



**COSPOWER ENGINEERING LIMITED**

Our Company was originally incorporated as Cospower Engineering Private Limited at Mumbai as Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 22, 2010, bearing Corporate Identification Number U31908MH2010PTC208016, issued by the Registrar of Companies, Mumbai and Maharashtra for the purpose of acquiring the Partnership business of M/s. Cospower Corporation, which was in existence since 2004. Subsequently, our Company was converted into Public Limited Company pursuant to a special resolution passed by members in Extra-Ordinary General Meeting of Company held on January 23, 2020 and the name of our company was changed to Cospower Engineering Limited vide a fresh Certificate of Incorporation dated February 19, 2020, issued by the Registrar of Companies, Mumbai and Maharashtra. The Corporate Identification Number of our Company is U31908MH2010PLC208016.

**Registered office:** Flat No.203, 2<sup>nd</sup> Floor, Kesarinath Apartments, S.V. Road, Opp. Vijay Sales, Goregaon West, Mumbai, Maharashtra - 400062.  
**Tel:** +91 22-40129990; **E-mail:** accounts@cospowerindia.com; **Website:** www.cospowerindia.com  
**Company Secretary and Compliance Officer:** Ms. GarimaGarg; E-Mail: [cs@cel.net.in](mailto:cs@cel.net.in)

**PROMOTERS OF THE COMPANY: MR. OSWALD ROSARIO DSOUZA AND MR. FELIX SHRIDHAR KADAM**

**PUBLIC ISSUE UPTO 4,00,000 EQUITY SHARES OF FACE VALUE OF RS.10 EACH OF COSPOWER ENGINEERING LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 51.00 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 41.00 PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO RS. 204.00 LACS ("THE ISSUE"), OF WHICH UPTO 24,000 EQUITY SHARES OF FACE VALUE OF RS.10.00 EACH FOR CASH AT A PRICE OF RS. 51.00 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS 41.00 PER EQUITY SHARE AGGREGATING TO RS. 12.24 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE UPTO 3,76,000 EQUITY SHARES OF FACE VALUE OF RS 10.00 EACH AT A PRICE OF RS. 51.00 PER EQUITY SHARE AGGREGATING TO RS. 191.76 LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.67 % AND 25.07% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS RS.10 AND THE OFFER PRICE IS 5.1 TIMES OF THE FACE VALUE OF THE EQUITY SHARES**

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. For further details please refer the section titled "Issue Information" beginning on page 206 of this Prospectus.

All potential Retail Individual Investors are required to mandatorily use the Unified Payment Interface ("UPI"), while NIIs and QIBs can use Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrespective bank accounts which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). For details in this regard, specific attention is invited to "Issue Procedure" on page 209 of this Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is Rs10.00 per Equity Shares and the Issue price is 5.1 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on "Basis for Issue Price" beginning on page 81 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 24 of this Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE SME") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an approval letter dated March 09, 2020 from BSE Limited for using its name in this offer document for listing of our shares on the BSE SME. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited.

**LEAD MANAGER**

**REGISTRAR TO THE ISSUE**



**SHRENI SHARES PRIVATE LIMITED**  
Office No. 102, 1st Floor, Sea Lord CHS, Plot No. 1/B, 1/A, Survey No. A-12, Ram Nagar, Borivali (West), Mumbai- 400092.  
**Tel:** +91 22 28088456  
**Email:** shrenishares@gmail.com  
**Website:** [www.shreni.in](http://www.shreni.in)  
Investor Grievance Email: info@shreni.in  
**Contact Person:** Mr. Parth Shah  
**SEBI Registration No.:** INM000012759

**BIGSHARE SERVICES PRIVATE LIMITED**  
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra, India.  
**Tel. No.:** +91 22 62638200; **Fax No.:** +91 22 62638280  
**E-mail:** [jpo@bigshareonline.com](mailto:jpo@bigshareonline.com)  
**Investor Grievance Email:** investor@bigshareonline.com  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Mr. Swapnil Kate  
**SEBI Registration No.:** INR000001385

**ISSUE PROGRAMME**

**ISSUE OPENS ON: MARCH 17, 2020**

**ISSUE CLOSES ON: MARCH 19, 2020**

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## SECTION I –GENERAL DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates /requires /implies, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992 ("SCRA"), the Depositories Act or the rules and regulations made there under.

### General Terms

Term	Description
"Cospower Engineering Limited"/ "Cospower"/ "the Company" / "the Issuer"/ "CEL" / "We" / "Us" / "our Company"	Unless the context otherwise indicates or implies, refers to Cospower Engineering Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its Registered office at Flat No.203, 2nd Floor, Kesarinath Apartments S.V. Road, Opp. Vijay Sales, Goregaon (West), Mumbai – 400062, India.
"you", "your" or "yours"	Prospective investors in this Issue.

### Company Related Terms

Term	Description
AOA/Articles / Articles of Association	Articles of Association of Cospower Engineering Limited, as amended from time to time.
Associate Companies	A body corporate in which any other company has a significant influence, but which is not a subsidiary of the company having such influence and includes a joint venture company.
Auditors/ Statutory Auditors	The Auditors of Cospower Engineering Limited being M/s A. Biyani & Co, Chartered Accountants
Audit Committee	The Committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Banker to the Company	Kotak Mahindra Bank
Equity Shares/Shares	The equity shares of our Company of a face value of Rs.10.00 each unless otherwise specified in the context thereof.
Board of Directors / the Board/our Board	The Board of Directors of Cospower Engineering Limited, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled "Our Management" beginning on page 116 of this Prospectus.
Chief Financial Officer/CFO	The Chief financial Officer of our Company being Mr. Hiren Solanki.
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Garima Garg
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs. 10.00 each unless otherwise specified in the context thereof.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Executive Director	An Executive Director of our Company.
Group Companies/Group Company	The word "group companies", wherever it occurs, shall include such Companies as (other than promoter(s)) with whom there are related party transactions, during the period for which financial

Term	Description
	information is disclosed, as covered under the applicable accounting standards and also other companies as considered material by the board of the company as disclosed in "Our Group Company" promoted by the Promoters on page 188 of this Prospectus.
Independent Director	A Non- executive, Independent Director as per the Companies Act, 2013 and the Listing Regulations
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the Regulation 2(1)(bb) of the SEBI (ICDR) Regulations 2018 and the Companies Act, 2013. For details, see section entitled "Our Management" on page 116 of this Prospectus.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
MD or Managing Director	The Managing Director of our Company, Mr. Oswald Rosario Dsouza
MOA/Memorandum/ Memorandum of Association	Memorandum of Association of Cospower Engineering Limited as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board constituted in accordance the Companies Act, 2013 and the Listing Regulations
Non- Executive Director	A Director not being an Executive Director or an Independent Director
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter/ Promoters	Shall mean promoters of our Company i.e. Mr. Oswald Rosario Dsouza and Mr. Felix Shridhar Kadam
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section titled "Our Promoters and Promoter Group" beginning on page 129 of this Prospectus.
Registered Office and Corporate Office	Registered Office of our Company is located at Flat No.203, 2nd Floor, Kesarinath Apartments S.V. Road, Opp. Vijay Sales, Goregaon (West), Mumbai - 400062 India.
Reserve Bank of India/RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Statements/ Restated Financial Information	The Restated Financial statements of our Company's Assets and Liabilities as at December 31, 2019, March 31, 2019, 2018 and 2017 and the restated statements of profit and loss and cash flows for the period ended December 31, 2019, March 31, 2019, 2018 and 2017 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI(ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai
Stakeholder's Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013
Subscriber to MOA	Initial Subscribers to MOA & AOA being Mr. Oswald Rosario Dsouza and Mr. Felix Shridhar Kadam.

### Issue Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Applicant/ Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application form.

Term	Description
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Prospectus.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only.
ASBA Account	Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Kotak Mahindra Bank Limited
Banker to the Issue Agreement	Agreement dated March 02, 2020 entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the issue and which is described in the chapter titled "Issue Procedure" beginning on page 209 of this Prospectus.
Broker Centers	Broker centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client ID	Client identification number of the Applicant's beneficiary account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The details of the Applicants including the Applicants' address names of the Applicants' father/husband, investor status, occupations and bank account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA accounts to the Public Issue Account or unblock such amounts, as appropriate in terms of this Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).

Term	Description
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Shreni Shares Private Limited
Designated Stock Exchange	BSE Limited (SME Exchange) ("BSE SME")
DP ID	Depository Participant's Identity Number
Prospectus	Draft Prospectus dated February 20, 2020 issued in accordance with Section 26 of the Companies Act, 2013.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value ₹ 10.00 each.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fugitive Economic Offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offender Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
GIR Number	General Index Registry Number
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016.
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number. In this case being INE0CQB01010
Issue Agreement	The Agreement dated February 20, 2020 between our Company and LM
Issue/Public Issue/Issue size/Initial Public Issue/Initial	The Public Issue upto 4,00,000 Equity shares of ₹10.00 each at issue price of ₹51.00 per Equity share, including a premium of ₹41.00 per equity share aggregating to ₹204.00 lakhs comprising of

Term	Description
Public Offering/ IPO	a Fresh Issue.
Issue Closing Date	The date after which the Lead Manager, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being March 19, 2020
Issue Opening Date	The date on which the Lead Manager, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being March 17, 2020
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Prospectus being ₹51.00per equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled "Objects of the Issue" beginning on page 76 of this Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
LM/Lead Manager	Lead Manager to the Issue, in this case being Shreni Shares Private Limited (SSPL).
Lot Size	2000 Equity Shares
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Shreni Shares Private Limited is the sole Market Marker
Market Making Agreement	The Market Making Agreement dated February 20, 2020 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion upto 24,000 Equity Shares of ₹10.00 each at an Issue price of ₹51.00 each is aggregating to ₹12.24Lakhs to be subscribed by Market Maker in this Issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) upto 3,76,000 equity Shares of ₹ 10.00 each at a price of ₹ 51.00 per Equity Share (the "Issue Price"), including a share premium of ₹41.00per equity share aggregating to ₹ 191.76 Lacs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled "Objects of the Issue" beginning on page 76 of this Prospectus.
Non-Institutional Investors	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013, containing, inter alia, the Issue Price will be determined before filing the Prospectus with RoC
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a



Term	Description
	multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Bigshare Services Private Ltd.
Registrar Agreement	The agreement dated February 20, 2020 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub-Syndicate Members) who hold valid membership either BSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on the website of the Stock Exchange.
Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Applications or any previous Revision Form(s).
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
SEBI (ICDR) Regulations/ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Self-Certified Syndicate Bank(s) /SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
SME Exchange	SME Platform of the BSE i.e. BSE SME.
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited (BSE SME)
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign

Term	Description
	Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Specified Securities	Equity shares offered through this Prospectus.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriters	Shreni Shares Private Limited and Altina Securities Private Limited
Underwriting Agreement	The Agreement February 20, 2020 entered between the Underwriters, LM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI)
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### Technical and Industry Terms

Term	Description
APDRP	Accelerated Power Development and Reform Programme
ARPU	Average Revenue Per User
ATC	Annual Transmission Service Charge
ATE	Appellate Tribunal for Electricity
AMC	Annual Maintenance Contracts
APFC	Automatic Power Factor Control
BEE	Bureau of Energy Efficiency
BSE	Bombay Stock Exchange
BSE SENSEX	Sensex is an index; market indicator of the position of stock that is listed in the BSE (Bombay Stock Exchange)
BOO	Build, own and operate
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CMTS	Cellular Mobile Telephone Service

Term	Description
CSPU	Central Sector Power Utilities
CTU	Central Transmission Utility
DG	Diesel Generator
DPR	Detailed Project Report
DWDM	Dense Wave Division Multiplexes
EBITDA	Earning before interest, tax, depreciation and amortization
ERS	Emergency Restoration Systems
FERV	Foreign Exchange Rate Variation
Ha	Hectares
HVDC	High voltage direct current
IUC	Interconnection Usage Charges
IPMCS	Integrated Project Management and Control System
IPTC	Independent Private Transmission Company
ISO	International Organization for Standardization
ISTS	Interstate and Inter- regional electric power transmission system
KV/kV	Kilovolts
kVA	kilo volt ampere
KW	Kilo Watt
LILLO	Loop In Loop Out
MVA	Mega Volt Ampere
MW	Mega Watt
NEP	National Electricity Policy
NKN	National Knowledge Network
NLDC	National Load Despatch Centre
NLDO	National Long Distance Operator
OPGW	Optical Ground Wire
REC	Rural Electrification Corporation Limited
RGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RLDC	Regional Load Despatch Centre
RTPFC	Real Time Power Factor Control
ROE	Return on Equity
SDH	Synchronous Digital Hierarchy
SEB	State Electricity Board
SERC	State Electricity Regulatory Commissions
STU	State Transmission Utility
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
T & D	Transmission and Development
TRAI	Telecom Regulatory Authority of India
UAS	Unified Access Service
UCPTT	Uniform Common Pool Transmission Tariff

Term	Description
UHVDC	Ultra High Voltage Direct Current
UI	Unschedule Interchange
ULDC	Unified Load Despatch Centre
UMPPs	Ultra Mega Power Projects
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
IIP	Index of Industrial Production
IIT	Indian Institute of Technology
IMF	International Monetary Fund
JV	Joint Venture
M&A	Mergers and Amalgamations
M2M	Machine to Machine
MAT	Minimum Alternative Tax
MGL	Mecanique Generate Langroise
M-o-M	Month-On-Month
MoS	Minister of State
PFC	Power Factor Correction
MSMEs	Micro, Small and Medium Enterprises
PMO	Prime Minister's Office
PPP	Purchasing Power Parity
PPP	Public Private Participation
R&D	Research and Development
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RIRI	Rational Investor Ratings Index
SAAB	SAAB Group, a Swedish aerospace and defence company
SEZs	Special Economic Zones
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SMEs	Small And Medium Enterprises
TADF	Technology Acquisition and Development Fund
UAE	The United Arab Emirates
UAM	Udyog Aadhaar Memorandum
UAN	Udyog Aadhaar Number
UNIDO	United Nations Industrial Development Organization
UP	Uttar Pradesh
US Fed	United States Federal Reserve
US\$/ US dollar	United States Dollar, the official currency of United States of America
US/ U.S./ USA	United States of America
WA	Washington Accord

