ₹ 215.02 million in the Fiscal 2021, to ₹ 1,205.20 million in the Fiscal 2022.

Tax expense

Our tax expense also accordingly increased by ₹ 248.53 million or by 441.52% from ₹ 56.29 million in the Fiscal 2021, to ₹ 304.82 million in the Fiscal 2022.

Restated profit for the year

For the various reasons discussed above, and following adjustments for tax expense, we recorded a significant increase in our Restated profit for the year by ₹ 741.65 million or by 467.24% from ₹ 158.73 million in the Fiscal 2021, to ₹ 900.38 million in the Fiscal 2022.

Fiscal 2021 compared with Fiscal 2020

Total income

Our total income increased significantly by ₹ 560.16 million or by 324.94% from ₹ 172.39 million in the Fiscal 2020, to ₹ 732.55 million in the Fiscal 2021. This was primarily due to increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by ₹ 558.62 or by 326.20% from ₹ 171.25 million in the Fiscal 2020, to ₹ 729.87 million in the Fiscal 2021. This increase was primarily driven by ₹ 535.79 million increase in revenue from sale of products, ₹ 17.74 increase in revenue from sale of services, and ₹ 5.09 million increase in revenue from sale of spares.

Revenue from sale of products

Our revenue from sale of products increased significantly by ₹ 535.79 million or by 398.45% from ₹ 134.47 million in the Fiscal 2020, to ₹ 670.26 million in the Fiscal 2021. This increase was primarily driven by increase in sale of our PSA oxygen generator sets, which was due to an increase in demand for medical oxygen attributable to the COVID-19 pandemic and particularly the second wave of the COVID-19 pandemic in India.

Revenue from sale of services

Our revenue from sale of services increased by ₹ 17.74 million or by 60.53% from ₹ 29.31 million in the Fiscal 2020, to ₹ 47.05 million in the Fiscal 2021. This increase was primarily due to increase in warranty and installation services and annual maintenance contracts/ comprehensive maintenance contracts.

Revenue from sale of spares

Our revenue from sale of spares increased by ₹ 5.09 million or by 68.14% from ₹ 7.47 million in the Fiscal 2020, to ₹ 12.56 million in the Fiscal 2021. This increase was primarily driven by the increase in spare parts, such as oxygen analyser and auto change over systems manufactured by our Company. The primary reason for such increase in demand of spare part is attributable to increase in the sale of our PSA oxygen generator sets.

Other income

Our other income increased by ₹ 1.54 million or by 135.09% from ₹ 1.14 million in the Fiscal 2020, to, ₹ 2.68 million in the Fiscal 2021. This increase was primarily due to income from foreign exchange differences.

Expenditure

Total expenses increased by ₹ 353.40 million or by 215.32% from ₹ 164.13 million in the Fiscal 2020, to ₹ 517.53 million in the Fiscal 2021. This was primarily driven by ₹ 369.89 million increase in cost of raw materials and ₹ 47.65 million increase in other expenses.

Cost of raw materials consumed

Cost of raw material consumed increased significantly by ₹ 369.89 million or by 401.49% from ₹ 92.13 million in the Fiscal 2020, to ₹ 462.02 million in the Fiscal 2021 on account of increase in volume of sales due to increased demand for medical oxygen to the COVID-19 pandemic, particularly the second wave of the pandemic in India. As a percentage of our revenue from operations, our cost of raw materials consumed accounted for 63.30% in the Fiscal 2021 compared to 53.80% in the Fiscal 2020.

Changes in inventories of stock in trade, spares and finished goods

Changes in inventories of stock in trade, spares and finished goods increased by 1,068.49% from a decrease of ₹ 7.68 million in the Fiscal 2020 to an increase of ₹ 74.38 million in the Fiscal 2021. This was primarily attributable to increased production of finished goods and spares in the Fiscal 2021, as compared to the Fiscal 2020.

Employee benefit expense

Employee benefit expense increased by ₹ 11.05 million or by 33.63% from ₹ 32.86 million in the Fiscal 2020, to ₹ 43.91 million in the Fiscal 2021. This was primarily due to (a) increment in salaries of employees, and (ii) new appointments made by our Company resulting from a significant increase in our operations.

Depreciation and amortisation expenses

Our depreciation and amortisation expense increased by ₹ 0.76 million or by 15.20%, from ₹ 5.00 million in the Fiscal 2020, to ₹ 5.76 million in the Fiscal 2021. The increase in depreciation was primarily due to depreciation on property, plant and equipment.

Finance cost

Finance cost increased by ₹ 6.11 million or by 76.76% from ₹ 7.96 million in the Fiscal 2020, to ₹ 14.07 million in the Fiscal 2021. This increase in finance cost is primarily attributable to increase in interest on delayed payment of income taxes.

Other expenses

Other expenses increased by ₹ 47.65 million or by 257.57% from ₹ 18.50 million in the Fiscal 2020, to ₹ 66.15 million in the Fiscal 2021. This was primarily due to an increase of (i) ₹ 5.63 million in freight octroi and packaging expenses, (ii) ₹ 8.33 million in sales commission, and (iii) ₹ 18.27 million bad debts written off due to litigation customers and small/normal customers other than litigation, (iv) ₹ 3.37 million in traveling and conveyance, and (v) ₹ 3.85 million in loading and unloading expenses.

Restated profit before tax

In light of above discussions, our Restated profit before tax increased significantly by ₹ 206.76 million or by 2,503.15% from ₹ 8.26 million in the Fiscal 2020, to ₹ 215.02 million in the Fiscal 2021.

Tax expense

Our tax expense also accordingly increased by ₹ 55.63 million or by 8,428.79% from ₹ 0.66 million in the Fiscal 2020, to ₹ 56.29 million in the Fiscal 2021. This was primarily due to increase in current tax in the Fiscal 2021.

Restated profit for the year

For the various reasons discussed above, and following adjustments for tax expense, we recorded a significant increase in our Restated profit for the year by ₹ 151.13 million or by 1,988.55% from ₹ 7.60 million in the Fiscal 2020, to ₹ 158.73 million in the Fiscal 2021.

CASH FLOWS

The following table sets forth certain information relating to our cash flows under Ind AS in the Fiscal 2022, Fiscal 2021 and Fiscal 2020:

(₹ in million, except percentages)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net cash flow generated from operating activities	651.48	65.64	22.76
Net cash flow used in investing activities	(590.78)	(34.04)	(16.58)
Net cash flow used in financing activities	(78.35)	(0.31)	(0.08)
Net increase/ (decrease) in cash and cash equivalents	**(17.65)**	**31.29**	**6.10**
Opening cash and cash equivalents	**43.61**	**12.32**	**6.22**
Closing cash and cash equivalents	**25.96**	**43.61**	**12.32**

Net cash generated from operating activities

Net cash used generated from operating activities in the Fiscal 2022 was ₹ 651.48 million and our operating profit before working capital changes was ₹ 1,198.37 million. The difference was primarily attributable to ₹ 322.06 million increase in inventories due to higher production, ₹ 149.25 million decrease in trade receivables due to increase in collection from debtors, ₹ 82.91 million increase in other current assets, ₹ 49.12 million decrease in trade payables and ₹ 58.46 million increase in other current liabilities and non-current liabilities. We paid income tax of ₹ 303.55 million.

Net cash used generated from operating activities in the Fiscal 2021 was ₹ 65.64 million and our operating profit before working capital changes was ₹ 234.14 million. The difference was primarily attributable to ₹ 139.51 million increase in inventories due to higher production, ₹ 233.34 million increase in trade receivables, ₹ 156.69 million increase in trade payables and ₹ 60.29 million increase in other current liabilities and non-current liabilities. We paid income tax of ₹ 12.86 million.

Net cash used generated from operating activities in the Fiscal 2020 was ₹ 22.76 million and our operating profit before working capital changes was ₹ 20.98 million. The difference was primarily attributable to ₹ 18.33 million decrease in trade receivables, ₹ 6.06 million increase in other current assets, and ₹ 9.53 million decrease in trade payables. We paid income tax of ₹ 2.22 million.

