

# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
Airox Technologies Limited (Formerly known as Airox Technologies Private Limited).  
D-27, 5<sup>th</sup> Floor, Prozone Trade Center,  
API Corner, Chikalthana,  
Aurangabad - 431001.

## Auditor's Report on special purpose financial statements

1. This report is issued in accordance with the terms of our agreement dated May 13, 2022.
2. We have audited the accompanying special purpose financial statements of Airox Technologies Limited (the "Company") which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including Other Comprehensive Income), the statement of changes in equity and statement of cash flow for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements"), which we have signed under reference to this report.

## Management's Responsibility for the Special Purpose Financial Statements

3. The Company's management is responsible for the preparation of these special purpose financial statements to give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared (the "accounting principles generally accepted in India"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

4. Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the special purpose financial statements.

Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A - Wing 1, Business Bay, Airport Road,  
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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no. ULLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



# Price Waterhouse Chartered Accountants LLP

## Special Purpose Audit Report

To the Board of Directors of Airox Technologies Limited (Formerly known as Airox Technologies Private Limited)

Report on Special purpose financial statements

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

7. Based on our audit, we report that:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b. The Balance Sheet, the Statement of Profit and Loss, the Statement of changes in equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - c. In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, the state of affairs of the Company as at March 31, 2021;
    - (ii) in the case of the Statement of Profit and Loss, the profit for the year ended on that date;
    - (iii) in the case of the Statement of Changes in Equity, of the changes in equity for the year ended on that date; and
    - (iv) in the case of the Statement of Cash flow, of the cash flows for the year ended on that date

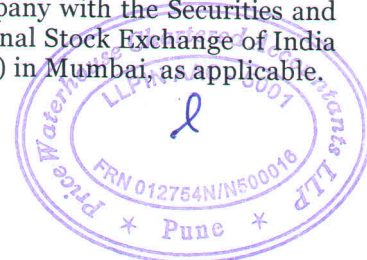
## Emphasis of Matter

8. 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.

Our opinion is not modified in respect of the above matter.

## Other Matter

9. The special purpose financial statements dealt with by this report, have been prepared by the Company's Board of Directors for preparation of restated financial information of the Company which will be included in the Draft Red Herring Prospectus ('DRHP'), Red Herring Prospectus (RHP) and the Prospectus (hereinafter collectively referred to as the "Offer Documents") in connection with proposed Initial Public Offering (IPO) of the equity shares of the Company, but not for the purpose of filling with any regulatory authorities. These Offer Documents will be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited (BSE), National Stock Exchange of India Limited ("NSE") and the Registrar of Companies (the "ROC") in Mumbai, as applicable.





# Price Waterhouse Chartered Accountants LLP

## Special Purpose Audit Report

To the Board of Directors of Airox Technologies Limited (Formerly known as Airox Technologies Private Limited)

Report on Special purpose financial statements

10. The statutory financial statements of the Company for the financial year ended March 31, 2021 were audited by another firm of chartered accountants under the provisions of the Companies Act, 2013 who vide their audit report dated September 13, 2021 issued an unmodified opinion on those financial statements. We have audited the special purpose financial statements for the limited purpose of complying with the requirement of getting the 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 (also refer to Note 1.1 of the Special purpose financial statements).
11. We were appointed as auditors of the Company after March 31, 2021 and thus did not observe the counting of physical inventories at the beginning and end of the year. We have therefore performed related alternate procedures and obtained sufficient and appropriate audit evidence regarding the existence and the condition of the inventory balance as at March 31, 2021.

Our opinion is not modified in respect of the above matters in Paragraph 9 to 11.

### Restriction on Use

12. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
13. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Price Waterhouse Chartered Accountants LLP neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose or to any other party to whom our audit report is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. 012754N/N500016

Place: Pune  
Date: September 20, 2022

Neeraj Sharma  
Partner  
Membership No. 108391  
UDIN: 22108391ATINPT6839

**AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)**
**Balance Sheet as at March 31, 2021**
*(All amounts are in INR-Million, unless stated otherwise)*