Term	Description
WEO	World Economic Outlook
WPI	Wholesale Price Index

### Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary
AED	Arab Emirates Dirham
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
Amt	Amount
AOA	Articles of Association
Approx	Approximately
Arbitration Act	Arbitration and Conciliation Act, 1996
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorized Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management(Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
Bn	Billion
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time

Term	Description
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
DTC	Direct Tax Code, 2013
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	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
FIPB	Foreign Investment Promotion Board
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GBP	Great Britain Pound
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ` or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KMP	Key Managerial Personnel
LIBOR	London interbank offered rate
Ltd.	Limited
Maternity Benefit Act	Maternity Benefit Act, 1961
M. A	Master of Arts
M.B.A	Master of Business Administration
MCA	The Ministry of Corporate Affairs, GoI
M. Com	Master of Commerce
MCI	Ministry of Commerce and Industry, GoI

Term	Description
Mn	Million
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
No.	Number
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRIs	Non Resident Indians
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
Pcs	Pieces
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PIL	Public Interest Litigation
PPP	Public private partnership
Public Liability Act	Public Liability Insurance Act, 1991
Pvt./(P)	Private
PWD	Public Works Department of state governments
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
R&D	Research & Development
RoC or Registrar of Companies	The Registrar of Companies, Mumbai
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
UAE	United Arab Emirates
UK	United Kingdom
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America

Term	Description
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
Ad Tech	Advertising Technology
Ad/Ads	Advertisements
Advertiser	An entity that shows their creativity on publisher's inventory (websites or mobile apps) in order to enhance brand awareness, induce the user to make a purchase, etc.
App/Apps	Application
ATD	Agency Trading Desk
BFSI	Banking, Financial services and Insurance
DEPB	Duty entitlement pass book scheme
DMP	Data Management Platform
DSP	Demand Side Platform
eCPM	Effective Cost Per Mile (Thousand Impressions)
EPCG	Export Promotion Capital Goods Scheme
ERP	Enterprise resource planning
F&O	Futures and Options
FDI	Foreign Direct Investment
FMC	Forward Market Commission
GDP	Gross Domestic Product
GO	Guaranteed Orders
GOI	Government of India
Ingenious Plex	It is a programmatic platform built which is named by our Company, it is highly scalable software platform that powers and optimizes the marketplace for the real-time trading of digital advertising inventory between advertisers, publishers & its partners.
ISO	International Standards Organization
PMP	Private Market Place
Publisher	A Publisher is the one who gets money from advertiser or a third company etc. for publishing their advertising on their inventory (websites or mobile apps).
NIFTY	National Stock Exchange Sensitive Index
ROI	Return on Investment
RONW	Return on Net Worth
RTB	Real Time Bidding
SENSEX	Bombay Stock Exchange Sensitive Index
SSI	Small Scale Industry
SPP	Supply Side Platform





***Cospower Engineering Limited***

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The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, 1956 & Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Information of the Company”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

All references in this Prospectus to “India” are to the Republic of India. All references in this Prospectus to the “U.S.,” “USA” or “United States” are to the United States of America.

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Cospower Engineering Limited”, and “Cospower Engineering”, and, unless the context otherwise indicates or implies, refers to Cospower Engineering Limited. In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, set out in the section titled ‘Financial Statements’ beginning on page 133of this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 133of this Prospectus.

### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout theProspectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in this Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. 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 market and industry sources.

***Cospower Engineering Limited***

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In accordance with the SEBI (ICDR) Regulations, the section titled “Basis for Issue Price” beginning on page 81 of this Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

**Currency of Financial Presentation**

All references to “Rupees” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “Industry Overview” throughout this Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million or Crore.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operation” on page 24, 93 & 169 respectively in this Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

This Prospectus contains conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **FORWARD LOOKING STATEMENTS**

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward- looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward-looking statement.

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

General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;

1. Our dependence on limited number of customers for a significant portion of our revenues;
2. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
3. Our exposure to risks associated with fluctuations in foreign exchange rates;
4. Our ability to retain and hire key employees or maintain good relations with our workforce;
5. Realization of Contingent Liabilities, if any;
6. Any disruption in labour industry or strikes by our workforce may affect the production capability;
7. Increased competition in industries/sector in which we operate;
8. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
9. Changes in laws and regulations relating to the Sectors in which we operate;
10. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
11. Any adverse outcome in the legal proceedings in which we are involved;
12. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
13. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
14. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

For further discussion of factors that could cause our actual results to differ, see the Section titled “Risk Factors”; “Our Business” & “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 24, 93&169respectively of the Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements reflects views as of the date of this Prospectus and not a guarantee of future performance. 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 future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

## SECTION II SUMMARY OF THE PROSPECTUS

### PRIMARY BUSINESS OF THE COMPANY

Our Company was originally incorporated as Cospower Engineering Private Limited at Mumbai as Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 22, 2010, bearing Corporate Identification Number U31908MH2010PTC208016, issued by the Registrar of Companies, Mumbai and Maharashtra for the purpose of acquiring the Partnership business of M/s. Cospower Corporation, which was in existence since 2004. Subsequently, our Company was converted into Public Limited Company pursuant to a special resolution passed by members in Extra-Ordinary General Meeting of Company held on January 23, 2020 and the name of our company was changed to Cospower Engineering Limited vide a fresh Certificate of Incorporation dated February 19, 2020, issued by the Registrar of Companies, Mumbai and Maharashtra. The Corporate Identification Number of our Company is U31908MH2010PLC208016.

Initially our promoters have been started business in the year 2004 through partnership firm M/s. Cospower Corporation. The said firm was engaged in the business of trading and marketing of electric goods. Our promoters Mr. Oswald D'Souza and Mr. Felix Kadam were the partners of the said firm. In FY 2010, our Company has taken over the running business of M/s Cospower Corporation along with its assets and liabilities vide agreement of takeover dated December 01, 2010.

Our Company is currently engaged in the business of manufacturing of electrical panels, harmonic filters and substation and equipment mounting structure. The plant is equipped with machinery to produce the quality products with emphasis on quality and performance. Our Company has also been providing turnkey services which involves supply, installation, commissioning, testing and comprehensive maintenance of electric products. There are few products which the Company do not manufacture but has to provide turnkey services by buying from other manufacturers. Our Company has extended its product range to other power related products that are needed to complete the electrical system. Our company is offering 'under one roof' a complete package of electrical system and solutions.

For further details, please refer to section titled "Our Business" on page no. 93 of this Prospectus.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power.

For further details, please refer to section titled "Industry Overview" on page no. 86 of this Prospectus.

### NAME OF PROMOTERS

The Promoters of our Company are Mr. Oswald Rosario D'souza and Mr. Felix Shridhar Kadam.

### SIZE OF THE ISSUE

Public issue of upto 4,00,000 equity shares of face value of ₹10.00 each of Cospower Engineering Limited (the "Company" or the "Issuer") for cash at a price of ₹ 51.00 per equity share including a share premium of ₹ 41.00 per equity share (the "Issue Price") aggregating to ₹ 204.00 lacs/- ("the Issue"), of which upto 24,000 equity shares of face value of ₹.10.00 each for cash at a price of ₹ 51.00 per equity share including a share premium of ₹ 41.00 per equity share aggregating to ₹ 12.24 lakhs will be reserved for

subscription by Market Maker to the Issue (the "Market Maker Reservation Portion"). The Issue less the market maker reservation portion i.e. Net Issue upto 3,76,000 equity shares of face value of ₹ 10.00 each at a price of ₹ 51.00 per equity share aggregating to ₹ 191.76 lakhs is herein after referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.67% and 25.07% respectively of the post issue paid up equity share capital of our company.

## OBJECTS OF THE ISSUE

The Issue Proceeds are proposed to be used in accordance with the details as set forth below:

(₹ in Lakhs)

Particulars	Amount to be financed by Net Proceeds	Percentage of Net Proceeds
Working capital requirements of our Company	117.50	75.56
General corporate purposes	38.00	24.44
<b>Total</b>	<b>155.50</b>	<b>100</b>

## PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

The aggregate pre-issue shareholding of the promoters and promoter group as a percentage of the paid-up capital of our Company is as below:

S. No	Names	Pre IPO	
		Shares Held	% Shares Held
<b>Promoters</b>			
1.	Mr. Oswald Rosario Dsouza	5,49,997	50.00
2.	Mr. Felix Shridhar Kadam	5,49,998	50.00
<b>Sub Total (A)</b>		<b>10,99,995</b>	<b>100.00</b>
<b>Promoter Group</b>			
1.	Mrs. Janet D'Souza	1	0.00
2.	Ms. Yonelle O D'Souza	1	0.00
3.	Mrs. Christbell Kadam	1	0.00
4.	Mr. Shridhar Kadam	1	0.00
<b>Sub Total (B)</b>		<b>4</b>	<b>0.00</b>
<b>GRAND TOTAL (A+B)</b>		<b>10,99,999</b>	<b>100.00</b>

## SUMMARY OF FINANCIAL INFORMATION

Following are details as per the restated financial statements for our company for the period ended on March 31, 2019, period ending on December 31, 2019 in tabular format:

(Rs. in Lakhs except EPS and NAV per Share)

Sr No.	Particulars	For the Period Ended on		
		February 20, 2020	December 31, 2019	March 31, 2019
1.	Paid up Share Capital	110.00	100.00	15.00
2.	Net Worth	NA	183.29	158.42
3.	Total Revenue	NA	748.88	1303.26
4.	Profit After Tax	NA	24.86	51.73
5.	Earnings Per Share – Basic & Diluted**	2.26*	2.49	5.17
6.	NAV per Equity Shares (based on weighted shares)	28.21*	18.33	15.84

7.	Total Borrowings (As per Restated Balance Sheet)	NA	403.72	251.54
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\* Kindly refer to the chapter Titled Basis of Issue Price on Page81 for detailed workings.

#### AUDITORS QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS

The Restated Financials do not contain any qualifications requiring adjustments.

#### SUMMARY OF OUTSTANDING LITIGATIONS

There are no outstanding litigations on the Company, its promoters, directors and Group Company.

For detailed information on the "Outstanding Litigations", please refer to section titled "Outstanding Litigation and Material Developments" on page no. 177 of this Prospectus.

#### RISK FACTORS

Please see "Risk Factors" beginning on page 24 of this Prospectus.

#### SUMMARY OF CONTINGENT LIABILITIES OF THE COMPANY

Our contingent liabilities as per the Restated Financial Statement as on December 31, 2019 and FY ended 2019, 2018 and 2017 not provided for as disclosed in our financial statements are detailed in the following table.

*Amount (₹ In Lakhs)*

##### Details of Contingent Liabilities

Particulars	For the period ended	For financial year ended		
	December 31, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Pending Dispute Under MVAT Act	13.82	13.82	5.82	Nil
TDS Defaults	6.16	6.15	6.11	5.93
Total	<b>19.98</b>	<b>19.97</b>	<b>11.93</b>	<b>5.93</b>

#### SUMMARY OF RELATED PARTY TRANSACTIONS

The details of related party transaction as indicated in our Restated Financial Statements are as follows:

STATEMENT OF RELATED PARTY TRANSACTION			
1	Names of the related parties with whom transaction were carried out during the years and description of relationship:		
a)	Company/entity owned or significantly influenced by directors/ KMP	M/s Fos Glaze Pvt. Ltd.	
b)	Key Management personnel/Directors:	Mr. Oswald D'Souza	
		Mr. Felix Kadam	
c)	Relative of Key Management Personnel/Director/Partners:	Yonelle D'Souza	
		Mrs. Janet D'Souza	

			Mrs. Christbell Kadam		
			Mr. Shridhar Kadam		
<b>2. Transaction with Key Management Personnel/Directors</b>					
(Amt. in Lakhs)					
Sr. No.	Nature of Transaction				
		31.12.2019	31.03.2019	31.03.2018	31.03.2017
A	<b>Remuneration</b>				
	Mr. Oswald D'Souza	13.55	12.73	11.37	10.03
	Mr. Felix Kadam	13.55	12.73	11.37	10.03
B	<b>Loan Repaid</b>				
	Mr. Oswald D'Souza	1.06	47.75	1.97	1.74
	Mr. Felix Kadam	1.06	46.92	1.79	1.99
C	<b>Rent</b>				
	Mr. Oswald D'Souza	-	-	-	1.20
	Mr. Felix Kadam	-	-	-	1.20
D	<b>Loan Taken</b>				
	Mr. Oswald D'Souza	-	11.40	-	-
	Mr. Felix Kadam	-	11.40	-	-
E	<b>Loan Given</b>				
	M/s Fos Glaze Pvt. Ltd.	1.05	-	0.43	0.24
F	<b>Loan Collection</b>				
	M/s Fos Glaze Pvt. Ltd.	-	99.02	-	-
<b>3. Transaction with Relatives of Key Management Personnel / Director</b>					
A	<b>Rent</b>				
	Janet D'Souza	-	-	-	1.20
	Christle Kadam	-	-	-	1.20
B	<b>Remuneration</b>				
	Janet D'Souza	7.96	7.82	-	-
	Christle Kadam	7.96	7.82	-	-
<b>4. Balances Outstanding at the end of the Year</b>					
	Mr. Oswald D'Souza	60.43	61.48	97.83	99.62
	Mr. Felix Kadam	64.65	65.71	101.23	103.20
	M/s Fos Glaze Pvt. Ltd.	1.05	-	99.00	98.57

**FINANCING ARRANGEMENTS**



There are no financing arrangements whereby the Promoters, member of Promoter Group, the Directors of the Company which a Promoter of the Issuer, the Director of our company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the Business of the financing entity during the period of six months immediately preceding the date of filing of this Prospectus.

**WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS PROSPECTUS**

Weighted average price at which the Equity Shares were acquired by our Promoters in last one year:

Sr. No.	Name of the Promoter	Total No. of Equity Shares	Weighted Average Price (in Rs. per equity share)
1	Mr. Oswald Rosario D'souza	4,74,997	40.11
2	Mr. Felix Shridhar Kadam	4,74,997	40.11

*\*As certified by our Statutory Auditor vide their certificate dated February 20, 2020*

*\*\*The Weighted Average Price for Equity Shares acquired during last one year has been calculated by taking into account the amount paid by the Promoters to acquire, by way of fresh issuance or transfer, the Equity Shares and the net cost of acquisition has been divided by total number of shares acquired during last one year.*

**AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTERS**

Sr. No.	Name of the Promoter	Total No. of Equity Shares	Average Cost of Acquisition per equity share (in Rs.)
1	Mr. Oswald Rosario D'souza	5,49,997	12.91
2	Mr. Felix Shridhar Kadam	5,49,998	12.91

*\*As certified by our Statutory Auditor vide their certificate dated February 20, 2020.*

*\*\* The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date.*

**DETAILS OF PRE-ISSUE PLACEMENT**

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus till the listing of the Equity Shares.

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

Except as set out below, we have not issued Equity Shares for consideration other than cash in the preceding one year:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued to our Company
30/12/2019	8,50,000	10	-	Bonus in the ratio of 17:3 i.e. 17 Equity Shares for every 3 Equity Share held	Capitalization of reserves & surplus
20/02/2020	1,00,000	10	127	Conversion of Loan into Equity	Enhancement of capital



**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 Prospectus.

### SECTION III - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled "Our Business" beginning on page 93, "Our Industry" beginning on page 86 and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on page 169 of this Prospectus as well as other financial information contained herein.

#### **Materiality**

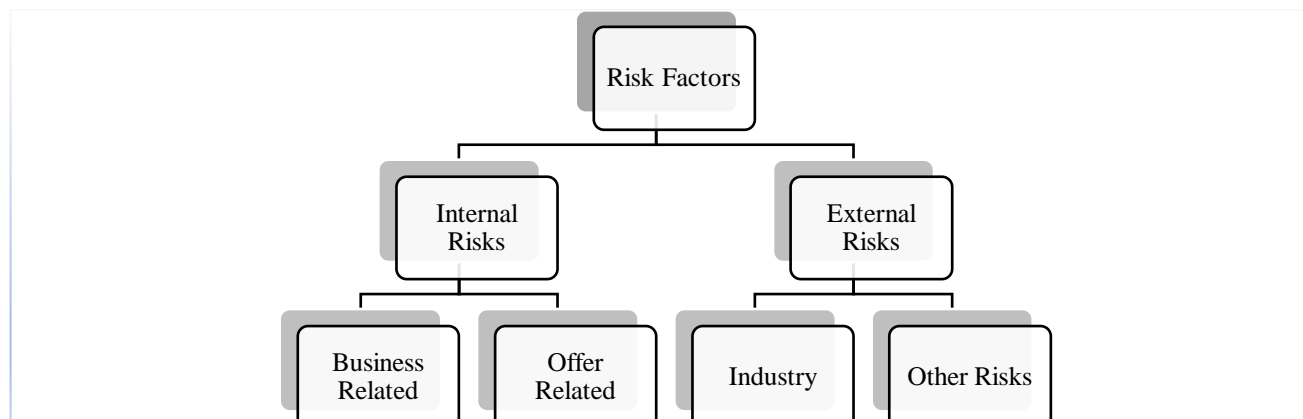
*The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.*

- 1. Some events may not be material individually but may be material when considered collectively.*
- 2. Some events may have an impact which is qualitative though not quantitative.*
- 3. Some events may not be material at present but may have a material impact in the future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled "Definitions and Abbreviation" beginning on page 3 of this Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

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

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



## INTERNAL RISKS

### Business Related Risks

- Our Company is involved in certain legal proceedings/ received few show cause notices, which may have financial implication on the business of our Company.*

Our Company is involved in a number of legal proceedings, which are classified under various legal heads, as under:

Particulars	No. of Cases	Amount (₹in Lakhs)
<b>A. Cases filed against our Company</b>		
Taxation	Income Tax Proceedings	Nil
	Tax Deduction at Source proceedings	Nil
	Commercial Tax Proceedings	1
Others Matters		13.82
<b>B. Cases filed by our Company</b>		Nil
<b>C. Cases filed against Promoters and Directors of our Company</b>		Nil
<b>D. Cases filed by Promoters and Directors of our Company</b>		Nil

For further details, please see the section titled “Outstanding Litigation and Material Developments” on page 177 of this Prospectus.

- We do not own our Registered office and Factory from which we operate.*

We do not own the registered office from where we operate. the registered office of the company situated at Flat No.203, 2nd Floor, Kesarinath Apartments, S.V. Road, Opp. Vijay Sales, Goregaon West, Mumbai, Maharashtra – 400062 have been taken on lease from Parmabhai C. Patel (HUF) vide a lease agreement dated December 05, 2018. Also the factory of the company situated at Gala No. K-4, Sagar Industrial Estate, Survey No. 31, Parabwadi, Vasai, Palghar, Vasai-Virar City, Maharashtra – 401208 have been taken on lease from Mr. Chetan Rasik Dodhia vide a lease agreement dated February 15, 2019. For further details regarding our registered office, please refer to the Section titled “Our Business” on page 93 of this Prospectus.

In case of any dispute arise in future may affect our business relation and our results of operation. Upon expiration of the relevant agreement for such premises, we will be required to negotiate the terms and conditions on which the lease agreements may be renewed. In the event that these existing leases are terminated or they are not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

**3. *An inability to effectively manage project execution may lead to project delays which may affect our business and results of operations.***

Our business is dependent on our ability to effectively manage the execution of our projects. An inability to effectively manage our operations, including ineffective or inefficient project management procedures could increase our costs and expenses, result in project delays and thereby affect our profitability. The effectiveness of our project management processes and our ability to execute projects in a timely manner may be affected by various factors. Additionally, in some projects, in case of delay due to our fault or because of defective work done by us, clients have the right to rectify the defective work, or engage a third party to complete the work and deduct additional costs or charges incurred for completion of the work from the project price payable to us. Such factors would have an effect on our results of operations and financial condition.

**4. *Our business may be impacted by the rate of and state of technological change, including the digital evolution and other disruptive technologies, and the presence and development of open-sourced content could continue to increase, which could adversely affect our revenue.***

Due to the fast-changing digital marketplace, demand for innovative technology has generally resulted in short lead times for producing products that meet customer specifications. Shorter time to market our products increases the risk that our products may contain flaws, and these defects may only become apparent after product launch, particularly for new products and new features to existing products that are developed and brought to market under tight time constraints. Problems with the performance of our digital products could result in liability, loss of revenue or harm to our reputation.

**5. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers and distributors. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

Our success depends on the smooth supply and transportation of the raw materials required for manufacturing and transportation of our products from our units or warehouses to our customers and distributors, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our customers and distributors. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. 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, results of operations and financial condition.

**6. *Our manufacturing operations are critical to our business and any shutdown of our manufacturing facility may have an adverse effect on our business, results of operations and financial condition.***

Presently we have a manufacturing facility, in Vasai, Palghar District. Any local, social unrest, natural disaster or breakdown of services and utilities could have material adverse effect on the business and result of operations. Our facilities are subject to operating risks like breakdown or failure of equipment, power supply or processes and performance below expected levels of efficiency, obsolescence, natural disaster, industrial accidents and the need to comply with the directives of relevant government authorities. In the event that we are forced to shut down our facilities for a significant period of time, it would have a material adverse effect on our business, results of operations and financial condition. Further, continuous addition of industries in and around our manufacturing facility without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business. Further, the spiraling cost of living around our facilities may push our manpower costs higher, which may reduce our margin and cost competitiveness.

**7. *We have not entered into any long-term contracts with any of our customers and typically operate on the basis of work orders, which could adversely impact our revenue and profitability.***

We do not have any long-term contracts with our customers and we supply our products and provide services on basis of regular work orders with our customers which could adversely affect the business of our Company. We cater our services on an order to order basis.

Our customers can terminate their relationship with us by giving notice and as such terms and conditions as mutually agreed upon, which could materially and adversely impact our business. Although we believe that we have satisfactory business relations with our customers and have received business from them in the past and will regularly receive the business in future also but there is no certainty that we will receive business in future from them and may affect our profitability.

**8. *Our top ten customers contribute approximately 69.21% of our revenues during the financial year 2018-19. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top ten customers contribute approximately 69.21% of our revenues during the financial year 2018- 19. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

**9. *Our work orders with customers expose us to certain risk, which may negatively impact our revenue and profitability.***

In the agreements and work orders with our customers, we are required to deliver the services to the customer within the scheduled time lines. Further, each order is customized to the customer's requirement. Termination of work orders, inadequate performance and/or failure on our part or any third party to meet quality and/or scheduled timelines set by our customers could result in a loss of our business or result in non-compliance with our contractual obligations and could materially or adversely affect our business, profit and results of operation.

Besides work orders can be terminated with or without cause and at short notice usually after paying costs incurred by us. Additionally, most of our work orders with our customers are without any commitment to future work. Our business is dependent on the decisions and actions of our customers, and there are a number of factors relating to our customers that are outside our control that might result in the termination of a project or the loss of a customer. In addition, as our scope of services involves providing skilled and trained personnel to our customers for carrying out customer services, such as assisting in network failure and other related issues, failure on part of the personnel provided by us to successfully carry out such services may also result in the termination of a project or the loss of a customer. Any of these factors may adversely affect our revenues and profitability.

**10. *If we experience delays and/or defaults in client payments, we may be unable to recover all expenditures.***

Because of the nature of our business, we sometimes commit resources to projects prior to receiving payments from the client in amounts sufficient to cover expenditures as they are incurred. In difficult economic times, some of our clients may find it increasingly difficult to pay invoices for our services timely, increasing the risk that our accounts receivables could become uncollectible and ultimately be written off. Delays in client payments may require us to make a working capital investment, which could impact our cash flows and liquidity. If a client fails to pay invoices on a timely basis or defaults in making its payments on a project in which we have devoted significant resources, there could be an adverse effect on our results of operations or liquidity.

**11. *Our business is dependent on the availability/supply of materials which we source from domestic suppliers. Any decrease in the availability of the materials, could adversely affect our results of operations.***

Our Company is dependent on third party suppliers for procuring our materials. Certain materials required for manufacturing are CRCA Sheet, MS structures, capacitors, reactors, LT switchgears, LED lamps, pushbuttons, ammeter, voltmeter, multifunctional meter, panel accessories etc.. We are exposed to fluctuations in the domestic prices of these materials. As we typically do not enter into any long -term supply agreements with our suppliers, we have no long -term rate contract with them. The cost and availability of our materials then becomes dependent upon a variety of factors like cost of electric components, governmental regulations etc., and any significant increase in the prices of these materials could adversely affect our sales and profitability

**12. *Our business is subject to various operating risks at our sites, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.***

Our business operations are subject to operating risks, such as breakdown or failure of equipments used at the sites, weather conditions, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, labour disputes and industrial accidents. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse effect on our business operations and financial conditions.

***13. Breakdown of machinery and/or equipment used for the purpose of manufacturing process***

Any breakdown or defect in the machinery and/or the equipment used for the purpose of our manufacturing process may delay the production process as a whole and result in missing deadlines in delivery of product if we are able to repair the machines or replace it within relevant timelines. Any such delays may have an adverse effect on the business of the Company.

***14. Our business is manpower intensive and a high proportion of our total staff comprises of employees on contract. Our business may be adversely affected if we are unable to obtain employees on contract or at commercially attractive costs.***

We operate in an industry which requires skilled technical resources and our success depends in large part upon our ability to attract, hire, train and retain qualified employees, including our ability to attract employees with needed skills in the geographic areas in which we operate. In the event we are not be able to attract a high degree of talented employees, or experience high attrition levels which are largely out of our control or are unable to motivate and retain our existing employees, the future of our business and operations may be affected. We cannot assure that we will be successful in reducing attrition rate or ensuring that the attrition rate does not rise further in the future. Given the present scenario, high attrition rate being an industry phenomenon, we have taken recourse by training the new recruits. This has helped us to have duly trained manpower to fill in the vacancy on an immediate basis.

***15. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, revenue and ability to meet customer demand.***

Our business involves manufacturing processes that can be potentially dangerous to our employees. An accident may result in loss of life, destruction of property or equipment, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities.

While we believe we may maintain adequate insurance, interruptions in production as a result of an accident may also increase our costs and reduce our revenue, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we or our senior management may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects. Any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects.

***16. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

Our Company is engaged in business manufacturing of electrical panels, harmonic filters and substation and equipment mounting structure which attracts tax liability such as Excise duty, Value Added Tax, Service Tax and Income Tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, ESIC, etc. Though, we have deposited the required returns and paid taxes thereon under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

***17. We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business. However, the following registrations are pending for approval or at resubmission stage:

Licence Applied for	Date of Application
Factory Licence under factories Act, 1948	12.02.2020

Further, our Company has changed its address of operations in recent past. But certain registrations still exists at the old address and have not been updated and the details of the same are as under:

Sr. No.	Registration certificates not updated
1.	Tax Deduction Account Number (TAN)
2.	Professional Tax Registration Certificate
3.	Registration under Employee Provident Fund (EPF)*
4.	Registration under State Insurance Act (ESI)*

\* Registrations are based on the premises of operations and may attract penalty if not updated.

There is no assurance that there are no other statutory/regulatory requirements which we are required to comply with. However, some of the approvals are granted for a fixed period of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business. For further details, please refer to section titled "Government and Other Statutory Approvals" beginning on page 181 of this Prospectus.

**18. We are subject to stringent labour laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations.**

Our manufacturing activities are labour-intensive. We employ labour on contract basis at our manufacturing facility and projects sites. We are subject to a number of stringent labour laws that protect the interests of our workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers and imposes financial obligations on employers. While we have not experienced significant labour unrest in the past, strikes, lock-outs and other labour action, may have an adverse impact on our operations, and if not resolved in a timely manner, could lead to disruptions in our operations. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future and any such event could adversely affect our business, results of operation and financial condition. Further, our third-party raw material suppliers may experience strikes or other labour disruptions and shortages that could affect our operations, possibly for a significant period of time, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. Additionally, our inability to recruit employees, in particular skilled employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability.