Net cash used in investing activities

Net cash used in investing activities in the Fiscal 2022 was ₹ 590.78 million. This reflected (i) payment of ₹ 84.18 million towards purchase of property, plant and equipment due to cost incurred for setting up of the new manufacturing facility at Aurangabad, Maharashtra and purchase of vehicle, (ii) payment for investment in fixed deposit (net) of ₹ 0.61 million, and (iii) investment in mutual funds (net) of ₹ 505.99 million.

Net cash used in investing activities in the Fiscal 2021 was ₹ 34.04 million. This reflected (i) payment of ₹ 20.33 million for investment in fixed deposit (net), (ii) payment of ₹ 0.52 million towards purchase of property, plant and equipment, (iii) payment of ₹ 0.10 million towards investment in mutual funds, and (iv) payment of ₹ 13.09 million for acquisition of right of use assets.

Net cash used in investing activities in the Fiscal 2020 was ₹ 16.58 million. This reflected (i) payment of ₹ 4.99 million towards purchase of property, plant and equipment, (ii) payment of ₹ 0.64 million towards fixed deposits, and (iii) payment of ₹ 10.95 million used for acquisition of right of use assets.

Net cash used in financing activities

Net cash used in financing activities in the Fiscal 2022 was ₹ 78.35 million. This reflected (i) ₹ 8.00 million paid towards repayment of long-term borrowings (net), (ii) ₹ 3.54 million paid towards lease payments, (iii) ₹ 0.60 million paid towards interest paid other than on lease liabilities, (iv) ₹ 2.17 million towards buyback of shares undertaken by our Company on March 29, 2022, and (v) ₹ 64.04 million towards repayment of short-term borrowings (net).

Net cash used in financing activities in the Fiscal 2021 was ₹ 0.31 million. This reflected (i) ₹ 1.27 million received as proceeds from long term borrowings (net), (ii) ₹ 3.44 million paid towards lease payments, and (iii) ₹ 5.09 million paid towards the interest paid other than on lease liabilities. This was partially offset by ₹ 6.95 million received as proceeds from short-term borrowings (net).

Net cash used in financing activities in the Fiscal 2020 was ₹ 0.08 million. This reflected (i) ₹ 1.70 million paid towards lease payments, and (ii) ₹ 7.25 million paid towards the interest paid other than on lease liabilities. This was partially offset by (i) ₹ 1.93 million received as proceeds from long-term borrowings (net), and (ii) ₹ 6.94 million received as proceeds from short-term borrowings (net).

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations primarily with cash flows from operating activities. Our main uses of funds from operating activities have been to pay for our working capital requirements and capital expenditure. We evaluate our funding requirements regularly in light of cash flows from our operating activities and market conditions. To the extent we do not generate sufficient cash flow from operating activities, we may rely on debt or equity financing activities, subject to market conditions.

Our Company had closing cash and cash equivalents of ₹ 25.96 million, ₹ 43.61 million and ₹ 12.32 million as of March 31, 2022, March 31, 2021, and March 31, 2020. Our Company had nil, ₹ 8.00 million and ₹ 6.73 million non-current borrowings as of March 31, 2022, March 31, 2021, and March 31, 2020. Our Company had nil, ₹ 64.04 million and ₹ 57.09 million current borrowings as of March 31, 2022, March 31, 2021, and March 31, 2020, respectively. Our Company had ₹ 2.58 million, ₹ 5.92 million and ₹ 7.24 million non-current lease liabilities as of March 31, 2022, March 31, 2021, and March 31, 2020. Our Company had ₹ 3.34 million, ₹ 3.04 million and ₹ 2.81 million current lease liabilities as of March 31, 2022, March 31, 2021 and March 31, 2020.

For further information, see '***Restated Financial Information***' on page 163.

CONTINGENT LIABILITIES AND COMMITMENTS

As on March 31, 2022, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for were as follows:

(in ₹ million)

S. No.	Particulars	As on March 31, 2022
1.	Income tax matters	1.57
2.	Sales tax and service tax matters	12.36
	Total:	**13.93**

As on March 31, 2022, we do not have any commitments.

For further information on our contingent liabilities and commitments, see '***Restated Financial Information – Notes to the Restated Financial Information – Note 34 Contingent liabilities and commitments***' on page 204.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

RELATED PARTY TRANSACTIONS

We enter into various related parties in the ordinary course of business including rent expenses, managerial remuneration and promotional expenses. For further information relating to our related party transactions, see '***Restated Financial Information – Notes to the Restated Financial Information – Note 33 Related party disclosures***' on page 203.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price. In the normal course of business, we are exposed to certain market risks including interest rate risk, foreign exchange rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Company's exposure to the risk of changes in market interest rates relates primarily to our Company's long-term debt obligations with floating interest rates. Our Company's main interest rate risk arises from long-term borrowings with variable rates, which expose us to cash flow interest rate risk. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Foreign exchange rate risk

Our Company's risk to foreign exchange fluctuations arises mainly from foreign currency transactions, primarily with respect to the trade payables. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not our Company's functional currency. We import raw materials, such as sieves and vessels, the price of which are denominated in USD or EUR. Changes in currency exchange rates influence results of operations. We do not enter into hedging transactions and there can be no assurance that fluctuations in the value of the Indian Rupee against USD or EUR will not have an adverse effect on our results of operations.

Liquidity risk

Liquidity risk is defined as the risk that we will not be able to settle or meet its obligations on time or at reasonable price. Our Company's objective is to maintain optimum levels of liquidity to meet its cash and liquidity requirements. We closely monitor our liquidity position and maintains adequate source of financing, if required, through the use of short-term bank deposits. The processes and policies related to such risks are overseen by senior management.

Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows from debt investments carried at amortised cost and at fair value through profit or loss, and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables. Our Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by the management. In case of sale of equipment, our Company generally obtains advance against sales order for substantial portion of the order value. The risk of credit loss mainly arises from delay in payment beyond the credit period and occasional dispute around the product performance. For maintenance services, our Company generally bills and collects the amount in advance leading to minimisation of the credit risk.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

We do not depend on one customer. For dependence on supplier, please see '***Risk Factors – We are dependent on our strategic partner for supply of molecular sieves and vessels. Any fluctuations in the price, availability and quality of the product could cause delay and increase our costs which may have an adverse effect on our business and operations.***' on page 22.

TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT

We operate in only a single reportable segment 'sale of oxygen generators and other ancillary activities' and there are no other reportable segments. The chief operating decision maker ("**CODM**") evaluates our performance, based on the analysis of various performance indicators of our Company. The CODM has decided that there is no reportable segment of our Company. For further details, see '***Restated Financial Information***' on page 163.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECTED OR ARE LIKELY TO AFFECT INCOME FROM OPERATIONS

Other than as described in this section and the sections of this Draft Red Herring Prospectus titled '***Our Business***', '***Risk Factors***', and '***Industry Overview***' on pages 119, 21 and 79, respectively, there have been no significant economic changes that materially affected or are likely to affect our Company's income from operations.

KNOWN TRENDS OR UNCERTAINTIES THAT HAVE HAD OR ARE EXPECTED TO HAVE A MATERIAL ADVERSE IMPACT ON SALES, REVENUE OR INCOME FROM CONTINUING OPERATIONS

Other than as described in this section and the section titled '***Our Business***' on page 119, to our knowledge, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on our revenues or income.

FUTURE CHANGES IN RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in this section and the sections of this Draft Red Herring Prospectus titled '***Our Business***', and '***Risk Factors***' on pages 119 and 21, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

MATERIAL INCREASES IN NET INCOME AND SALES

Material increases in our Company's net income and sales are primarily due to the reasons described in the section titled '***- Results of Operations***' above.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as disclosed in this chapter and in '***Our Business***' on page 119, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

COMPETITIVE CONDITIONS

We operate in a competitive environment. For further details, see '***Our Business – Competition***', '***Industry Overview***' and '***Risk Factors***' on pages 135, 79 and 21, respectively.