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	3 (a)	16.67	18.03
Right-of-use assets	4	33.22	20.76
Intangible assets	3 (b)	-	-
Financial assets			
Security deposits		5.27	4.69
Other financial assets	5 (d)	21.46	1.69
Current tax assets (net)	27B	-	0.52
Deferred tax assets (net)	16	31.62	7.52
<b>Total non-current assets</b>		<b>108.24</b>	<b>53.21</b>
<b>Current assets</b>			
Inventories	6	207.53	68.02
Financial assets			
Investments	5 (a)	0.10	-
Trade receivables	7	266.65	33.32
Cash and cash equivalents	8	43.61	12.32
Bank balances other than cash and cash equivalents	5 (b)	1.58	0.59
Other financial assets	5 (c)	3.40	-
Other current assets	9	4.40	7.75
<b>Total current assets</b>		<b>527.27</b>	<b>122.00</b>
<b>Total assets</b>		<b>635.51</b>	<b>175.21</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	10	44.64	44.64
<b>Other equity</b>			
Reserves and surplus	11	132.45	(28.25)
<b>Total equity</b>		<b>177.09</b>	<b>16.39</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	12	8.00	6.73
Lease liabilities	4	5.92	7.24
Contract Liabilities	17 B	47.99	6.68
Employee benefit obligations	14	2.96	2.47
<b>Total non-current liabilities</b>		<b>64.87</b>	<b>23.12</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13	64.04	57.09
Lease liabilities	4	3.04	2.81
Trade payables			
Total Outstanding dues of micro enterprises and small enterprises	18	43.56	1.82
Total Outstanding dues of creditors other than micro enterprises and small enterprises	18	143.00	27.95
Contract liabilities	17B	44.75	30.57
Employee benefit obligations	14	0.29	0.25
Current tax liabilities (net)	15	66.66	-
Other current liabilities	17A	28.21	15.21
<b>Total current liabilities</b>		<b>393.55</b>	<b>135.70</b>
<b>Total liabilities</b>		<b>458.42</b>	<b>158.82</b>
<b>Total equity and liabilities</b>		<b>635.51</b>	<b>175.21</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.  
This is the Balance sheet referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: - 012754N/N500016

**Neeraj Sharma**  
Partner  
Membership no.: 108391

Place: Pune  
Date: September 20, 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

**Sanatip Kandi**  
Company Secretary

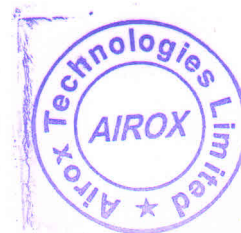
Place: Aurangabad  
Date: Sep 20, 2022

Place: Aurangabad  
Date: Sep 20, 2022

Place: Aurangabad  
Date: Sep 20, 2022

**Radhamohan Garg**  
Chief Financial Officer

Place: Aurangabad  
Date: Sep 20, 2022



**AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)**

CIN- U72900MH2012PLC236206

**Statement of Profit and Loss for the year ended March 31, 2021**

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

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	19	729.87	171.25
Other income	20	2.68	1.14
<b>Total income</b>		<b>732.55</b>	<b>172.39</b>
<b>Expenses</b>			
Cost of raw materials consumed	21	462.02	92.13
Changes in inventories of finished goods and stores and spares	22	(74.38)	7.68
Employee benefit expense	23	43.91	32.86
Depreciation and amortization expense	24	5.76	5.00
Finance costs	25	14.07	7.96
Other expenses [includes net impairment losses of financial assets of INR 18.28 million (March 31, 2020: INR NIL million)]	26	66.15	18.50
<b>Total expenses</b>		<b>517.53</b>	<b>164.13</b>
<b>Profit before tax</b>		<b>215.02</b>	<b>8.26</b>
<b>Income tax expense</b>			
Current tax	27	80.04	1.70
Deferred Tax	27	(23.75)	(1.04)
<b>Total tax expense</b>		<b>56.29</b>	<b>0.66</b>
<b>Profit for the year</b>		<b>158.73</b>	<b>7.60</b>
<b>Other comprehensive income/ (loss)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations		0.20	(0.12)
Income tax relating to these items		(0.05)	0.03
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>0.15</b>	<b>(0.09)</b>
<b>Total comprehensive income for the year</b>		<b>158.88</b>	<b>7.51</b>

**Earnings per equity share - Basic and Diluted (in Rs.)**

(Face value of share - Rs. 10 each) (refer note 10)

35

35.55

1.70

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred in our report of even date

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: - 012754N/N500016

**Neeraj Sharma**

Partner

Membership no.: 108391

Place: Pune

Date: September 20, 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

Place: Aurangabad

Date: Sep 20, 2022

**Radhamohan Garg**

Chief Financial Officer

Place: Aurangabad

Date: Sep 20, 2022

**Ashima Jaiswal**

Director

DIN No: 05359660

Place: Aurangabad

Date: Sep 20, 2022

**Sankalp Kandi**

Company Secretary

Place: Aurangabad

Date: Sep 20, 2022





**AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)**

CIN- U72900MH2012PLC236206

**Statement of Changes in Equity for the year ended March 31, 2021**

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

A. Equity share capital:	Notes	No. of shares	Amount
As at March 31, 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

**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)
Profit for the year	-	-	7.60	7.60
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
Profit for the year	-	-	158.73	158.73
Other comprehensive income/ (loss)	-	-	0.15	0.15
As at March 31, 2021	-	0.07	132.38	132.45