**19. We have to update the name of our company in all the statutory approvals and certificates due to the conversion of our Company.**

Most of our statutory approvals and certificates are in the name of Cospower Engineering Private Limited. Since our company was converted into a public limited company pursuant to shareholder's resolution dated January 23, 2020 and fresh certificate of incorporation dated February 19, 2020 we have to update the name Cospower Engineering Limited on all of the statutory approvals and certificates including PAN. We cannot ensure that we will be able to update the said documents on timely manner.

**20. There have been some instances of delayed filing in the past with the Registrar of Companies. Further, our Company had incurred additional fees for such delay filings under the Companies Act.**

Our Company has not complied with certain provisions of the Companies Act in the past, for instance, non-filing of forms related to annual filing for the financial year 2013-14 which includes E-form 23AC, 23ACA and Form 66 with Registrar of Companies, where forms have been filed in the year 2017.



If company may file any compliance with undue/ unreasonable delay the concerned authorities may impose monetary penalties on us or take certain punitive actions against our Company or its directors / officers in relation to the same which may adversely affect our cash flow and financial position.

**21. Our Company has filed forms for allotment of shares inadvertently with Registrar of Companies.**

In the year 2013-14, our Company had filed Form 2 dated December 18, 2013 for allotment of shares inadvertently with Registrar of Companies where Company has mentioned face value of Rs. 100 instead of Rs. 10. Under the provisions of the Companies Act, if any form is filed inaccurately, then the company and/or every officer of the company who is in default may be punishable with fine

**22. We face competition in our business from domestic competitors. Such competition would have an adverse impact on our business and financial performance.**

The industry, in which we are operating, is highly and increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

**23. If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.**

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

**24. We may not be able to successfully implement our business strategies.**

The success of our business depends substantially on our ability to implement our business strategies effectively. We have successfully executed our business strategies in the past but there can be no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**25. Our Company does not have any listed peer companies for comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.**

As of the date of this Prospectus, there are no companies which are involved in the business similar to our business, which are listed on the Indian stock exchanges and accordingly, we are not in a position to provide comparative analysis of our performance with any listed company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.

**26. Our success largely depends upon the knowledge and experience of our Promoters and our Key Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Key Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, results of operations and financial condition.**

We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and

continued efforts of our Key Management Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected.

There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, in the event we are not able to attract and retain talented employees, as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further details, see "Our Management" on page 116 of this Prospectus.

***27. Some of the Key Management Personnel are associated with the Company less than one year.***

Some of the Key Management Personnel i.e. Company Secretary & Compliance Officer and Chief Financial Officer is associated with the Company for a period of less than one year. For details of Key Management Personnel and their appointment, please refer to chapter "Our Management" beginning on page 116 of this Prospectus.

***28. 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 in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For details, please refer to the Statement of Related Party Transactions under chapter "Financial Statement" beginning on page 43 of this Prospectus. We cannot assure you that we will receive similar terms in our related party transactions in the future. We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

***29. In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

***30. We do not have certain supporting documents for the educational qualification and experience certificates included as part of the profile of promoter and director included in the section "Our Management" and "Our Promoters and Promoter Group" of this Prospectus.***

We do not have certain documents supporting the educational qualification of our Promoter and Whole time Director, Mr. Felix Shridhar Kadam and experience certificates of our director included as part of profile of the promoter and director as disclosed in the sections "Our Management" and "Our Promoters and Promoter Group" beginning on page 116 and 129 of this Prospectus. Such information included in the Prospectus is based on the affidavit and declaration provided by the promoter and director, certifying

such information. Therefore, we cannot assure you that such information relating to the educational background and experience certificates of our Promoters and directors are complete, true and accurate.

**31. We may have certain Contingent Liabilities not provided for crystallization of any of these liabilities could affect our financials.**

Our contingent liabilities as per the Restated Financial Statement as on December 31, 2019 and FY ended 2019, 2018 and 2017 not provided for as disclosed in our financial statements are detailed in the following table.

*Amount (₹ In Lakhs)*

**Details of Contingent Liabilities**

Particulars	For the period ended	For financial year ended		
	December 31, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Pending Dispute Under MVAT Act	13.82	13.82	5.82	Nil
TDS Defaults	6.16	6.15	6.11	5.93
<b>Total</b>	<b>19.98</b>	<b>19.97</b>	<b>11.93</b>	<b>5.93</b>

For further details please refer the section titled “Financial Statements” and “Outstanding Litigation and Material Developments” on page 133 and 177 of this Prospectus.

**32. We have issued Equity Shares during the last one year from the date of filing of this Prospectus at a price that is below the Issue Price.**

During the last one year from the date of filing of this Prospectus we have issued Equity Shares at a price that is lower than the Issue Price as detailed in the following table:

Date of allotment	Number of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	Name of allottees
30/12/2019	8,50,000	10.00	-	Other than Cash	Bonus in the ratio of 17:3 i.e. 17 Equity Shares for every 3 Equity Share held	1. Mr. Oswald Rosario Dsouza 2. Mr. Felix Shridhar Kadam

For further details of the aforesaid allotment please refer “Capital Structure” on page 57 of this Prospectus.

**33. Our Company had negative cash flow in recent fiscals, detail of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth: *Amount (₹ In Lakhs)*

Particulars	For the period ended December 31, 2019	For the Financial Year ended March 31		
		2019	2018	2017
Net Cash Flow from/(used in) Operating Activities	(32.70)	67.93	(0.57)	108.43
Net Cash Flow from/(used in) Investing Activities	15.34	(28.60)	2.31	(8.49)
Net Cash Flow from/(used in) Financing Activities	(17.08)	(29.01)	(32.96)	(52.89)

For further details, see “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 133 and 169 respectively. We cannot assure you that our net cash flows will be positive in the future.

**34. Our Promoters together with our promoter group will continue to retain majority shareholding in our company subsequent to the issue, which will allow them to exercise significant influence over our company. We cannot assure you that our promoters and /or our promoter group will always act in our company’s or your best interest.**

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoters and our Promoter Group. Upon completion of the Issue, our Promoters and Promoter Group will own 10,99,999 Equity Shares, or 73.33% of our post-Issue Equity Share capital (assuming full subscription of the Issue). Accordingly, our Promoters and Promoter Group will continue to exercise significant influence 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 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. The interests of the Promoters and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favor.

**35. Our Promoter and Directors have interests in the Company which may result in a conflict of interest, which may have an adverse effect on our business.**

Our Promoters hold Equity Shares in our Company and are also directors of the Company and may be deemed to be interested to the extent of any remuneration, fees and dividend payable to them and other distributions in respect of the Equity Shares. Further, some of our Promoters have also given certain unsecured loans to the Company and is entitled to receive interest there from. For further details, please see the sections “Our Management”, and “Related Party Transaction” in Annexure 32 under the Section titled “Financial Statements” respectively on page 116 and 133 of this Prospectus.

**36. The average cost of acquisition of Equity Shares by our Promoters, may be less than the Issue Price.**

The average cost of acquisition of Equity Shares by our Promoters, Mr. Oswald Rosario Dsouza Mr. Felix Shridhar Kadam are Rs. 12.91 and Rs.12.91, respectively. We cannot assure you that the Issue Price as decided in the Issue, will be less than the average cost of acquisition of Equity Shares of our Promoters.

**37. Our Promoters have provided personal guarantees for a significant portion of our borrowings to secure certain of our loans.**

Our Promoters have provided personal guarantees for a significant portion of our borrowings. If any of these guarantees are revoked or if such collateral is proved insufficient, lenders may require alternative guarantees or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to lenders, we may need to seek alternative sources of capital which may not be available to us at commercially reasonable terms or at all or get compelled to agree to more onerous terms under such financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations and prospects may be adversely affected.

**38. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financial arrangements.**

Our Company has not paid any dividends in the last four Fiscal years. The declaration of dividends in the future will be recommended by our Board of Directors, at its sole discretion, and will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will pay dividends in the future. Additionally, we are restricted by the terms of our debt financing from making dividend payments in the event we default in any of the debt repayment installments.

**39. *Our insurance cover may be inadequate to fully protect us from all losses and may in turn adversely affect our financial condition***

We maintain such insurance coverage as we believe is adequate to cover the important assets of the Company. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Further, with respect to the insurances maintained by us, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected.

**40. *Excessive dependence on the Kotak Mahindra Bank in respect of obtaining financial facilities.***

Our major financial assistance has been sanctioned by Kotak Mahindra Bank on the security of assets. The Company is dependent on Kotak Mahindra Bank for its working capital requirement and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company. At the same time this may result into difficulty in arranging for funds for re-payment and may also adversely affect the financial position of the Company.

**41. *Our indebtedness and failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may adversely affect our ability to conduct our business and operations.***

Our company's entire financial assistance as on December 31, 2019 aggregating to ₹260.55 Lacs inclusive the cash credit and overdraft facilities respectively has been sanctioned from Kotak Mahindra Bank. The said facilities have been secured, inter-alia, by way of mortgage of immovable property owned by promoters and directors and personal guarantee of our Directors. In case we are not able to pay our dues in time, the same could adversely impact our operations. For more information regarding the unsecured loans, please refer the Section titled "Financials Statement" beginning on page 129 of this Prospectus. Further, in event of default on the debt obligations, the security or personal guarantees may be invoked thereby adversely affecting the ability of our Promoters and Directors to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations. Any failure to comply with any requirement or other condition or covenant under our financing agreements, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility and may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lender, at its discretion. In the event the lender refuses to renew/enhance the credit facilities and/or cancels/suspends/reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as proposed expansion may be severely affected. Consequently, it would have a bearing on the financial condition of the Company.

**42. *We have unsecured loans that may be recalled by the lenders at any time.***

We have outstanding unsecured loans of Rs. 15.42 Lakhs as at December 31, 2019, which may be recalled by their lenders at any time. In the event that the lenders seeks a repayment of any such loans, we need Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all.

**43. *We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our financial condition.***

We generally import machineries from foreign supplier. Since the cost of these machines is denominated in foreign currency, our inability to hedge foreign exchange risk could adversely affect our financial condition and operations. We currently have not entered into any hedging transactions and may not assure you that we will be able to enter into any such hedging contracts or other financial arrangements on commercially reasonable terms, or that any of such agreements will protect us fully against our foreign currency risk. Any fluctuation in values of foreign currency may have an adverse effect on our business, prospects, financial condition and results of operations.

**44. Our business is subject to a significant number of legal and tax regulations and there may be changes in legislation governing the rules implementing them or the regulator enforcing them. Changes in the operating environment, including changes in tax law, may impact the determination of our tax liabilities for any given year, which may have an adverse impact on our profitability.**

We currently provide our services across India and specially in Maharashtra. Consequently, we are subject to the jurisdiction of various laws, tax authorities and regulations. The final determination of our tax liabilities involve the interpretation of local tax laws and related authorities in each jurisdiction as well as the significant reliance on estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given year. Taxes and other levies imposed by the central or state governments in India that affect our industry.

**45. Third party industry and statistical data in this Prospectus may be incomplete, incorrect or unreliable.**

Neither the LM nor the Company have independently verified the data obtained from the official and industry publications and other sources referred in this Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, please refer to section titled "Industry Overview" beginning on page 86 of this Prospectus.

**46. The Restated financial statements may not give actual financial position of our Company which may affect the investment decision of prospective investors in our Company.**

Our restated financial statement has been made upto December 31, 2019. Following event has been occurred after the last balance sheet date i.e. December 31, 2019.

Allotment of 1,00,000 equity shares to Mr. Oswald Rosario Dsouza and Mr. Felix Shridhar Kadam in equal ratio in form of their unsecured loan converted into equity shares . The said allotment has been made on February 20, 2020. However, the Impact of the said conversion of loan into equity shares has not been given in the re stated financial statement. Therefore investors are advised to refer to the section titled "Capital Structure" "Statement of Financial Indebtedness" and "Basis of Issue Price" beginning on page 57, 167 and 81 of this Prospectus for the details of such event before their investment decision

## **RISKS RELATING TO OBJECTS OF THE ISSUE**

**47. The requirement of funds in relation to the objects of the Issue has not been appraised includes utilisation for general corporate purposes and is based on management estimates. We may have to revise our management estimates from time to time and which may affect our funding requirements.**

We intend to use the net proceeds of the Issue for the purposes described in the section titled "Objects of the Issue" on page 76 of this Prospectus. The objects of the Issue have not been appraised by any bank or financial institution. These estimates are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below and are based on management estimates. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change.

**48. The deployment of funds to be raised from the present Issue of shares is at our discretion and no independent agency has been appointed to monitor its deployment.**

Deployment of funds proposed to be raised from the present Issue of shares towards the objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds towards the object of the Issue will be monitored by our audit committee and our Company shall inform about material deviations in the utilization of Issue proceeds, if any, to the stock exchange and provide the details in the balance sheet about the same.

**49. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute 18.63% of the Issue Proceed. As on date we have not identified the use of such funds.**

Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute 18.63% of the Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act.

**50. Delay in raising funds from the IPO could adversely impact the implementation schedule.**

The proposed objects, as detailed in the section titled "*Objects of the Issue*" are to be largely funded from the proceeds of the issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

## **RISKS RELATING TO EQUITY SHARES**

**51. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.**

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**52. There is no existing market for our Equity Shares and we cannot assure you that such a market will develop. The stock price may be volatile, and you may be unable to resell your shares at or above the Issue price or at all.**

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The Issue Price of the Equity Shares offered hereby may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to among other factors:

1. Our dependence on limited number of customers for a significant portion of our revenues;
2. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
3. Our exposure to risks associated with fluctuations in foreign exchange rates;
4. Our ability to retain and hire key employees or maintain good relations with our workforce;
5. Realization of Contingent Liabilities, if any;
6. Any disruption in labour industry or strikes by our workforce may affect the production capability;
7. Increased competition in industries/sector in which we operate;
8. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
9. Changes in laws and regulations relating to the Sectors in which we operate;
10. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
11. Any adverse outcome in the legal proceedings in which we are involved;

12. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
13. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
14. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

Even though a Market Maker has been appointed for our stock, since there has been no public market for our Company's Equity Shares, an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our Company's operating results, market conditions specific to the packaging sector in India, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world. The risk of loss associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the Issue.

***53. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined by the management and the lead manager on numerous factors and may not be indicative of the market price of our Equity Shares after the Offer. For further information please refer the section titled "Basis for Issue Price" beginning on page 81 of this Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Amongst the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Changes in economic, legal and regulatory factors (both domestic and international) unrelated to our performance such as global recession, imposition of trade / non-trade barriers and sanctions etc.