SEASONALITY OF BUSINESS

There is no seasonality in our business.

MATERIAL DEVELOPMENTS SUBSEQUENT TO MARCH 31, 2022 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed above and elsewhere in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring

Prospectus, which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

AUDITOR’S DISCLAIMER OF OPINION

Our Statutory Auditors have included a disclaimer of opinion in their audit report on the financial statements of our Company as at March 31, 2022 on the adequacy and operating effectiveness of internal financial controls, with reference to criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Our Statutory Auditors have considered the disclaimer reported by them in determining the nature, timing, and extent of audit tests applied in the audit of the financial statements of our Company for the year ended March 31, 2022, and the disclaimer does not affect their opinion on the financial statements of our Company as at March 31, 2022.

Post March 31, 2022, our Company has undertaken several measures to establish essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These measures include physical verification of inventories at reasonable intervals and maintaining proper records of sale/ purchase of goods and services. Further, two of the Independent Directors of our Company, are also on the Audit Committee of our Company.

FINANCIAL INDEBTEDNESS

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding borrowing. For details on the borrowing powers of our Board, see '***Our Management – Borrowing Powers***' on page 146.

Our Company is required to furnish bank guarantees in relation to the fulfilment of purchase orders, as and when required. As on September 15, 2022, the lenders had issued bank guarantees amounting to ₹ 15.64 million in favour of our customers, on the request of our Company. Under these bank guarantees, the lenders have agreed to the payment of an amount not exceeding the guaranteed amount in the event that our Company commits a breach/default of any of its contractual obligations in relation to the purchase orders.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years including outstanding actions and (v) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors and our Promoters ("**Relevant Parties**"). As on the date of this Draft Red Herring Prospectus, our Company does not have any group company.*

Pursuant to the Materiality Policy adopted by our Board of Directors on September 29, 2022, for the purposes of (v) above, any pending litigation (including arbitration proceedings) involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding actions, and tax matters, has been considered 'material' and accordingly disclosed in this Draft Red Herring Prospectus where:

(i) the monetary claim made by or against the Relevant Parties in any such pending litigation (including arbitration proceedings) is equivalent to or above 1% of the profit after tax of the Company for Fiscal 2022, as per the last full year restated financial information being ₹ 9.00 million;

(ii) where monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in (i) above, or such pending matters which involve the Relevant Parties but are not falling in (i) above but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company; and

(iii) where the decision in one matter is likely to affect the decision in similar matters such that the cumulative amount involved in such matters exceeds the threshold as specified in (i) above, even though the amount involved in an individual matter may not exceed the threshold as specified in (i) above;

(iv) Further, tax proceedings which individually involve an amount greater than the materiality thresholds as defined in (i) above, will also be disclosed individually.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 6.87 million, which is 5% of the total trade payables of our Company as of March 31, 2022 as per the Restated Financial Information shall be considered as 'material'. Accordingly, as of March 31, 2022 as per the Restated Financial Information, any outstanding dues exceeding ₹ 6.87 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party, which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

It is clarified that for the purpose of the Materiality Policy, pre-litigation notices received by the Relevant Parties from third parties (excluding governmental/statutory/regulatory/ judicial authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

A. Litigation filed against our Company

Criminal proceedings

Nil

Outstanding actions by regulatory and statutory authorities

Nil

Material Civil proceedings

Nil

B. Litigation filed by our Company

Criminal proceedings

1. Our Company has filed a criminal complaint on February 25, 2022, against Lucknow Optical & Surgical Co. and Manish Malhotra before the Chief Judicial Magistrate, Aurangabad, Maharashtra under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of a cheque. The total amount involved is ₹ 21.08 million and the matter is currently pending.

2. Our Company filed a criminal complaint on September 28, 2020, against the management trustee and chief executive officer of Shanti Mukand Hospital before the Additional Chief Metropolitan Magistrate, Kakardooma Court, New Delhi alleging commission of offences under Sections 403, 406, 418, 419, 420 read with Section 34 of the Indian Penal Code, 1860 for non-payment of dues against invoices raised by our Company for the supply, installation and commissioning of oxygen generator at Shanti Mukand Hospital. Our Company has, *inter alia*, prayed for the registration of FIR against the accused. The matter is currently pending.

Material Civil proceedings

1. Our Company has filed a recovery suit against Vikas Sood, proprietor of V Care Industries before the District/Commercial Court at Aurangabad praying *inter alia* the recovery of ₹12.07 million along with interest on the recovery amount. The matter is currently pending.

C. Tax proceedings involving our Company

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in ₹ million*)
Direct Tax	Nil	Nil
Indirect Tax	2	5.29
Total	**2**	**5.29**

II. Litigation involving our Directors

A. Litigation filed against our Directors

Criminal proceedings

Nil

Outstanding actions by regulatory and statutory authorities

Nil

Material Civil proceedings

Nil

B. Litigation filed by our Directors

Criminal proceedings

Nil

Material Civil proceedings

Nil

D. ***Tax proceedings involving our Directors***

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in ₹ million*)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

III. Litigation involving our Promoters

A. ***Litigation filed against our Promoters***

Criminal proceedings

Nil

Outstanding actions by regulatory and statutory authorities

Nil

Material Civil proceedings

Nil

Disciplinary actions including penalties imposed by SEBI or stock exchanges in the last five financial years including outstanding actions

Nil

B. ***Litigation filed by our Promoters***

Criminal proceedings

Nil

Material Civil proceedings

Nil

E. ***Tax proceedings involving our Promoters***

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in ₹ million*)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

F. ***Outstanding dues to creditors***

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2022, are set out below:

Type of creditors	Number of creditors	Amount involved (*in ₹ million)*
Material creditors	2	97.36

Type of creditors	Number of creditors	Amount involved *(in ₹ million)*
Micro, Small and Medium Enterprises	14	3.67
Other creditors	134	36.38
Total	**150**	**137.41**

The details pertaining to outstanding dues to the material creditors along with names and amounts involved for each such material creditor are available on the website at https://airoxtechnologies.com/airoxmaterialcreditors

Material Developments

Other than as stated in the section entitled '***Management's Discussion and Analysis of Financial Condition and Results of Operations***' on page 216, there have not arisen, since the date of the last financial information disclosed in this Draft 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 assets or our ability to pay our liabilities within the next 12 months from the date of the filing of the DRHP.

GOVERNMENT AND OTHER APPROVALS

*Our business activities and operations require various approvals issued by relevant central and state authorities under various rules and regulations. We have set out below an indicative list of all material approvals obtained by our Company, as applicable, for the purposes of undertaking our business activities and operations ("**Material Approvals**"). In view of such approvals, our Company can undertake the Offer and its current business activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.*

*For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see '**Risk Factors – Any delay or inability in obtaining, renewing or maintaining our permits, licenses, registrations and approvals could result in an adverse effect on our results of operations**.' on page 32. For further details in connection with the regulatory and legal framework within which we operate, see '**Key Regulations and Policies'** on page 136.*

I. General details

Incorporation details of our Company

(i) Certificate of incorporation dated September 26, 2012 issued to our Company by the Registrar of Companies, Maharashtra at Mumbai in the name of Airox Technologies Private Limited, with Corporate Identity Number (CIN) U72900MH2012PLC236206.

(ii) Fresh certificate of incorporation dated May 18, 2022 issued by the Registrar of Companies, Maharashtra at Mumbai pursuant to conversion of our Company from 'private limited company' to a 'public limited company' and consequential change in our name from Airox Technologies Private Limited to Airox Technologies Limited. The new Corporate Identity Number (CIN) is U72900MH2012PLC236206.

Offer related approvals

For details of corporate and other approvals obtained in relation to the Offer, see '***Other Regulatory and Statutory Disclosures***' on page 246.

Tax related approvals

(i) The permanent account number of our Company is AAKCA9891Q.

(ii) The tax deduction account number of our Company is NSKA06337C.

(iii) The GST registration number of our Company is 27AAKCA9891Q1ZI, issued by the Government of India for GST payments in the state of Maharashtra where our business operations are situated.