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.  
This is the Statement of Changes in Equity referred in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: - 012754N/N500016

*Neeraj Sharma*

Neeraj Sharma  
Partner  
Membership no.: 108391

Place: Pune  
Date: September 20, 2022

**For and on behalf of the Board of Directors of  
AIROX TECHNOLOGIES LIMITED (Formerly known as Airox  
Technologies Private Limited)**

*Sanjay Jaiswal* *Ashima Jaiswal* *Sankalp Kandi*  
Managing Director Director Company Secretary  
DIN No: 05359656 DIN No: 05359660

Place: Aurangabad Place: Aurangabad Place: Aurangabad  
Date: Sep 20, 2022 Date: Sep 20, 2022 Date: Sep 20, 2022

*Radhamohan Garg*  
Chief Financial Officer

Place: Aurangabad  
Date: Sep 20, 2022



**AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)**
**CIN- U72900MH2012PLC236206**
**Statement of Cash Flows for the year ended March 31, 2021**
*(All amounts are in INR Million, unless stated otherwise)*

Sr.no	Particulars	March 31, 2021	March 31, 2020
<b>A</b>	<b>Cash flow from operating activities</b>		
	Net profit before tax	215.02	8.26
	Adjustments for:		
	Depreciation and amortization expenses	5.76	5.00
	Unwinding of discount on security deposit	(0.38)	-
	Provision for expected credit loss	0.01	-
	Interest income from financial assets	(0.34)	(0.24)
	Interest on delayed payments of taxes	8.35	-
	Interest expense on lease liability	0.63	0.71
	Interest and other finance cost	5.09	7.25
	<b>Operating profits before working capital changes</b>	<b>234.14</b>	<b>20.98</b>
	<b>Adjustments for changes in:</b>		
	(Increase)/ Decrease in Inventories	(139.51)	2.18
	(Increase)/ Decrease in trade receivables	(233.34)	18.33
	(Increase)/ Decrease in Other Financial Assets	(3.65)	(4.00)
	(Increase)/ Decrease in other current assets	3.35	(6.06)
	Increase/(Decrease) in employee benefit obligations	0.53	0.85
	Increase/(Decrease) in Trade payables	156.69	(9.53)
	Increase/(Decrease) in Other current Liabilities and non current liabilities	60.29	2.23
		(155.64)	4.00
	Cash generated from operations before tax	<b>78.50</b>	<b>24.98</b>
	Income Taxes paid	(12.86)	(2.22)
	<b>Net cash generated from operating activities</b>	<b>65.64</b>	<b>22.76</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment	(0.52)	(4.99)
	Investment in mutual funds	(0.10)	-
	Acquisition of right of use of asset	(13.09)	(10.95)
	Payment for investments in fixed deposits	(37.01)	(0.64)
	Proceeds from maturity of fixed deposits	16.68	-
	<b>Net cash flow used in investing activities</b>	<b>(34.04)</b>	<b>(16.58)</b>
<b>C</b>	<b>Cash Flow from financing activities</b>		
	Proceeds from long term borrowings	9.67	5.13
	Repayment of long term borrowings	(8.40)	(3.20)
	Proceeds from short term borrowings	562.49	216.14
	Repayment of short term borrowings	(555.54)	(209.20)
	Lease payments including interest	(3.44)	(1.70)
	Interest Paid other than on lease liabilities	(5.09)	(7.25)
	<b>Net cash flow used in financing activities</b>	<b>(0.31)</b>	<b>(0.08)</b>
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>31.29</b>	<b>6.10</b>
	Opening Cash and cash equivalents	12.32	6.22
	Closing Cash and cash equivalents	43.61	12.32



**Details of non-cash investing and financing activities:**

**The following are the non-cash investing and financing activities:**

Acquisition of right of use asset

1.75

12.25

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.  
This is the Statement of Cash Flows referred in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: - 012754N/N500016



**Neeraj Sharma**

Partner

Membership no.: 108391

Place: Pune

Date: September 20, 2022

**For and on behalf of the Board of Directors of**

**AIROX TECHNOLOGIES LIMITED (Formerly known as Airox Technologies Private Limited)**



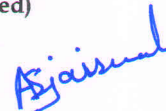
**Sanjay Jaiswal**

Managing Director

DIN No: 05359656

Place: Aurangabad

Date: Sep 20, 2022



**Ashima Jaiswal**

Director

DIN No: 05359660

Place: Aurangabad

Date: Sep 20, 2022



**Sankalp Kandi**

Company Secretary

Place: Aurangabad

Date: Sep 20, 2022



**Radhamohan Garg**

Chief Financial Officer

Place: Aurangabad

Date: Sep 20, 2022