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

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

***55. Any future issuance of Equity Shares may dilute the shareholding of the Investor and sales of our Equity Shares by our Promoters or other major shareholders and dilution in net tangible book value may adversely affect the trading price of Equity Shares.***



Any future issuance of our Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital held by our Promoters and other shareholders will be locked-in for a period of 1 (one) year and 20% of our post-Issue paid-up capital held by our Promoter will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Offer, upon listing of our Equity Shares on the Stock Exchanges. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. For further information relating to such Equity Shares that will be locked-in, please refer to the sub-section titled "Notes to the Capital Structure" under the section titled "Capital Structure" beginning on page 57 of this Prospectus.

## **EXTERNAL RISKS**

### **Industry Risks**

**56. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.**

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

**57. Malpractices by some players in the industry affect overall performance of emerging Companies.**

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like our as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

### **Other Risks**

**58. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI (ICDR) Regulations contained in this Prospectus.**

As stated in the reports of the Auditor included in this Prospectus under chapter "Financial Statements" beginning on page 133 the financial statements included in the Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

**59. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.**

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a Stock Exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian Stock Exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised Stock Exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a Stock Exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, Section 10 (38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains.

As per Finance Bill 2018, exemption under section 10 (38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long term capital gain exceeds ₹1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of ₹ 1,00,000/- p.a. shall be chargeable at the rate of 10%.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. 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 jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

**60. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Regulations and Policies" on page 104 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules ("GAAR") provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences.

In the absence of any precedents on the subject, the application of these provisions is uncertain. The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

**61. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.**

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**62. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**63. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.**

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) 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 fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**64. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.**

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy; disrupt the transportation of goods and supplies, and costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

**65. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.**

Any 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 additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing

for capital expenditures and the trading price of our Equity Shares.

***66. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rain fall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

***67. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

## SECTION IV - INTRODUCTION

### THE ISSUE

The following table summarizes the issue details:

Particulars	Details of Equity Shares
<b>Issue of Equity Shares by our Company</b>	Issue of upto 4,00,000 Equity Shares face value of Rs.10.00 each fully paid-up of our Company for cash at a price of Rs. 51.00 per Equity Share aggregating to Rs. 204.00 Lakhs.
<i>Out Of which:</i>	
<b>Market Maker Reservation Portion</b>	upto 24,000 Equity Shares of Rs.10.00 each fully paid-up of our Company for cash at a price of Rs. 51.00 per Equity Share aggregating to Rs. 12.24 Lakhs.
<b>Net Issue to the Public*</b>	upto 3,76,000 Equity Shares of Rs.10 each fully paid-up of our Company for cash at a price of Rs.51.00 per Equity Share aggregating to Rs. 191.76 Lakhs.
	<i>Of which:</i>
	upto 1,88,000 Equity Shares of Rs.10 each fully paid-up of our Company for cash at a price of Rs. 51.00 per Equity Share aggregating to Rs. 95.88 Lakhs will be available for allocation to Retail Individual Investors(a).
	upto 1,88,000 Equity Shares of Rs.10 each fully paid-up of our Company for cash at a price of Rs. 51.00 per Equity Share aggregating to Rs. 95.88 Lakhs will be available for allocation to investor other than Retail Individual Investors (b).
<b>Pre and Post Issue Share Capital of our Company</b>	
<b>Equity Shares outstanding prior to the Issue</b>	11,00,000 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	15,00,000 Equity Shares
<b>Objects of the Issue</b>	Please refer chapter " <i>Objects of the Issue</i> " on page 76 of this Prospectus.

\* Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows;

(a) minimum fifty per cent. to retail individual investors; and

(b) remaining to:

i) individual applicants other than retail individual investors; and

ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Explanation: If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

#### Notes

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on February 19, 2020 and by the shareholders of our Company, pursuant to section 62(1)(c) of the Companies Act, 2013, vide a special resolution passed at the EOGM held on February 20, 2020.

## SUMMARY OF FINANCIAL INFORMATION

<b>RESTATED BALANCE SHEET</b>					
<b>Annexure 1</b>					
(Rs. in Lakhs)					
PARTICULARS		As At	AS AT 31ST MARCH		
		31.12.2019	2019	2018	2017
		Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1.</b>	<b>Shareholders' Funds</b>				
(a)	Share Capital	100.00	15.00	15.00	15.00
(b)	Reserves & Surplus	83.29	143.42	91.69	72.45
		<b>183.29</b>	<b>158.42</b>	<b>106.69</b>	<b>87.45</b>
<b>2.</b>	<b>Non-Current Liabilities</b>				
(a)	Long Term Borrowings	-	-	-	3.58
(b)	Long term provisions	14.15	11.71	10.36	9.85
(d)	Other Long Term Liabilities	-	-	-	-
		<b>14.15</b>	<b>11.71</b>	<b>10.36</b>	<b>13.43</b>
<b>3.</b>	<b>Current Liabilities</b>				
(a)	Short Term Borrowings	403.72	251.54	439.52	409.37
(b)	Trade Payables	233.97	412.79	297.90	250.05
(c)	Other Current Liabilities	113.33	71.69	74.84	85.20
(d)	Short Term Provisions	7.23	24.77	28.44	33.87
		<b>758.25</b>	<b>760.78</b>	<b>840.69</b>	<b>778.50</b>
	<b>Total</b>	<b>955.69</b>	<b>930.91</b>	<b>957.75</b>	<b>879.38</b>
<b>B)</b>	<b>ASSETS</b>				
<b>1.</b>	<b>Non-Current Assets</b>				
(a)	Fixed Assets				
	i) Tangible Assets	19.71	20.64	21.81	23.03
	ii) Intangible Assets	-	-	-	-
		<b>19.71</b>	<b>20.64</b>	<b>21.81</b>	<b>23.03</b>
(b)	Non-Current Investment	15.98	14.55	0.68	0.68
(c)	Long Term Loans and Advances	-	-	-	-
(d)	Deferred Tax Assets (Net)	9.12	9.12	9.17	11.36
(e)	Other Non-Current Assets	33.52	51.99	38.61	42.22
		<b>58.62</b>	<b>75.66</b>	<b>48.46</b>	<b>54.26</b>
<b>2.</b>	<b>Current Assets</b>				
(a)	Inventories	328.02	178.61	239.61	249.86
(b)	Trade Receivables	471.62	527.13	440.81	319.69
(c)	Cash and Bank Balances	6.14	40.57	30.25	61.46
(d)	Short term loans & advances	11.80	35.77	117.99	116.16
(e)	other current assets	59.77	52.51	58.80	55.02
		<b>877.34</b>	<b>834.59</b>	<b>887.45</b>	<b>802.18</b>

	<b>Total</b>		<b>955.69</b>	<b>930.91</b>	<b>957.75</b>	<b>879.38</b>
<b>Accounting Policies &amp; Notes on Accounts As per our Report on Even date attached</b>						

<b>RESTATED STATEMENT OF PROFIT AND LOSS</b>					
<b>Annexure 2</b>					
(Rs. in Lakhs)					
PARTICULARS	FOR THE PERIOD ENDED	FOR THE YEAR ENDED 31ST MARCH			
	31.12.2019	2019	2018	2017	
	Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.
1	Revenue From Operation	743.40	1,301.08	857.79	912.33
2	Other Income	05.48	02.18	02.96	44.76
<b>3</b>	<b>Total Revenue (1+2)</b>	<b>748.88</b>	<b>1,303.26</b>	<b>860.75</b>	<b>957.09</b>
<b>4</b>	<b>Expenditure</b>				
(a)	Purchase of Traded Goods	627.91	848.87	602.27	630.07
(c)	Changes in Inventories of stock-in-trade	(149.41)	61.00	10.25	85.71
(d)	Employee Benefit Expenses	106.42	102.19	86.76	94.44
(e)	Finance Cost	17.08	29.01	29.38	35.67
(f)	Depreciation and Amortisation Expenses	03.30	03.69	04.16	04.63
(g)	Other Expenses	100.56	187.61	97.39	59.08
<b>5</b>	<b>Total Expenditure 4(a) to 4(g)</b>	<b>705.86</b>	<b>1,232.37</b>	<b>830.22</b>	<b>909.61</b>
	Exceptional Items	-	-	-	-
<b>6</b>	<b>Profit/(Loss) Before Tax (3-5)</b>	<b>43.02</b>	<b>70.89</b>	<b>30.53</b>	<b>47.48</b>
<b>7</b>	<b>Tax Expense:</b>				
(a)	Tax Expense for Current Year	12.00	19.50	9.00	19.00
(b)	Short/(Excess) Provision of Earlier Year	6.16	0.05	0.10	2.80
(c)	Deferred Tax	-	(0.40)	2.19	(1.90)
	<b>Net Current Tax Expenses</b>	<b>18.16</b>	<b>19.16</b>	<b>11.29</b>	<b>19.90</b>
<b>8</b>	<b>Profit/(Loss) for the Year (6-7)</b>	<b>24.86</b>	<b>51.73</b>	<b>19.24</b>	<b>27.58</b>
<b>Accounting Policies &amp; Notes on Accounts As per our Report on Even date attached</b>					



<b>RESTATED CASH FLOW STATEMENT</b>				
<b>Annexure 3</b>				
(Rs. in Lakhs)				
PARTICULARS	FOR THE PERIOD ENDED	FOR THE YEAR ENDED 31ST MARCH		
	31.12.2019	2019	2018	2017
<b>A) Cash Flow From Operating Activities :</b>				
Net Profit before tax	43.02	70.89	30.53	47.48
Adjustment for :				
Depreciation	3.30	3.69	4.16	4.63
Interest Paid	17.08	29.01	29.38	35.67
Interest Income	(0.67)	(1.17)	(1.64)	(0.31)
Provision for Employee Benefits	2.44	1.35	0.51	9.85
Operating profit before working capital changes	65.17	103.77	62.93	97.32
<b>Changes in Working Capital</b>				
(Increase)/Decrease in Inventories	(149.41)	61.00	10.25	85.71
(Increase)/Decrease in Trade Receivables	55.51	(86.33)	(121.12)	(286.02)
(Increase)/Decrease in Short Term Loans & Advances	23.96	82.22	(1.83)	8.01
(Increase)/Decrease in Other Current Assets	(7.25)	6.29	(3.78)	(54.57)
Increase/(Decrease) in Trade Payables	(178.82)	114.89	47.85	177.52
Increase/(Decrease) in Other Current Liabilities	41.65	(3.15)	(10.37)	34.88
Increase/(Decrease) in Short Term Provisions	(17.54)	(3.67)	(14.44)	9.72
Increase/(Decrease) in Deposits	-	-	-	-
Increase/(Decrease) in Short Term Borrowings	152.19	(187.98)	30.21	38.67
Increase/(Decrease) in Differed Tax	-	-	(0.29)	-
<b>Cash generated from operations</b>	(14.54)	87.03	(0.57)	111.23
Less:- Income Taxes paid	18	19.10	-	2.80
<b>Cash Flow Before Extraordinary Item</b>	(32.70)	67.93	(0.57)	108.43
Extraordinary Items	-	-	-	-
<b>Net cash flow from operating activities</b>	<b>(32.70)</b>	<b>67.93</b>	<b>(0.57)</b>	<b>108.43</b>
<b>B) Cash Flow From Investing Activities :</b>				
Purchase of Fixed Assets	(2.37)	(2.52)	(2.94)	(0.84)
Investment made during the year	(1.43)	(13.87)	-	-
Interest Income	0.67	1.17	1.64	0.31
Deposits	-	-	-	-
Other Non-Current Assets	18.47	(13.38)	3.61	(7.96)

<b>Net cash flow from investing activities</b>	15.34	(28.60)	2.31	(8.49)
<b>C) Cash Flow From Financing Activities :</b>				
Issue of Shares	-	-	-	-
Increase/(Decrease) in Long Term Borrowings	-	-	(3.58)	(17.22)
Interest Paid	(17.08)	(29.01)	(29.38)	(35.67)
<b>Net cash flow from financing activities</b>	(17.08)	(29.01)	(32.96)	(52.89)
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	(34.44)	10.32	(31.21)	47.06
Cash equivalents at the beginning of the year	40.57	30.25	61.46	14.39
Cash equivalents at the end of the year	6.14	40.57	30.25	61.46
Notes :-				
	<b>As on 31st December 2019</b>	<b>As on 31st March, 2019</b>	<b>As on 31st March, 2018</b>	<b>As on 31st March, 2017</b>
1	Component of Cash and Cash equivalents			
	Cash on hand	1.64	1.68	5.74
	Balance With banks	4.50	38.89	24.52
	Fixed Deposit	-	-	-
		6.14	40.57	30.25
2	Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated			
<b>Accounting Policies &amp; Notes on Accounts as per our Report on even date attached</b>				

## **SECTION V: GENERAL INFORMATION**

Our Company was originally incorporated as Cospower Engineering Private Limited at Mumbai as Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 22, 2010, bearing Corporate Identification Number U31908MH2010PTC208016, issued by the Registrar of Companies, Mumbai and Maharashtra for the purpose of acquiring the Partnership business of M/s. Cospower Corporation, which was in existence since 2004. Subsequently, our Company was converted into Public Limited Company pursuant to a special resolution passed by members in Extra-Ordinary General Meeting of Company held on January 23, 2020 and the name of our company was changed to Cospower Engineering Limited vide a fresh Certificate of Incorporation dated February 19, 2020, issued by the Registrar of Companies, Mumbai and Maharashtra. The Corporate Identification Number of our Company is U31908MH2010PLC208016.

For further details, please refer to the section titled "History and Certain Corporate Matters" on page no. 113 of this Prospectus.