Labour and Employee related approvals

(i) Under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 as amended, our Company has been allotted code number NGAUR1337715000.

(ii) Under the provisions of the Employees State Insurance Act, 1948, our Company has been allotted code number 25000217550000699.

Importer-Exporter Code

(i) Certificate of Importer Exporter Code ("**IEC**") dated November 2, 2012, granting the IEC number 0312052693, issued by the Additional Directorate General of Foreign Trade, Ministry of Commerce and Industry.

II. Material Approvals obtained by our Company

We require various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business activities and operations in India. We have obtained the following Material Approvals.

A. In relation to our registered office at Aurangabad, Maharashtra, we have received the final no-objection certificate from the Maharashtra Industrial Development Corporation. and registration certificate under the Maharashtra Shops and Establishment (Regulation of Employment and Conditions of Services) Act 2017.

B. In relation to our manufacturing facility at Aurangabad, Maharashtra, we have obtained the following:

- Licences under the Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetic Rules, 1945 for selling, stocking, exhibiting and distribution of our oxygen generators;
- Consent to establish and consent to operate under the Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016, from the Maharashtra Pollution Control Board; and
- Provisional fire approval from Aurangabad Industrial Township.

III. Material Approvals to be obtained by our Company

Material Approvals or renewals applied for but not received

Nil

Material Approvals expired and not applied for renewal

Nil

Material Approvals required but not applied for or obtained

Nil

Intellectual Property

The following table sets forth the trademarks registered by us, as on the date of this Draft Red Herring Prospectus:

Sl No.	Registered Trademark	Class	Registering Authority	Registration Number	Date of Expiry
1.	AIROX	Class 10	Registrar of Trademarks	3019040	July 29, 2025
2.	AIROX	Class 10	Registrar of Trademarks	3041959	August 27, 2025

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorised the Offer pursuant to a resolution passed at its meeting held on February 3, 2022. Further, our Board has taken on record the consent of the Promoter Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on September 29, 2022.

- Our Board has approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges pursuant to a resolution passed at its meeting held on September 29, 2022.

Approvals from the Promoter Selling Shareholders

Each of the Promoter Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Sr. No.	Name of Promoter Selling Shareholders	Date of consent letter
1.	Sanjay Bharatkumar Jaiswal	September 27, 2022
2.	Ashima Sanjay Jaiswal	September 27, 2022

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Promoters, members of Promoter Group, our Directors or persons in control of our Company and each of the Promoter Selling Shareholders are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, member of Promoter Group and each of the Promoter Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them in respect of its respective holding in our Company, as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are associated with entities associated with securities market in any manner. No action has been initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations which states the following:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Each of the Promoter Selling Shareholders confirms compliance with and will comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

(a) Our Company, the Promoter Selling Shareholders, our Promoters, the members of our Promoter Group, and our Directors are not debarred from accessing the capital market by SEBI;

(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI;

(c) Neither our Company nor any of our Promoters or Directors has been declared a Wilful Defaulters or a Fraudulent Borrower;

(d) None of our Promoters and our Directors are a Fugitive Economic Offender; and

(e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Each of the Promoter Selling Shareholders, severally and not jointly, confirms compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED, AND ICICI SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE PROMOTER SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE, ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES AND FOR THEIR RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY 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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholders, and the BRLMs

Our Company, our Directors, the Promoter Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website at www.airoxtechnologies.com, or any of the Promoter Selling Shareholders, would be doing so at his or her own risk. It is clarified that none of the Promoter Selling Shareholders, nor any of its respective affiliates and associates, accept and/or undertake any responsibility for any statements made or undertakings provided by any person other than those specifically made or undertaken by such Promoter Selling Shareholder in this Draft Red Herring Prospectus in relation to itself and its respective portion of the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, each of the Promoter Selling Shareholders (with respect to itself and its respective portion of the Offered Shares) and the BRLMs 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 Bidding centres or elsewhere.

None among our Company, the Promoter Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; the blocking of Bid Amount in the ASBA Account 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholders and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter Selling Shareholders and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Aurangabad, Maharashtra, India only.

Bidders eligible under Indian law to participate in the Offer

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SIs and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and Transfer Restrictions

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act ("**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 state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state of the United States.

Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum for the Offer shall be deemed to:

- Represent and warrant to our Company, the Promoter Selling Shareholders and members of the Syndicate that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.

- Acknowledge that the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- Represent and warrant to our Company, Promoter Selling Shareholders and the members of the Syndicate that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Offer was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Offer was originated.

- Represent and warrant to our Company, the Promoter Selling Shareholders and the members of the Syndicate that it did not purchase the Equity Shares offered in the Offer as result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Company, the Promoter Selling Shareholders and the members of the Syndicate that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Offer, it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Agree to indemnify and hold our Company, the Promoter Selling Shareholders and the members of the Syndicate harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Offer.

- Represent and warrant to our Company, the Promoter Selling Shareholders and the members of the Syndicate that if it acquired any of the Equity Shares offered in the Offer as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the Promoter Selling Shareholders and the members of the Syndicate that if it acquired any of the Equity Shares offered in the Offer for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Offer for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Acknowledge that our Company, the Promoter Selling Shareholders, the members of the Syndicate and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with applicable laws.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares proposed to be Allotted pursuant to the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer and [●] will be the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Promoter Selling Shareholders with regard to interest on such refunds will be reimbursed by such Promoter Selling Shareholder in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Promoter Selling Shareholder shall not be responsible to pay and/ or reimburse any expenses towards refund or any interest thereon for any delay, unless such failure or default or delay, as the case may be, is by, and is directly attributable to, an act or omission, of to such Promoter Selling Shareholder and such liability shall be limited to the extent of its respective portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the

Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. Further, each of the Promoter Selling Shareholders, severally and not jointly, specifically confirms that it shall provide reasonable assistance to our Company, and the Book Running Lead Managers, with respect to its respective portion of the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date, to the extent of the Offered Shares.

If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) 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

(c) 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 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of: (a) each of the Promoter Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Statutory Auditors, the legal counsel, the bankers/ lenders to our Company, industry sources, independent chartered accountants, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/Escrow Bank, Public Offer Account Bank, Sponsor Bank and Refund Bank to act in their respective capacities, will be obtained. Further, such consents shall not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus and the Prospectus with the SEBI.

Experts to the Offer

Our Company has received written consent dated September 29, 2022 from Price Waterhouse Chartered Accountants LLP, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus, and as an "expert" as defined under the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report dated September 29, 2022 relating to the Restated Financial Information included in this Draft Red Herring Prospectus.

Our Company has received written consent from M/s DMKH & Company, Chartered Accountants, to include their name as required under Section 26 of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and referred to as an "expert" as defined under Section 2(38) of the Companies Act and for inclusion of statement of special tax benefits dated September 29, 2022 in this Draft Red Herring Prospectus.

Our Company has received written consent dated September 29, 2022 from Shrikant Kondo, Independent Chartered Engineer to include his name as required under Section 26 of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and referred to as an "expert" as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as an independent chartered engineer, in relation to the certificate dated September 29, 2022 certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facility.

The secretarial auditors of our Company, namely KMP and Associates, have pursuant to their certificate dated September 29, 2022, given consent to our Company for being referred to as an "expert" as defined under Section 2(38) of the Companies Act, in respect of the certificate on compliance of ESOP 2022 with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Particulars regarding public or rights issues during the last five years

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Other than as disclosed in '***Capital Structure - Notes to the Capital Structure***' on page 60, our Company has not undertaken any rights issues in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issues in the preceding three years by our Company

Except as disclosed in '***Capital Structure - Notes to the Capital Structure***' on page 60, our Company has not made any capital issue during the three years preceding the date of this Draft Red Herring Prospectus.