### **Registered Office of the Company**

Flat No.203, 2nd Floor, Kesarinath Apartments  
S.V. Road, Opp. Vijay Sales,  
Goregaon (West) Mumbai - 400062,  
Maharashtra, India  
**Tel:** +91 22-40129990;  
**E-mail:** [accounts@cospowerindia.com](mailto:accounts@cospowerindia.com), [cs@cel.net.in](mailto:cs@cel.net.in)  
**Website:** [www.cospowerindia.com](http://www.cospowerindia.com)

### **Designated Stock Exchange**

#### **SME Platform of BSE**

P.J. Towers, Dalal Street, Fort,  
Mumbai, Maharashtra, 400001  
**Website:** [www.bseindia.com](http://www.bseindia.com)

### **Registrar of Companies**

Registrar of Companies, Mumbai  
100, Everest, Marine Drive  
Mumbai- 400002  
Tel No: 022-22812627/22020295/22846954  
Fax No:022-22811977  
Email id: [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)  
Website: [www.mca.gov.in](http://www.mca.gov.in)

### **Board of Directors**

Details regarding our Board of Directors as on the date of this Prospectus are set forth in the table hereunder:

<b>Sr. No.</b>	<b>Name and Designation</b>	<b>DIN</b>	<b>Address</b>
1.	<b>Mr. Oswald Rosario Dsouza</b> <i>Managing Director</i>	02711251	1401, Agarwal Infinity Heights CHS, Near Orlem Market, Marve Road, Orlem, Malad(W) Mumbai - 400 064.
2.	<b>Mr. Felix Shridhar Kadam</b> <i>Whole-Time Director</i>	02880294	304, Prathampad CHSL, Evershine Nagar, Malad West, Mumbai - 400064.

Sr. No.	Name and Designation	DIN	Address
3.	<b>Mrs. Janet Dsouza</b> <i>Non-Executive Director</i>	08676037	1401, Agarwal Infinity Heights CHS, Near Orlem Market, Marve Road, Orlem, Malad(W) Mumbai - 400 064.
4.	<b>Mrs. Christbell Felix Kadam</b> <i>Non-Executive Director</i>	08676062	304, Prathampad CHSL, Evershine Nagar, Malad West, Mumbai - 400064.
5.	<b>Mr. Anil Vasudev Kamath</b> <i>Independent Director</i>	07940476	3B, Belair Cooperative Housing Society Limited, Union Park, Pali Hill Road, Near Dr. Babasaheb Ambedkar Statue, Khar West, Mumbai, 400052, Maharashtra, India.
6.	<b>Mr. Edwin E R Cotta</b> <i>Chairman and Independent Director</i>	02691199	Malwara Tiswadi, Agassaim, Panaji - 403 204, Goa

For detailed profile of our Whole-Time Directors and other Directors, refer "Our Management" and "Our Promoters and Promoter Group" on page 116 and 129 respectively of this Prospectus.

### Chief Financial Officer

Our Company has appointed Mr. Hiren Solanki, as the Chief Financial Officer. His contact details are set forth hereunder.

#### Hiren Solanki

Chief Financial Officer  
 Flat No.203, 2nd Floor, Kesarinath Apartments S.V. Road,  
 Opp. Vijay Sales, Goregaon (West)  
 Mumbai - 400062, Maharashtra, India  
 Tel: + 91-22-40129990  
 E-mail: cfo@cel.net.in  
 Website: [www.cospowerindia.com](http://www.cospowerindia.com)

### Company Secretary and Compliance Officer

Our Company has appointed Ms. Garima Garg, the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

#### Ms. Garima Garg

Flat No.203, 2nd Floor, Kesarinath Apartments,  
 S.V. Road, Opp. Vijay Sales, Goregaon (West)  
 Mumbai - 400062, Maharashtra, India  
 Tel: + 91-22-40129990  
 E-mail: cs@cel.net.in  
 Website: [www.cospowerindia.com](http://www.cospowerindia.com)

Investors can contact our Company Secretary and Compliance Officer and/ or Registrar to the Issue and/ or Lead Manager in case of any pre- Issue or post- Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, etc.

All grievances relating to the ASBA process including UPI may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form number, details of UPI IDs, applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange and SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

**Designated Intermediaries**

**Lead Manager to the Issue**

**SHRENI SHARES PRIVATE LIMITED**

Office no. 102, Sea Lord CHS,  
above Axis Bank, Ram Nagar,  
Borivali (West), Mumbai-400092

**Telephone:** +91-22 28088456

**Email:** [shrenishares@gmail.com](mailto:shrenishares@gmail.com)

**Website:** [www.shreni.in](http://www.shreni.in)

**Investor mail:** info@shreni.in

**Contact person:** Mr. Parth Shah

**SEBI registration number:** INM000012759

**Legal Counsel to the Issue**

**ASHA AGARWAL & ASSOCIATES**

30/24/08, Varun Path, Mansorvar  
Jaipur-302020, Rajasthan, India

**Telephone:**+91- 9950933137

**Email:** [asha.agarwal6@gmail.com](mailto:asha.agarwal6@gmail.com)

**Contact Person:** Ms. Nisha Agarwal

**Registrar to the Issue**

**BIGSHARE SERVICES PRIVATE LIMITED**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (East)  
Mumbai – 400059, Maharashtra, India.

**Telephone:**+91 22 6263 8200

**Facsimile:**+91 22 6263 8280

**Email:**ipo@bigshareonline.com

**Investor grievance email:**investor@bigshareonline.com

**Contact Person:**Mr. Swapnil Kate

**Website:**www.bigshareonline.com

**SEBI Registration Number:**INR000001385

**Statutory Auditors**

**ABIYANI & CO.**

411, Gundecha Industrial Complex,  
Next to Big Bazar, Opp. W.E. Highway,  
Akurli Road, Kandivali  
(E), Mumbai - 400101

**Telephone:**+9108976600300

**Email:**abiyanico@gmail.com

**Firm registration no:**140489W

**Peer review number:**011454

**Contact Person:** Mr. Arpit Tapadiya

#A. Biyani & Co holds a valid peer reviewed certificate dated December 18, 2018 issued by the Institute of Chartered Accountants of India.

### **Banker to the Company**

#### **KOTAK MAHINDRA BANK**

Evershine Aangan, SV road, Jawahar Nagar, Goregaon(W). Mumbai-400062

**Telephone/Mobile No:** +91 82918 57591

**Facsimile:** +91 22 28711732

**Email:** [manish.bari@kotak.com](mailto:manish.bari@kotak.com)

**Website:** [www.kotak.com](http://www.kotak.com)

**Contact Person:** Mr. Manish Bari

### **Bankers to the Issue / Sponsor Bank/ Public Issue Account Bank**

#### **KOTAK MAHINDRA BANK LIMITED**

Kotak Inifiniti, 6<sup>th</sup> Floor, Building No.21, Infinity Park, Off Western Express Highway,

General AK Vaidya Marg, Malad (E).

Mumbai – 400097, Maharashtra – India.

Tel: 022 66056588

Fax: 022 67132416

Email: [cmsipo@kotak.com](mailto:cmsipo@kotak.com)

Website: [www.kotak.com](http://www.kotak.com)

Contact Person: Mr. Prashant Sawant

SEBI Registration Number: - INB100000927

### **Statement of inter se allocation of Responsibilities for the Issue**

Shreni Shares Private Limited is the sole Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issuer shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

### **Designated Intermediaries**

#### **1. Self-Certified Syndicate Banks (SCSBs)**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, see the above-mentioned link.

#### **2. Investors Banks or Issuer Banks for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

#### **3. Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **4. Registrar to Issue and Share Transfer Agents**

In terms of SEBI circular no. CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms through Collecting RTAs who are registrars and transfer agents registered with SEBI and have furnished their details to Stock Exchange for acting in such capacity.

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

#### **5. Collecting Depository Participants**

In terms of SEBI circular no. CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms through CDPs who are depository participants registered with SEBI and have furnished their details to Stock Exchanges for acting in such capacity.

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time and updated from time to time

#### **6. Brokers to the Issue**

All brokers registered with SEBI and members of the Recognised Stock Exchange can act as brokers to the Issue.

#### **Experts**

Except the report of the Statutory Auditors namely, A. Biyani & Co., Chartered Accountants on statement of possible tax benefits and report on Restated Financial Statements as included in this Prospectus, our Company has not obtained any expert opinion.

#### **Credit Rating**

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

#### **Debenture Trustees**

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

#### **IPO Grading**

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

#### **Monitoring Agency**

In terms of Regulation 262(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹10,000 Lakhs. Since the Issue size is only of ₹204.00 Lacs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### Appraising Agency

Our Company has not appointed any appraising agency for appraisal of the Project.

### Filing of Offer Document

Pursuant to Regulation 246(5) of the SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of regulation 246(2) of the SEBI ICDR 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018; a copy of the Prospectus will be filed online through SEBI Intermediary portal at [www.siportal.sebi.gov.in](http://www.siportal.sebi.gov.in).

A copy of the Prospectus along with copy of material contracts and material documents as mentioned on page 294 of this Prospectus, will be delivered to the Registrar of Companies, Mumbai 100, Everest, Marine Drive, Mumbai- 400002, India.

### Underwriters

In terms of Regulation 260 (1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent of the offer and shall not be restricted upto the minimum subscription level and as per sub regulation (2) The lead manager(s) shall underwrite at least 15% of the issue size on their own account(s).

Pursuant to the terms of the Underwriting Agreement dated February 20, 2020, entered into by Company, Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size Underwritten
<b>SHRENI SHARES PRIVATE LIMITED</b> Office No. 102, 1st Floor, Sea Lord CHS, Plot No. 1/B, 1/A, Survey No. A-12, Ram Nagar, Borivali (West), Mumbai- 400092. <b>Tel:</b> +91 22 2808456 <b>Email:</b> shrenishares@gmail.com <b>Website:</b> www.shreni.in <b>Contact Person:</b> Mr. Parth Shah <b>SEBI Registration No.:</b> INM000012759	Upto 60,000	30.60 Lakhs	15
<b>ALTINA SECURITIES PRIVATE LIMITED</b> 303, Anand House, 13th Road, Off Link Road, Khar, Mumbai – 400 052 <b>Tel No.:</b> +91 66942416/17/18 -33413072 <b>Email:</b> info@altinasecurities.com <b>Website:</b> www.altinasecurities.com <b>Contact Person:</b> Mr. Clifton Francis Desilva <b>SEBI Regn. No.:</b> INZ000276032	Upto 3,40,000	173.40 Lakhs	85

\*Includes upto 24,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

As per Regulation 260 (2) of SEBI (ICDR) Regulations, the LM has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account. In the opinion of the Board of Directors of our Company, the resources of the above mentioned underwriter are sufficient to enable them to discharge their respective obligations in full.



### Changes in Auditors during Last Three Financial Years

Except as mentioned below, there have been no changes in the Auditors in last three financial years preceding the date of this Prospectus.

Particulars of previous Auditor	Effective Date	Reason
C.J.K. Associates, Chartered Accountant 69/11, Jivitesh Niwas, Tarun Bharat Society, Chakala, Andheri (East), Mumbai <b>Telephone:</b> +91-22-28209996 <b>Email:</b> <a href="mailto:admin@cjassociates.in">admin@cjassociates.in</a> <b>Membership No:</b> 042709 <b>FRN No:</b> 117467W	February 20, 2020	Resignation (Casual Vacancy)
A Biyani & Co, Chartered Accountant 411, Gundecha Industrial Complex, Next to Big Bazar, Opp. W.E. Highway, Akurli Road, Kandivali (E), Mumbai - 400101 <b>Telephone:</b> +9108976600300 <b>Email:</b> abiyanico@gmail.com <b>Firm registration no:</b> 140489W	February 20, 2020	Requirement for Appointment of Peer Review Statutory Auditor

\*Form ADT – 1 for the appointment of new auditor and ADT -3 for the resigning auditor has been filed by Company.

### Details of Market Making Arrangement for the Issue

Our Company and the LM has entered into Market Making Agreement dated February 20, 2020 with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

#### Market Maker

<b>Name</b>	SHRENI SHARES PRIVATE LIMITED
<b>Address (Registered)</b>	Office No. 102, 1st Floor Sea Lord CHSL, 1/A,1/B, Ram Nagar, Borivali West. Mumbai – 400092, Maharashtra, India.
<b>Tel No.</b>	+91 22 2808456
<b>E-mail</b>	shrenishares@gmail.com; info@shreni.in
<b>Contact Person</b>	Mr. Hitesh Punjani
<b>Website</b>	<a href="http://www.shreni.in">www.shreni.in</a>
<b>SEBI Registration No.</b>	INZ000268538

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

1. The Market Maker(s) (*individually or jointly*) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the BSE and SEBI from time to time.

3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (*individually or jointly*) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the BSE SME Platform (in this case currently the minimum trading lot size is 2000 equity shares; however the same may be changed by the SME Platform of BSE from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing two (2) way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
10. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars.
11. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. The Market Maker(s) shall have the right to terminate said arrangement by giving a three (3) months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on Working Days.
14. **Risk containment measures and monitoring for Market Makers:**

BSE SME Exchange will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk

(VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

**15. Punitive Action in case of default by Market Makers:**

BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

16. Price Band and Spreads: The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

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

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

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

### CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Prospectus.

		(₹ in Lacs, except share data)	
S. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 15,00,000 Equity Shares having Face Value of ₹ 10/- each	150.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 11,00,000 Equity Shares having Face Value of ₹10/- each	110.00	-
C	<b>Present Issue in terms of this Prospectus*</b> Upto 4,00,000 Equity Shares having Face Value of ₹ 10/- each at a cash price of ₹ 51.00per share	40.00	204.00
	<b>Which Comprises</b>		
I.	<b>Reservation for Market Maker portion</b> Upto24,000 Equity Shares of ₹ 10/- each at a cash price of ₹ 51.00per Equity Share	2.40	12.24
II.	<b>Net Issue to the Public</b> Upto 3,76,000 Equity Shares of ₹10/- each at a cash price of 51.00per Equity Share	37.60	191.76
	<b>of which</b>		
	Upto1,88,000 Equity Shares of ₹ 10/- each at a cash price of ₹ 51.00per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs	18.80	95.88
	Upto1,88,000 Equity Shares of ₹ 10/- each at a cash price of ₹ 51.00per Equity Share will be available for allocation for allotment to Non-Institutional investors of above ₹2.00 Lacs	18.80	95.88
D	<b>Paid up Equity capital after the Issue</b> Upto15,00,000 Equity Shares having Face Value of ₹10/- each	150.00	-
E	<b>Securities Premium Account</b> Before the Issue After the Issue	117.00 281.00	

\*The present Issue of upto 4,00,000 Equity Shares in terms of Prospectus has been authorized pursuant to the resolution passed in the Meeting of Board of Directors dated February 19, 2020 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on February 20, 2020.