Capital issues in the preceding three years by listed group companies, subsidiary and associates of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary, group company or associate.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Other than as disclosed in '***Capital Structure - Notes to the Capital Structure***' on page 60, our Company has not undertaken any rights issues in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects - Public/rights issue of the listed subsidiary/promoters of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary. Our Promoters consist of only individuals.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Price information of past issues handled by the Book Running Lead Managers

<u>JM Financial Limited</u>

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.*

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1	Harsha Engineers International Limited*	7,550.00	330.00	September 26, 2022	450.00	Not Applicable	Not Applicable	Not Applicable

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
2	Paradeep Phosphates Limited#	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	Not Applicable
3	Life Insurance Corporation of India#8	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	Not Applicable
4	Campus Activewear Limited*7	13,997.70	292.00	May 05, 2022	360.00	11.92% [0.70%]	41.71% [6.72%]	Not Applicable
5	AGS Transact Technologies Limited#	6,800.00	175.00	January 31, 2022	176.00	-42.97% [-3.05%]	-28.63% [-1.64%]	-52.69% [-0.77%]
6	CMS Info Systems Limited#	11,000.00	216.00	December 31, 2021	218.50	21.99% [-1.81%]	25.35% [0.74%]	3.75%[-8.71%]
7	Data Patterns (India) Limited*	5,882.24	585.00	December 24, 2021	856.05	29.70% [3.61%]	13.56% [1.42%]	14.16%[-8.03%]
8	C.E. Info Systems Limited#	10,396.06	1,033.00	December 21, 2021	1,581.00	70.21% [6.71%]	48.48% [2.74%]	21.40%[-8.80%]
9	Tega Industries Limited*	6,192.27	453.00	December 13, 2021	760.00	30.70% [3.96%]	1.02% [-4.25%]	3.39% [-6.66%]
10	Go Fashion (India) Limited*	10,136.09	690.00	November 30, 2021	1,310.00	59.75% [1.36%]	32.91% [-1.91%]	48.90% [-3.71%]

Source: www.nseindia.com and www.bseindia.com

 # BSE as Designated Stock Exchange

** NSE as Designated Stock Exchange*

Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 45 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors. A discount of Rs. 60 per Equity Share was offered to Policy holders.*
9. *Not Applicable – Period not completed.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.*

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2022-2023	4	2,42,137.32	-	1	1	-	-	1	-	-	-	-	-	-
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1

ICICI Securities Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited.*

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Shriram Properties Limited^^	6,000.00	118.00(1)	December 20, 2021	90.00	-12.42%,[+9.02%]	-33.39%,[+4.05%]	-46.69%,[-7.95%]
2	Metro Brands Limited^	13,675.05	500.00	December 22, 2021	436.00	+21.77%,[+4.45%]	+14.57%,[+0.64%]	+7.93%,[-9.78%]
3	Supriya Lifescience Limited^	7,000.00	274.00	December 28, 2021	425.00	+78.61%,[-0.07%]	+72.12%,[-0.92%]	+20.36%,[-8.93%]

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
4	AGS Transact Technologies Limited^	6,800.00	175.00	January 31, 2022	176.00	-42.97%,[-3.05%]	-28.63%,[-1.64%]	-52.69%,[-0.77%]
5	Adani Wilmar Limited^^	36,000.00	230.00(2)	February 8, 2022	227.00	+48.00%,[-5.34%]	+180.96%,[-4.95%]	+193.26%,[+0.76%]
6	Vedant Fashions Limited^^	31,491.95	866.00	February 16, 2022	935.00	+3.99%,[-0.20%]	+14.53%,[-8.54%]	+37.67%,[+2.17%]
7	Life Insurance Corporation of India^	2,05,572.31	949.00(3)	May 17, 2022	867.20	-27.24%,[-3.27%]	-28.12%,[+9.47%]	NA*
8	Prudent Corporate Advisory Services Limited^	4,282.84	630.00(4)	May 20, 2022	660.00	-20.71%,[-5.46%]	-2.10%,[+10.92%]	NA*
9	Paradeep Phosphates Limited^	15,017.31	42.00	May 27, 2022	43.55	-10.24%,[-3.93%]	+27.50%,[+7.65%]	NA*
10	Syrma SGS Technology Limited^	8,401.26	220.00	August 26, 2022	262.00	+31.11%[-1.25%]	NA*	NA*

**Data not available.*

^BSE as designated stock exchange

^^NSE as designated stock exchange

1. *Discount of Rs. 11 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 118.00 per equity share.*
2. *Discount of Rs. 21 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 230.00 per equity share.*
3. *Discount of Rs. 45 per equity share offered to eligible employees and Retail Individual Bidders. Discount of Rs. 60 per equity share offered to eligible policyholders. All calculations are based on Issue Price of Rs. 949.00 per equity share*
4. *Discount of Rs. 59 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 630.00 per equity share.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited.*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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%
2022-23*	4	2,33,273.72	-	1	2	-	1	-	-	-	-	-	-	-
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2

** This data covers issues up to YTD.*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	JM Financial Limited	www.jmfl.com
2.	ICICI Securities Limited	www.icicisecurities.com

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and the Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Promoter Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer 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 intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable laws, 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 in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted 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. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Disposal of investor grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSBs in case of ASBA bidders for the redressal of routine investor grievances shall be seven 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 shall obtain authentication on the SCORES platform in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has appointed Sankalp Kandi, as the Company Secretary and Compliance Officer of our Company, and he may be contacted in case of any pre-Offer or post-Offer related problems. For details, see '***General Information***' on page 51.

Each of the Promoter Selling Shareholders have, severally and not jointly, authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Further, our Board has constituted a Stakeholders' Relationship Committee, which is responsible for redressal of grievances of the security holders of our Company. For more information, see '***Our Management - Corporate Governance - Board committees – Stakeholders' Relationship Committee***' on page 152. Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not sought for any exemption from complying with any provisions of securities laws.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities, issued from time to time, by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities while granting approval for the Offer.

The Offer

The Offer comprises an Offer for Sale by the Promoter Selling Shareholders. Expenses for the Offer shall be incurred in the manner specified in '***Objects of the Offer – Offer related expenses***' on page 72.

Ranking of Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of transfer in accordance with applicable law. For more information, see '***Main Provisions of the Articles of Association***' on page 286.

Mode of Payment of Dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For more information, see '***Dividend Policy***' and '***Main Provisions of the Articles of Association***' on pages 162 and 286, respectively.

Face Value and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. At any given point in time there will be only one denomination for the Equity Shares.

The Price Band, the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, and published by our Company in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language in the place where our Registered and Corporate Office is located) at least two Working Days prior to the Bid/Offer Opening Date, in, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their 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 at the respective websites of the Stock Exchanges.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders will have the following rights:

1. Right to receive dividends, if declared;

2. Right to attend general meetings and exercise voting powers, unless prohibited by law;

3. Right to vote on a poll either in person or by proxy and e-voting;

4. Right to receive offers for rights shares and be allotted bonus shares, if announced;

5. Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;

6. Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and

7. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see '***Main Provisions of the Articles of Association***' on page 286.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated June 1, 2022 among NSDL, our Company and the Registrar to the Offer.

- Tripartite Agreement dated May 31, 2022, among CDSL, our Company and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see '***Offer Procedure***' on page 266.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Aurangabad, Maharashtra.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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 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, transfer or alienation 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 our Registered Office or to the Registrar and Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies 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 Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON#**	[●]

* *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

UPI mandate end time and date shall be at 5:00 pm on [●].

An indicative timetable in respect of the Offer is set out below:

BID/OFFER CLOSING DATE	[●]
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/ UNBLOCKING OF FUNDS FROM ASBA ACCOUNT*	On or about [●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	On or about [●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE	On or about [●]

* *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 Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding 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 Bidder 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 Bid Amount, the Bidder 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 Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or any of the Promoter Selling Shareholders or the BRLMs.

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 six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Promoter Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Promoter Selling Shareholders, severally and not jointly, shall extend reasonable support, documentation and co-operation required or requested by our Company and/or the BRLMs, in relation to its respective portion of the Offered Shares, for the completion of the listing of the Equity Shares at the Stock Exchanges.

In terms of the UPI Circulars, in relation to the Offer, 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 six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

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 such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and 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.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, 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 Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Further, as per letter no. list/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Promoter Selling Shareholders may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

As this is an offer for sale by the Promoter Selling Shareholders, the requirement of minimum subscription of 90% of the fresh issue under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not make the minimum Allotment as specified under the terms of Rule 19(2)(b) of the SCRR, to the extent applicable; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company and the Promoter Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum including the circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Each of the Promoter Selling Shareholders shall reimburse, in proportion to the portion of its respective Offered Shares, any expenses and interest incurred by our Company on behalf of such Promoter Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law. Provided that no Promoter Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Promoter Selling Shareholder and any expenses and interest shall be paid to the extent of its respective portion of the Offered Shares.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding, minimum Promoter's contribution and Anchor Investor lock-in in the Offer, as detailed in *'**Capital Structure**'* on page 60 and as provided in our Articles as detailed in '***Main***

Provisions of the Articles of Association' on page 286, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Offer, in whole or in part thereof, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company or the Promoter Selling Shareholders, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under applicable law; and (ii) the final RoC approval of the Prospectus after it is filed and/ or submitted with the RoC and the Stock Exchanges. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 10 each at an Offer Price of ₹ [●] per Equity Share for cash aggregating up to ₹ 7,500 million comprising an Offer of Sale by the Promoter Selling Shareholders.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 6(2) and 31 of the SEBI ICDR Regulations.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Investors
Number of Equity Shares available for Allotment or allocation*(2)	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIIs	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment or allocation	Not less than 75% of the Offer being available for allocation to QIB Bidders. However, up to 5% of the QIB Portion will 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 (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs.	Not more than 15% of the Offer or the Offer less allocation to QIB Bidders and RIIs shall be available for allocation out of which: (i) One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (ii) Two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of the sub categories specified above may be allocated to Applicants in the other sub-category of Non-Institutional Bidders.	Not more than 10% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders will be available for allocation
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above c) up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	The allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see '***Offer Procedure***' on page 266.
Mode of Bid^	Through ASBA Process only (except in case of Anchor Investors which shall include the UPI Mechanism for UPI Bidders). In case of UPI Bidders through the UPI Mechanism		

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Investors
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply(3)(4)	Public financial institutions as defined in the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by the GoI, 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 NBFC-SI	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment(5)	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors), 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		

** Assuming full subscription in the Offer.*

^ SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

(1) *Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million or part thereof will be permitted, subject to minimum allotment of ₹ 50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100.00 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and the Promoter Selling Shareholders in consultation with the BRLMs.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations.*

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the first bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first bidder would be required in the Bid cum Application Form and such first bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Bids by FPIs with certain structures as described under '**Offer Procedure – Bids by FPIs**' on page 272 and having the same PAN may be collated and identified as a single Bid in the Bidding process.*

(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 Offer Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, 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.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, on a proportionate basis.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (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, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. 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 Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (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 Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*The SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has proposed to introduce 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 with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular has come into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. 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 (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of application monies from 15 days to four days.*

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 (opening on or after September 1, 2022) 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 four Working Days from the Bid/Offer 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/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their *sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Promoter Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus and the Red Herring Prospects. 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 this Prospectus.

Further, our Company, the Promoter Selling Shareholders and the Members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company in consultation with the BRLMs in accordance with the SEBI ICDR Regulations, 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 QIB Portion. Further, 5% of the net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis 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 ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 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. Further, not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer 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 a combination of categories at the discretion of our Company and the Promoter Selling Shareholders in consultation with the BRLMs, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In case of an undersubscription in the Offer, the Equity Shares proposed for sale by the Promoter Selling Shareholders shall be in proportion to the Offered Shares by such Promoter Selling Shareholders. In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●]% of the post Offer paid-up Equity Share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

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, PAN and UPI ID, as applicable, 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 the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia* equity shares. Pursuant to the UPI Circulars, the UPI Mechanism 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 RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated 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.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, 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. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our 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 UPI Bidders using the UPI.

NPCI through its circular (NPCI/UPI/OC No. 127/ 2021-22) dated December 9, 2021, inter alia, has enhanced the per transaction limit from ₹ 200,000 to ₹ 500,000 for applications using UPI in initial public offerings.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB. For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders shall Bid in the Offer through the UPI Mechanism. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, 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. This circular shall be applicable for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs using the UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs 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.

(ii) RIIs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the 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.

(iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI 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, which is effective from September 1, 2022.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors^^	White

**Excluding the electronic Bid cum Application Form*

*^Electronic Bid cum Application Form will be made available for download on the website of the BSE (*www.bseindia.com*) and NSE (www.nseindia.com)*

^^Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For RIIs using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

In case of ASBA forms, the relevant Designated Intermediaries shall capture and 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.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders, for blocking of funds. The Sponsor Bank 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. In accordance with BSE Circular No:

20220803-40 and NSE Circular No: 25/2022, each dated August 3, 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/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. 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, 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 Banks and the issuer bank. The Sponsor Banks 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 for mandate block and unblock including details 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI and circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

The Sponsor Bank 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 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 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 UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For ASBA Forms (other than RIIs Bidding using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer 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 Offer Bidding process.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as will be disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by the BRLMs, the Syndicate Members and their associates and affiliates

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, 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, 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 BRLMs 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 BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) AIFs sponsored by the entities which are associate of the BRLMs;

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs; or

(v) Person related to Promoters and the members of the Promoter Group.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" 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 BRLMs.

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 and Promoter Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

In case of multiple Bids, 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% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% 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. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise their SCSB 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. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Non-debt Instrument Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% 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 shall not exceed 10% of the the total paid-up Equity Share 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% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For details of restrictions on investment by NRIs, see '***Restrictions on Foreign Ownership of Indian Securities***' on page 285.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, 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 as follows: "Name of sole or first bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

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-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

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, the Promoter Selling Shareholders, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 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.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) 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.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the Applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations 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.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Promoter Selling Shareholder or the BRLMs 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 and the Promoter Selling Shareholders in consultation with the BRLMs 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 the RBI, certified copies of (i) the certificate of registration issued by the 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 and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. 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 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 and the Promoter Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, 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 or health insurer;
(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 health insurer 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 health insurer 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 ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in the Offer 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 with minimum corpus of ₹ 250 million, subject to applicable law, 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 and the Promoter Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250.00 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250.00 million, 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 and the Promoter Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Promoter Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Promoter Selling Shareholders in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

(a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 million. 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 ₹ 100.00 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

(e) Our Company and Promoter Selling Shareholders may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company and the Promoter Selling Shareholders in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

    (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100.00 million;

    (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and

    (iii) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer 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 BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

(i) 50% of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion. For details, see '- ***Participation by the BRLMs, the Syndicate Members and their associates and affiliates***' on page 270.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its 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 NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Promoter Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;

7. UPI Bidders Bidding using the UPI Mechanism in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 pm on the Bid/Offer Closing Date;

10. Ensure that the signature of the first bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

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 circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, 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 beneficial 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. 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;

16. 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;

17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure

proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

20. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

21. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;

22. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form 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 SEBI at http://www.sebi.gov.in);

23. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidder Bidding through the UPI Mechanism, ensure that you authorise 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;

24. Ensure that the Demographic Details are updated, true and correct in all respects;

25. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

26. The ASBA bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs;

27. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

28. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RII Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

29. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/ Offer Closing Date;

30. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first bidder (in case of joint account) in the Bid cum Application Form;

31. UPI Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid

should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

32. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are recategorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and

33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

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 Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors;

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

9. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹ 5,00,000;

10. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

11. Do not submit the Bid for an amount more than funds available in your ASBA Account;

12. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

13. 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;

14. 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);

15. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

16. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;

17. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one

Bid cum Application Form per ASBA Account;

18. If you are UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

19. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

20. Anchor Investors should not bid through the ASBA process;

21. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

22. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

23. Do not submit the GIR number instead of the PAN;

24. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

25. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

26. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;

27. 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. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

28. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

29. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

30. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

32. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism.

34. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see '***General Information – Book Running Lead Managers***' on page 52.