#### Classes of Shares

Our Company has only one class of share capital i.e. Equity Shares of face value of ₹ 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Prospectus.

#### Details of Changes in Authorized Share Capital of our Company:

Date of Meeting	AGM/EGM	Changes in Authorized Share Capital
Upon Incorporation	--	Authorized share capital of the Company was ₹50.00 Lakhs divided into 5,00,000 Equity Shares of ₹10/- each.
28.11.2019	EGM	Increase in authorized share capital from ₹50.00 Lakhs divided into 5,00,000 Equity Shares of ₹10/- each to ₹150.00 Lakhs divided into 15,00,000 Equity Shares of ₹10/- each.

#### Notes to Capital Structure

### 1. Equity Share Capital History of our Company:

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

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value(₹)	Issue Price(₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Capital (₹)	Cumulative Securities Premium (₹)
On Incorporation	10,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	10,000	1,00,000	-
November 02, 2013	1,40,000	10	10	Cash	Right Issue <sup>(ii)</sup>	1,50,000	15,00,000	-
December 30, 2019	8,50,000	10	N.A.	Other than Cash	Bonus Issue in the ratio of 17:3 Equity Shares for every 1 Equity Share <sup>(iii)</sup>	10,00,000	1,00,00,000	-
February 20, 2020	1,00,000	10	127	Other than Cash	Conversion of Loan into Equity <sup>(iv)</sup>	11,00,000	1,10,00,000	1,17,00,000

All the above mentioned shares are fully paid up since the date of allotment.

Notes:

(i) *Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of ₹10/- each fully paid at par, details of which are given below:*

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Oswald Rosario Dsouza	5,000
2.	Mr. Felix Shridhar Kadam	5,000
<b>Total</b>		<b>10,000</b>

(ii) *Rights issue of 1,40,000 Equity Shares of Face Value of ₹10/- each fully paid at par, details of which are given below:*

S. No.	Name of Allottee(s)	Number of Shares Allotted
1.	Mr. Oswald Rosario Dsouza	70,000
2.	Mr. Felix Shridhar Kadam	70,000
<b>Total</b>		<b>1,40,000</b>

(iii) *Bonus allotment of 8,50,000 Equity Shares of Face Value of ₹ 10/- each fully paid in the ratio 17:3 i.e. 17 Bonus Equity Share for every 3 Equity Share held:*

S. No.	Name of Allottee(s)	Number of Shares Allotted
1.	Mr. Oswald Rosario Dsouza	4,25,000
2.	Mr. Felix Shridhar Kadam	4,25,000
<b>Total</b>		<b>8,50,000</b>

(iv) *Allotment of 1,00,000 Equity Shares of Face Value of ₹ 10/- each fully paid:*

S. No.	Name of Allottee(s)	Number of Shares Allotted
1.	Mr. Oswald Rosario Dsouza	50,000
2.	Mr. Felix Shridhar Kadam	50,000
<b>Total</b>		<b>1,00,000</b>

b) As on the date of this Prospectus, our Company does not have any preference share capital.

## 2. Details of Allotment made in the last two years preceding the date of the Prospectus:

Except as mentioned in point 1 above, we have not issued any Equity Share in the last two years preceding the date of the Prospectus.

## 3. Issue of Equity Shares for consideration other than cash

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

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
December 30, 2019	8,50,000	10	N.A.	Bonus in the ratio of 17:3 i.e. 17 Equity Share for every 3 Equity Share held	Capitalization of Reserves & Surplus	Mr. Oswald Rosario Dsouza	4,25,000
						Mr. Felix Shridhar Kadam	4,25,000
February 20, 2020	1,00,000	10	127	Conversion of Loan into Equity	Conversion of Debt into Equity	Mr. Oswald Rosario Dsouza	50,000
						Mr. Felix Shridhar Kadam	50,000

4. No Equity Shares have been allotted pursuant to any scheme approved under section 230-233 of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956.

5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

6. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

7. Except as mentioned below, no Equity shares have been issued which may be at price below the Issue price within last one year from the date of the Prospectus.

Date of Allotment	Allottees	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Reason for Allotment	Category of Allottees
December 30, 2019	Mr. Oswald Rosario Dsouza	4,25,000			Bonus in the ratio of 17:3 i.e. 17 Equity Share for every 3 Equity Share held	Promoters
	Mr. Felix Shridhar Kadam	4,25,000	10.00	Nil		
<b>Total</b>		<b>8,50,000</b>				

### 8. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Prospectus, our Promoters holds 10,99,995 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

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

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares*	Face Value Per Share (₹)	Issue/Acquisition/Transfer Price (₹)	Nature of Transactions	Pre-Issue Shareholding %	Post-Issue Shareholding %	Consideration
<b>Mr. Oswald Rosario Dsouza</b>							
On Incorporation	5,000	10	10	Subscriber to MOA	0.45	0.33	Cash
December 02, 2013	70,000	10	10	Right Issue	6.36	4.67	Cash
December 30, 2019	4,25,000	10	NIL	Bonus	38.64	28.33	Other than Cash
January 23, 2020	(3)	10	10	Transfer	0.00	0.00	Cash
February 20,2020	50,000	10	127	Conversion of Loan	4.55	3.33	Other than Cash
<b>Total</b>	<b>5,49,997</b>				<b>50.00</b>	36.66	
<b>Mr. Felix Shridhar Kadam</b>							
On Incorporation	5,000	10	10	Subscriber to MOA	0.45	0.33	Cash
December 02, 2013	70,000	10	10	Right Issue	6.36	4.67	Cash
December 30, 2019	4,25,000	10	NIL	Bonus	38.64	28.33	Other than Cash
January 23, 2020	(2)	10	10	Transfer	0.00	0.00	Cash
February 20,2020	50,000	10	127	Conversion of Loan	4.55	3.33	Other than Cash
	<b>5,49,998</b>				<b>50.00</b>	36.67	
<b>Total</b>	<b>10,99,995</b>				<b>100.00</b>	73.33	

### 9. The average cost of acquisition of or subscription of shares by our Promoter is set forth in the table below:

S. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Oswald Rosario Dsouza	5,49,997	12.91
2.	Mr. Felix Shridhar Kadam	5,49,998	12.91

\*As certified by our statutory auditor vide their certificate date February 20, 2020.

### 10. Shareholding of Promoters and Promoter Group

Following are the details of pre and post Issue shareholding of persons belonging to the category "Promoter and Promoter Group":

S. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Mr. Oswald Rosario Dsouza	5,49,997	50.00	5,49,997	36.66

2.	Mr. Felix Shridhar Kadam	5,49,998	50.00	5,49,998	36.67
<b>Sub Total (A)</b>		<b>10,99,995</b>	<b>100.00</b>	<b>10,99,995</b>	<b>73.33</b>
<b>Promoter Group</b>					
1.	Mrs. Janet D'Souza	1	0.00	1	0.00
2.	Ms. Yonelle O D'Souza	1	0.00	1	0.00
3.	Mrs.Christbell Kadam	1	0.00	1	0.00
4.	Mr. Shridhar Kadam	1	0.00	1	0.00
<b>Sub Total (B)</b>		<b>4</b>	<b>0.00</b>	<b>4</b>	<b>0.00</b>
<b>GRAND TOTAL (A+B)</b>		<b>10,99,999</b>	<b>100.00</b>	<b>10,99,999</b>	<b>73.33</b>

11. Except as provided below, there are no Equity Shares acquired/ purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Prospectus:

Date of Transaction	Number of Equity Shares Allotted/ Acquired/Sold	Face Value (₹)	Issue Price / Acquired Price (₹.)*	Nature	Nature of Consideration	Name of the Allottees/ Transferor/transferee	Category
December 30, 2019	4,25,000	10	NIL	Allotted by way of Bonus in the 17:3	NIL	Mr. Oswald Rosario Dsouza	Promoters
	4,25,000					Mr. Felix Shridhar Kadam	
January 23, 2020	1	10	10	Transfer	Cash	Transfer by Mr. Oswald Dsouza to Ms. Janet Dsouza	Promoter Group
January 23, 2020	1	10	10	Transfer	Cash	Transfer by Mr. Oswald Dsouza To Ms. Yonelle Dsouza	Promoter Group
January 23, 2020	1	10	10	Transfer	Cash	Transfer by Mr. Oswald Dsouza To Ms. Christbell Kadam	Promoter Group
January 23, 2020	1	10	10	Transfer	Cash	Transfer by Mr. Felix ShirdharKadamto Mr. Shirdhar Kadam	Promoter Group
January 23, 2020	1	10	10	Transfer	Cash	Transfer by Mr. Felix ShirdharKadamto Mr. Hiren Solanki	Public
February 20, 2020	50,000	10	127	Conversion of Loan into Equity	Other than Cash	Mr. Oswald Rosario Dsouza	Promoters
	50,000					Mr. Felix Shridhar Kadam	

\*The maximum and minimum price at which the aforesaid transaction was made is ₹127 and Nil per Equity Share respectively.

12. Details of Promoter's Contribution Locked-in for Three Years



Date of Allotment/Acquisition and Date when made Fully paid up	No. of shares Allotted/Acquired	Face Value	Issue Price/ Acquisition Price	Nature of Allotment	% Pre-Issue paid up capital (inshares)	% Post issuepaid up capital (inshares)	Lock-In Period
<b>Mr. Oswald Rosario Dsouza</b>							
30.12.2019	153750	10	-	Bonus Issue	13.98	10.25	3 Years
Total (A)	<b>153750</b>	<b>10</b>			<b>13.98</b>	<b>10.25</b>	
<b>Mr. Felix Shridhar Kadam</b>							
30.12.2019	153750	10	-	Bonus Issue	13.98	10.25	3 Years
Total (B)	<b>153750</b>	<b>10</b>			<b>13.98</b>	<b>10.25</b>	
<b>Total (A+B)</b>	<b>307500</b>	<b>10</b>			<b>27.96</b>	<b>20.50</b>	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters' Contribution as per Regulation 239 of SEBI (ICDR) Regulations, 2018 and are being locked in for 3 years as per Regulation 238 SEBI (ICDR) Regulations, 2018 i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoter, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters have, by a written undertaking, consented to have 3,07,500 equity shares held by it to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Prospectus with SME Platform of BSE till the date of commencement of lock-in period as stated in the Prospectus. The Equity Shares under the Promoter contribution will constitute 20.50% of our post-issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 236 SEBI (ICDR) Regulations, 2018 will not be less than 20% of the post issue paid up capital of our Company.

#### Eligibility of Share for Minimum Promoters Contribution in terms of clauses of Regulation 236 of the SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
33(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b>Hence Eligible</b>

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

#### Details of Promoters' Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 7,92,500 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

- In terms of Regulation 242 of SEBI (ICDR) Regulations, 2018, the locked in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of Regulation 243 of SEBI (ICDR) Regulations, 2018, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 238 or 239 of SEBI (ICDR) Regulations, 2018, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- Further in terms of Regulation 243 of SEBI (ICDR) Regulations, 2018, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

### 13. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Prospectus:

**I - Our Shareholding Pattern:-**

Category	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held (b)	No.	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Class eg: y	Total								
<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI</b>	<b>VII = IV+V+VI</b>	<b>VIII</b>	<b>IX</b>				<b>X</b>	<b>XI=VII+X</b>	<b>XII</b>	<b>XIII</b>	<b>XIV</b>		
(A)	Promoter & Promoter Group	6	10,99,999	-	-	10,99,999	100.00	10,99,999	-	10,99,999	100.00	-	-	--	-	10,99,999		
(B)	Public	1	1	-	-	1	0.00	1	-	1	0.00	-	-	--	-	1		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp.Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>7</b>	<b>11,00,000</b>	<b>-</b>	<b>-</b>	<b>11,00,000</b>	<b>100.00</b>	<b>11,00,000</b>	<b>-</b>	<b>11,00,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>11,00,000</b>		

\*As on date of this Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of ₹ 10/- each.

Our Company has entered into tripartite agreement with CDSL & NSDL for demat of shares Dated February 28, 2020 and February 27, 2020 respectively

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*Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE SME Platform before commencement of trading of such Equity Shares.*

**II – Shareholding pattern of the Promoters and Promoter Group**

S. No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) as a % of A+B+C2	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class Equity Shares of ₹10/- each	Class Y	Total								
I		II	III	IV	V	VI=III+IV+V	VII	VIII				IX	X = VI+ IX	XI	XII	XIII		
(1)	Indian																	
(a)	Individuals/ Hindu Undivided Family	6	10,99,999	-	-	10,99,999	100.00	10,99,999	-	10,99,999	100.00	-	100.00	-	-	-	-	10,99,999
	Mr. Oswal Rosario Dsouza	1	5,49,997	-	-	5,49,997	50.00	5,49,997		5,49,997	50.00	-	50.00	-	-	-	-	5,49,997
	Mr. Felix Shridhar Kadam	1	5,49,998	-	-	5,49,998	50.00	5,49,998		5,49,998	50.00	-	50.00	-	-	-	-	5,49,998
	Ms. Janet D'Souza	1	1	-	-	1	0.00	1		1	0.00	-	0.00	-	-	-	-	1
	Ms. Christbell Kadam	1	1			1	0.00	1		1	0.00		0.00	-	-	-	-	1
	Ms. Yonelle O D'Souza	1	1			1	0.00	1		1	0.00		0.00	-	-	-	-	1
	Mr. Shridhar Kadam	1	1			1	0.00	1		1	0.00		0.00	-	-	-	-	1

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(b)	Central Government/ State Government(s)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Body Corporate	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>6</b>	<b>10,99,999</b>	-	-	<b>10,99,999</b>	<b>100.00</b>	<b>10,99,999</b>	-	<b>10,99,999</b>	<b>100.00</b>	-	<b>100.00</b>	=	-	<b>10,99,999</b>
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals ( Non-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Resident Individuals/ Foreign Individuals)															
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>6</b>	<b>10,99,999</b>	-	-	<b>10,99,999</b>	<b>100.00</b>	<b>10,99,999</b>	-	<b>10,99,999</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	<b>10,99,999</b>

\*As on date of this Prospectus 1 Equity share holds 1 vote.