Further, in case of any pre-Offer or post Offer 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***' on page 51.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes on February 13, 2020, and press release dated June 25, 2021.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Applicants other than to the RIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each RII shall not be less than the minimum bid lot, subject to the availability of shares in RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Account

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer 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-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language in the place where our Registered and Corporate Office is located).

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This 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.

The information set out above is given for the benefit of the Bidders/Applicants. Our Company, the Promoter Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) [●] editions of [●], a widely circulated English national daily newspaper; ii) [●] editions of [●], a Hindi national daily newspaper; and (iii) [●] editions of [●], a widely circulated Marathi national daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation.

Signing of the Underwriting Agreement and Filing with the RoC

(b) Our Company, the Promoter Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price but prior to the filing of the Prospectus.

(c) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer 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, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) 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

(c) 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, for fraud involving an amount of at least ₹ 1 million or 1% 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 ₹ 1 million 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 ₹ 5.00 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer 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 Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date or within such other time period prescribed by SEBI will be taken;

- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies

Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- that if our Company or the Promoter Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;

- that if our Company and/or the Promoter Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or the Promoter Selling Shareholders subsequently decide to proceed with the Offer;

- except for Equity Shared allotted pursuant to the Offer, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts/ refunded on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Promoter Selling Shareholders

Each of the Promoter Selling Shareholder, severally and not jointly, specifically undertakes and/or confirms the following in respect to itself as a Promoter Selling Shareholder and its respective portion of the Offered Shares:

- the Offered Shares have been held by it for a minimum period of one year prior to the date of filing this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations;

- the Offered Shares are within the thresholds prescribed under Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to it;

- it is the legal and beneficial holder of and has full title to its respective portion of the Offered Shares, which have been acquired and is held by it in full compliance with applicable law;

- its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;

- it shall not 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 in the Offer, except for fees or commission for services rendered in relation to the Offer;

- it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges and

- its respective portion of the Offered Shares are fully paid-up and are in dematerialized form.

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 of India has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly, Department of Industrial Policy and Promotion) ("**DPIIT**") issued the Consolidated FDI Policy Circular of 2020, which, with effect from October 15, 2020, consolidates 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. FDI in companies engaged in sectors/ activities which are not listed in the Consolidated FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. Pursuant to the Consolidated FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company. The Consolidated FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, 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 ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI 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. Each Bidder should seek independent legal advice about its ability to participate in the Offer. 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 Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For further details, see '***Offer Procedure***' on page 266.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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 VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company ("**Articles**") are detailed below.*

AUTHORISED CAPITAL

Article 5 provides that the authorised share capital of our Company shall be such amount, divided into such class(es),denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of our Company, subject to the provisions of applicable law for the time being in force.

SHARES AT THE DISPOSAL OF THE DIRECTORS

Article 8 provides that subject to the provisions of the Companies Act 2013, ("**Act**") and the Articles of Association, the shares in the capital of our Company shall be under the control of the board of directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with Sections 52 and 53 and other provisions of the Act) and at such time as they may from time to time think fit and with the sanction of our Company in general meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the board of directors think fit and may issue and allot shares on payment in full or part of any property sold and transferred or for any services rendered to our Company in the conduct of its business. Any shares so allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid-up shares. Provided that, the option or right to call for shares shall not be given to any person or persons without the sanction of our Company in a general meeting. As regards all allotments, from time to time made, the board shall duly comply with Sections 23 and 39 of the Act, as the case may be.

SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE

Article 10 provides that subject to the provisions of the Act, our Company in its general meetings may, by an ordinary resolution, from time to time:

- increase the share capital by such sum, to be divided into shares of such amount as it
- thinks expedient;
- divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;
- cancel shares which at the date of such general meeting have not been taken or
- agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approval under the Act; and
- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

ISSUE OF CERTIFICATES

Article 21 provides that every member 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 provided in the relevant laws) to several certificates, each for one or more of such shares and our Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. In respect of any share or shares held jointly by several persons, our 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 joint holders. Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary and the common seal it shall be affixed in the presence of the persons required to sign the certificate.

COMPANY'S LIEN ON SHARES/ DEBENTURES

Article 25 provides that our Company shall subject to applicable law have a first and paramount lien on every share /debenture (not being a fully paid share / debenture) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all money's (whether presently payable or not) called, or payable at a fixed time, in respect of the share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of our Company's lien, if any, on such shares/ debentures. Provided that the board may at any time declare any share to be wholly or in part exempt from the provisions of the Articles. The fully paid-up shares shall be free from all lien and in the case of partly paid up shares our Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

TRANSFER AND TRANSMISSION OF SHARES

Article 57 provides that our Company shall keep a "register of transfers and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. Our Company shall also use a common form of transfer.

Article 58 provides that in respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any director or officer of our Company to authenticate such endorsement on behalf of our Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

Article 59 provides that the instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. Our Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where our Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. The board may decline to recognize any instrument of transfer unless- (i) the instrument of transfer is in the form prescribed under the Act; (ii) the instrument of transfer is accompanied by the certificate of 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 (iii) the instrument of transfer is in respect of only one class of shares. 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.

Article 60 provides that every such instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered In the "register of members" in respect thereof.

Article 61 provides that subject to compliance with the Act and other applicable law, the board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, "register of members", the "register of debenture holders" at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may seem expedient.

Article 62 provides that subject to the provisions of these Articles and other applicable provisions of the Act or any other law for the time being in force, the board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of our Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a ,member in our Company, after providing sufficient cause, within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to our Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to our Company on any account whatsoever except where our Company has a lien on shares transfer of shares/debentures in whatever lot shall not be refused.

Article 63 provides that where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless our Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

Article 64 provides that the executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased member and not being one of several joint holders shall be the only person whom our Company shall recognize as having any title to the shares registered in the name of such members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the directors, in their absolute discretion think fit, it shall lawful for the directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the directors may consider necessary or desirable.

Article 65 provides that no share shall in any circumstances be transferred to any infant, insolvent or a person of unsound mind, except fully paid shares through a legal guardian.

Article 66 provides that subject to provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, 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 as the board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to our Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer 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.

Article 67 provides that a person becoming entitled to a share by reason of the death or insolvency of the holder shall, subject to the directors' right to retain such dividends or money, 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 our Company. Provided that the board may at any time give a 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 (90) days, the board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

GENERAL MEETINGS

Article 77 provides that our Company shall in each year hold a general meeting as its annual general meeting. In addition to any other meeting in that year and an annual general meeting of our Company shall be held in accordance with the provisions of the Act.

Article 78 provides that all general meetings other than the annual general meeting shall be called "extraordinary general meeting". Provided that, the board may, whenever it thinks fit, call an extra ordinary general meeting.

Article 79 provides that the board shall, on the requisition of members, convene an extraordinary general meeting of our Company in the circumstances and in the manner provided under the Act.

Article 80 provides that all general meetings shall be convened by giving not less than clear twenty one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the members and to such reasons as are under the Act and/or these Articles entitled to receive such notice from our Company but any accidental omission to give notice to or non-receipt of the notice by any member or other person to whom it should be given shall not invalidate the proceedings of any general meetings. The members may participate in general meetings through such modes as permitted by applicable laws.

Article 81 provides that the upon compliance with the relevant provisions of the Act, an annual general meeting or any general meeting may be convened by giving a shorter notice than twenty-one (21) days.

VOTE OF MEMBERS

Article 93 provides that subject to any rights or restrictions for the time being attached to any class or classes of shares: (a) On a show of hands every member holding equity shares and present in person shall have one vote; (b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his share in the paid up equity share capital; and (c) a member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Article 94 provides that in case of joint holders the vote of first named of such joint holders in the register of members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

Article 95 provides that 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 legal guardian may, on a poll, vote by proxy.

DIRECTORS

Article 101 provides that 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 our Company may appoint more than fifteen (15) directors after passing a special resolution. The following are the first directors of our Company (a) Mr. Sanjay Bharatkumar Jaiswal; and (b) Mrs. Ashima Sanjay Jaiswal.

RETIREMENT AND ROTATION OF DIRECTORS

Article 110 provides that at the annual general meeting of our Company to be held every year, one third of such of the directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing director appointed or the directors appointed as a debenture director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of directors of whom one third shall retire from office under this Article.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Article 116 provides that the board of directors shall meet at least once in every three (3) months with a maximum gap of four (4) months between two (2) meetings of the board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the board shall be at a location determined by the board at its previous meeting, or if no such determination is made, then as determined by the chairman of the board. The chairman may, at any time, and the secretary or such other officer of our Company as may be authorised in this behalf on the requisition of director shall at any time summon a meeting of the board. Notice of at least seven (7) days in writing of every meeting of the board shall be given to every director and every alternate director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any. The notice of each meeting of the board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting. To the extent permissible by applicable law, the directors may participate in a meeting of the board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the directors regarding the availability of participation through video conferencing. Any director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Article 117 provides that the questions arising at any time at a meeting of the board shall be decided by majority of votes and in case of equality of votes, the chairman, in his absence the vice chairman or the director presiding shall have a second or casting vote.

MANAGING AND WHOLE-TIME DIRECTORS

Article 131 provides that the board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit. The directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors. In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the board of directors subject to the approval of the members. If a managing director and/or whole-time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director. The managing director shall not be liable to retirement by rotation as long as he holds office as managing director.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Article 134 provides that subject to the provisions of the Act a chief executive officer, manager, company secretary and chief financial officer may be appointed by the board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager/ company secretary and chief financial officer so appointed may be removed by means of a resolution of the board. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of our Company as well as the managing director or chief executive officer of our Company at the same time. A provision of the Act or the Articles requiring or authorizing 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 a director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

DIVIDEND

Article 137 provides that our Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the board.

Article 139 provides that where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits. Where our Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, our Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by our Company in that behalf in any scheduled bank to be called 'unpaid dividend account of Airox Technologies Limited'. Any money transferred to the unpaid dividend account of our Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by our Company to the fund known as "investor education and protection fund" established under the Act. No unclaimed or unpaid dividend shall be forfeited by the board before the claim becomes barred by law. All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

CAPITALISATION OF PROFITS

Article 149 provides that (a) our Company in general meeting, may, on recommendation of the board resolve: (i) that it is desirable to capitalize any part of the amount for the time being standing to the credit of our Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and (ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.(b)

The sum aforesaid shall not be paid in cash but shall be applied, either in or towards (i) paying up any amounts for the time being unpaid on shares held by such members respectively; (ii) paying up in full, unissued shares of our Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid;(iii) partly in the way specified in sub-clause (i) and partly that specified in sub-clause (ii); (iv) a securities premium account and a capital redemption reserve account or any other permissible reserve account may be applicable as permitted under the Act in the paying up of unissued shares to be issued to members of our Company as fully paid bonus shares; and (v) the board shall give effect to the resolution passed by our Company in pursuance of these Articles.

WINDING UP

Article 160 provides that subject to the applicable provisions of the Act, If our Company shall be wound up, the liquidator may, with the sanction of a special resolution of our 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 our Company, whether they shall consist of property of the same kind or not. 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. The liquidator may, with the 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. Any person who is or has been a director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and 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) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus and filed with the RoC. Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office, from 10.00 am to 4.00 pm on all Working Days and will also be available on the website of our Company at https://airoxtechnologies.com/materialcontractsanddocumentsforinspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, except for such contracts and documents that will be entered into or executed subsequent to the completion of the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts to the Offer

1. Offer Agreement dated September 29, 2022 entered into among our Company, the Promoter Selling Shareholders and the BRLMs.

2. Registrar Agreement dated September 29, 2022 entered into among our Company, the Promoter Selling Shareholders and the Registrar to the Offer.

3. Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Promoter Selling Shareholders, the BRLMs, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer.

4. Share Escrow Agreement dated [●] entered into among the Promoter Selling Shareholders, our Company and the Share Escrow Agent.

5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Promoter Selling Shareholders and the Registrar to the Offer.

6. Underwriting Agreement dated [●] entered into among our Company, the Promoter Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation dated September 26, 2012, and a fresh certificate of incorporation dated May 18, 2022 upon conversion into a public company.

3. Resolution of our Board dated February 3, 2022, approving the Offer and other related matters.

4. Resolution of our Board dated September 29, 2022 approving this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

5. Consent letters from the Promoter Selling Shareholders, each dated September 27, 2022, consenting to participate in the Offer for Sale.

6. Statement of special tax benefits dated September 29, 2022 from M/s DMKH & Company, Chartered Accountants, included in this Draft Red Herring Prospectus.

7. The examination report of the Statutory Auditors dated September 29, 2022 on the Restated Financial Information.

8. Our Company has received written consent dated September 29, 2022 from Price Waterhouse Chartered Accountants LLP, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus, and as an "expert" as defined under the Companies Act, 2013 to the extent

and in their capacity as our Statutory Auditors, and in respect of their examination report dated September 29, 2022 relating to the Restated Financial Information included in this Draft Red Herring Prospectus.

9. Consent of M/s DMKH & Company, Chartered Accountants, dated September 29, 2022 to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and referred to as an "expert" as defined under Section 2(38) of the Companies Act and for inclusion of the statement of special tax benefits dated September 29, 2022 in this Draft Red Herring Prospectus.

10. Consent of Shrikant Kondo, Independent Chartered Engineer dated September 29, 2022 to include his name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and referred to as an "expert" as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as an independent chartered engineer, in relation to the certificate dated September 29, 2022, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facility.

11. Consents of our Directors, Bankers to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, legal counsels, lenders to the Company, Company Secretary and Compliance Officer of our Company, as referred to act, in their respective capacities.

12. Consent letter dated September 27, 2022 from CRISIL to rely on and reproduce part or whole of the CRISIL Report and include their name in this Draft Red Herring Prospectus.

13. The secretarial auditors of our Company, namely KMP and Associates, have pursuant to their certificate dated September 29, 2022, given consent to our Company for being referred to as an "expert" as defined under Section 2(38) of the Companies Act, in respect of the certificate on compliance of ESOP 2022 with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

14. Board resolution dated March 30, 2022, Shareholders' resolution dated April 4, 2022 and the appointment letter dated April 4, 2022, in relation to appointment of Sanjay Bharatkumar Jaiswal as our Managing Director.

15. Authorization certificate dated April 13, 2022, issued by AirSep Corporation in favour of our Company.

16. Industry report titled "*Assessment of Medical Oxygen Manufacturing Industry in India*" released in September 2022 prepared and issued by CRISIL, commissioned and paid for by our Company and engagement letter dated February 8, 2022, amongst the Company and CRISIL.

17. In-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

18. Tripartite Agreement dated June 1, 2022 among our Company, NSDL and the Registrar to the Offer.

19. Tripartite Agreement dated May 31, 2022 among our Company, CDSL and the Registrar to the Offer.

20. Due diligence certificate to SEBI from the BRLMs, dated September 29, 2022.

21. SEBI final observation letter number [●] dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sanjay Bharatkumar Jaiswal

(Managing Director)

Date: September 29, 2022

Place: Aurangabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashima Sanjay Jaiswal

(Non-Executive Director)

Date: September 29, 2022

Place: Aurangabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Janardhan Pralhadrao Gupta

(Independent Director)

Date: September 29, 2022

Place: Aurangabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ravi Shivramakrishna Raman

(Independent Director)

Date: September 29, 2022

Place: Aurangabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Radhamohan Garg

(Chief Financial Officer)

Date: September 29, 2022

Place: Aurangabad

DECLARATION

I, Sanjay Bharatkumar Jaiswal, the Promoter Selling Shareholder, hereby confirm and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Sanjay Bharatkumar Jaiswal

Date: September 29, 2022

Place: Aurangabad

DECLARATION

I, Ashima Sanjay Jaiswal, the Promoter Selling Shareholder, hereby confirm and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as a Promoter Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Ashima Sanjay Jaiswal

Date: September 29, 2022

Place: Aurangabad