**III- Shareholding pattern of the Public shareholder**

S. No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts		Shareholding % (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					Total nos. shares held	No. of Voting Rights			Total as a % of Total Voting rights	No.	As a % of total shares held (b)			No. (not applicable) (a)	As a % of total shares held (not applicable) (b)			
						Class Equity Shares of ₹10/- each		Class Y								Total		
	<b>I</b>	<b>I I</b>	<b>I I I</b>	<b>IV</b>	<b>V</b>	<b>VI=III +I V+V</b>	<b>VII</b>	<b>V I I I</b>			<b>IX</b>	<b>X= VI+ IX</b>	<b>XI</b>	<b>XII</b>	<b>XIII</b>			
(1)	<b>Institutions</b>																	
(a)	Mutual Funds	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



(e)	Foreign Portfolio Investors	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Central Government/ State Government(s)/ President of India</b>	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>															
(a)	Individuals															
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	1	1	-	-	1	0.00	1	-	1	0.00	-	-	-	-	1
	Mr. Hiren Solanki	1	1	-	-	1	0.00	1	-	1	0.00	-	-	-	-	1
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs.	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other Body Corporate	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sub-Total (B)(3)	1	1	-	-	1	0.00	1	-	1	0.00			-	-	1
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	1	1	-	-	1	0.00	1	-	1	0.00			-	-	1

**IV - Shareholding pattern of the Non Promoter- Non Public shareholder**

S. No.	Category & Name of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrant)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held	No.(not applicable)	As a % of total shares held (not applicable)	
								Class Equity Shares of ₹10/- each	Class Y	Total								
	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI=III+IV+V</b>	<b>VII</b>	<b>VIII</b>				<b>IX</b>	<b>X= VI+ IX</b>	<b>XI</b>	<b>XII</b>		<b>XIII</b>	
(1)	Custodian/DR Holder																	
(a)	Name of DR Holder	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (c) (1)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (C ) (2)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Non- Promoter Non-Public shareholding (C)=(C ) (1)+ (C ) (2)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 14. Details of major shareholders:-

i. List of Shareholders holding 1% or more of the Paid-up Capital of our Company as on date of this Prospectus:

S. No.	Names	Shares Held (Face Value of ₹10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Oswald Rosario Dsouza	5,49,997	50.00
2.	Mr. Felix Shridhar Kadam	5,49,998	50.00
<b>Total</b>		<b>10,99,995</b>	<b>100.00</b>

ii. List of Shareholders holding 1% or more of the Paid-up Capital of the Company ten days prior to the date of this Prospectus:

S. No.	Names	Shares Held (Face Value of ₹10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Oswald Rosario Dsouza	4,99,997	50.00
2.	Mr. Felix Shridhar Kadam	4,99,998	50.00
<b>Total</b>		<b>9,99,995</b>	<b>100.00</b>

iii. List of Shareholders holding 1% or more of the Paid-up Capital of the Company one and two year prior to the date of this Prospectus:

S. No.	Names	Shares Held (Face Value of ₹10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Oswald Rosario Dsouza	75,000	50.00
2.	Mr. Felix Shridhar Kadam	75,000	50.00
<b>Total</b>		<b>1,50,000</b>	<b>100.00</b>

Our Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Prospectus.

15. As on date of Prospectus, there are 1 (one) Public Shareholder in our Company.

16. Except as provided below no subscription to or sale or purchase of the securities of our Company was made within three years preceding the date of filing of this Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.

Date of Allotment	Name of Shareholders	No. of Equity Shares allotted	% of Pre-Issue Capital	Subscribed/Acquired/Transfer	Category of Allottees (Promoter/Promoter Group/Director)
December 30, 2019	Mr. Oswald Rosario Dsouza	4,25,000	38.64	Allotment	Promoters
	Mr. Felix Shridhar Kadam	4,25,000	38.64		
February 20, 2020	Mr. Oswald Rosario Dsouza	50,000	4.55	Conversion of Loan into Equity	Promoters
	Mr. Felix Shridhar Kadam	50,000	4.55		

17. None of our Directors or Key Managerial Personnel holds any Equity Shares other than as set out below as on date of this Prospectus:

S. No.	Name	Designation	No. of Equity Shares held
1.	Mr. Oswald Rosario Dsouza	Managing Director	5,49,997
2.	Mr. Felix Shridhar Kadam	Whole-Time Director	5,49,998
3.	Mr. Hiren Solanki	CFO	1
4.	Mrs. Janet Dsouza	Non-Executive Director	1
5.	Mrs. Christbell Kadam	Non-Executive Director	1

18. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Prospectus.
19. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.
20. Neither, we nor our Promoters, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
21. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoter or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
22. As on the date of this Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up.
23. Our Company has not raised any bridge loan against the proceeds of the Issue.
24. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up equity shares
25. As on the date of this Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
26. The Lead Manager i.e. Shreni Shares Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of Prospectus.
27. We here by confirm that there will be no further issue of capital 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 the Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
28. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
29. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
30. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post- issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

31. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, except for the QIB, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. BSE Limited. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
32. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
33. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
34. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
35. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
36. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
37. As on the date of this Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
38. There are no Equity Shares against which depository receipts have been issued.
39. Other than the Equity Shares, there is no other class of securities issued by our Company.
40. We have 7(Seven) shareholders as on the date of filing of the Prospectus.
41. There are no safety net arrangements for this public issue.
42. As per RBI regulations, OCBs are not allowed to participate in this issue.
43. Our Promoters and Promoter Group will not participate in this Issue.
44. This Issue is being made through Fixed Price method.
45. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
46. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
47. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
48. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## SECTION VII: PARTICULAR OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue includes a fresh Issue up to 4,00,000 Equity Shares of our Company at an Issue Price of Rs. 51.00 per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:-

1. To meet Working Capital requirements
2. General Corporate Purpose
3. To meet issue expenses

(Collectively referred as the “Objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Incorporated in 2010, our Company is currently engaged in the business of manufacturing of electrical panels, harmonic filters and substation and equipment mounting structure. The plant is equipped with machinery to produce the quality products with emphasis on quality and performance. Our Company has also been providing turnkey services which involves supply, installation, commissioning, testing and comprehensive maintenance of electric products.

#### Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amt (Rs. in Lacs)
Gross Proceeds of the Issue	204.00
Less: Issue related expenses in relation to Issue	48.50
<b>Net Proceeds</b>	<b>155.50</b>

#### Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

S. No	Particulars	Amt (Rs. in Lacs)
1.	To meet Working Capital requirements	117.50
2.	General Corporate Purpose	38.00
	<b>Total</b>	<b>155.50</b>

Our fund requirements and deployment there of are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

#### Means of Finance

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (Rs. in Lacs)
Net Issue Proceeds	155.50
<b>Total</b>	<b>155.50</b>

*Since, the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards atleast 75% of the stated means of finance ,excluding the amounts to be raised through the proposed Issue.*

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "*Risk Factors*" beginning on page 23 of this Prospectus.

#### Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

##### 1. To Meet Working Capital Requirement

Our business is working capital intensive as the major capital is invested in trade receivables and inventories. The Company will meet the requirement to the extent of Rs.117.50 Lacs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

S. No.	Particulars	Actual (Restated)	Actual (Restated)	Actual (Restated)	Estimated	Estimated
		March 31, 18	March 31, 19	December 31, 2019	March 31, 2020	March 31, 2021
I	<b>Current Assets</b>					
	Inventories	239.61	178.61	328.02	180.00	120.00
	Trade receivables	440.81	527.13	471.62	641.19	843.74
	Cash and cash equivalents	30.25	40.57	6.14	40.00	40.00
	Short Term Loans and Advances	117.99	35.77	11.80	81.40	81.30
	Other Current Assets	58.80	52.51	59.77	78.40	59.30
	<b>Total(A)</b>	<b>887.45</b>	<b>834.59</b>	<b>877.34</b>	<b>1020.99</b>	<b>1144.35</b>
II	<b>Current Liabilities</b>					
	Trade payables	297.90	412.79	233.97	509.15	532.50
	Other Current Liabilities	74.84	71.69	113.33	90.51	104.50
	Short Term Provisions	28.44	24.77	7.23	27.93	31.31
	<b>Total (B)</b>	<b>401.18</b>	<b>509.24</b>	<b>354.53</b>	<b>627.59</b>	<b>668.31</b>



III	<b>Total Working Capital Gap (A-B)</b>	<b>486.27</b>	<b>325.41</b>	<b>522.81</b>	<b>392.00</b>	<b>476.03</b>
IV	Funding Pattern					
	Short Term borrowings and Internal Accruals	<b>439.52</b>	<b>251.54</b>	<b>403.72</b>	<b>187.74</b>	<b>358.53</b>
			<b>IPO Proceeds</b>			<b>117.50</b>

**Justification:**

S. No.	Particulars
Inventories	We expect Inventories turnover days(calculated as closing Inventory divided by revenues from operations over the period/fiscal) to be around 44 Days for F.Y. 2019-20 &25 Days for F.Y. 2020-21 as compared to 50 days in F.Y. 2018-19
Debtors	We expect Debtors Holding days (calculated as closing trade receivables divided by revenues from operations over the period/fiscal) to be around 156 Days for F.Y. 2019-20 &179 Days for F.Y. 2020-21 as compared to 148 days in F.Y. 2018-19
Creditors	We expect Creditors payments days (calculated as trade payables divided by Purchase over the period/fiscal) to be around 190 days for F.Y. 2019-20 &172 Days for F.Y. 2020-21 as compared to 177 days in F.Y. 2018-19

**2. General Corporate Purpose**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs.38.00 Lacs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**3. Public Issue Expenses**

The total estimated Issue Expenses are Rs. 48.50 Lacs, which is 23.77% of the total Issue Size. The details of the Issue Expenses are tabulated below:

Activity	(Rs in Lakh)*	As a % of Estimates Issue Expenses	As a % of Issue Size
Lead Manger Fees (including printing, legal advisor and advertisement expenses)	35.00	72.16	17.16
Underwriting Commission	8.00	16.49	3.92
Fees Payable to Registrar to the Issue	0.50	1.03	0.25
Fees Payable to Regulators including Stock Exchanges	3.00	6.19	1.47

Others (Fees Payable to Statutory Auditor, Marketing Expenses, Brokerage, Processing Fees for Application* and Miscellaneous Expenses)	2.00	4.12	0.98
<b>Total</b>	<b>48.50</b>	<b>100.00</b>	<b>23.77</b>

\*\* Includes commission/Processing fees of Rs. 10.00 per valid application forms for SCSB"s. In case the total processing fees payable to SCSBs exceeds Rs. 1.00 lakh, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed Rs. 1.00 lakh.

### **Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(Rs. In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in
		F.Y. 20-21
1.	To meet Working Capital Requirements	117.50
2.	General Corporate Purpose	38.00
	<b>Total</b>	<b>155.50</b>

### **Funds Deployed and Source of Funds Deployed:**

A Biyani & Co, Chartered Accountants vide their certificate dated 5th March 2020 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Issue Expenses	4.84
<b>Total</b>	<b>4.84</b>

### **Sources of Financing for the Funds Deployed:**

A Biyani & Co., Chartered Accountants vide their certificate dated 5th March 2020 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Internal Accruals	4.84
<b>Total</b>	<b>4.84</b>

### **Appraisal**

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of the Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in the Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors and our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds.

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹10/- each and the Offer Price is ₹ 51 which is 5.1 times of the face value. Investors should also refer “Our Business”, “Risk Factors” and “Financial Statements” beginning on pages 93, 24 and 133 respectively, of this Prospectus, to have an informed view before making an investment decision.

## QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are:

- Quality standards and ISO certified organisation
- Experienced and professional management team
- Stable customer base
- Wide product range and product segments
- Well established manufacturing facility

For further details, refer chapter titled “Our Business” beginning on page 93 of this Prospectus.

## QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for the period ended December 31, 2019 and financial years ended March 31, 2019, 2018 and 2017 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled “Financial Statements” and “Other Financial Information” beginning on pages 133 and 166 of this Prospectus. Some of the quantitative factors, which may form the basis for computing the Issue Price, are as follows:

### 1. Basic and Diluted Earnings per Share (EPS):

Year/Period Ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2017	2.76	2.76	1
March 31, 2018	1.92	1.92	2
March 31, 2019	5.17	5.17	3
Weighted Average	3.69		
For the period ended December 31, 2019*	2.49		
For the period ended February 20, 2020*	2.26		

\*Not Annualized

Notes:

1. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year. The figures disclosed above are based on the Restated Summary Financial Information of our Company.
2. The face value of each Equity Share is ₹10.
3. Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
4. Basic and Diluted Earnings per share = Net profit after tax, as restated/ Weighted average number of diluted equity shares outstanding during the year/period.
5. Weighted average = Aggregate of year-wise weighted Basic EPS divided by the aggregate of weights i.e. [Basic (EPS x Weight) for each fiscal] / [Total of weights].

6. The figures disclosed above are based on the Restated Financial Information of our Company.
7. EPS for the period ended 20<sup>th</sup>February 2020 has been calculated by dividing the profit upto 31<sup>st</sup>December 2019 by the weighted Average Shares outstanding during the period.

2. Price to Earnings (P/E) ratio in relation to Offer Price of ₹ 51.00 per share.

Particulars	P/E
P/E ratio based on Basic and Diluted EPS for FY 2018-19	9.86
P/E ratio based on Weighted Average Basic and Diluted EPS for the period 20 <sup>th</sup> February 2020	22.56

3. Average Return on Net worth (RoNW):

Year/Period Ended	RoNW (%)	Weight
March 31, 2017	31.53%	1
March 31, 2018	18.03%	2
March 31, 2019	32.65%	3
Weighted Average	27.59%	
For the period ended December 31, 2019*	13.57%	
For the period ended February 20, 2020*	08.01%	

\*Not Annualized

Notes:

1. The RONW has been computed by dividing net profit after tax (excluding exceptional income, if any) as restated by net worth (excluding revaluation reserve, if any) as restated as at year/period end.
2. Weighted average = Aggregate of year – wise weighted RoNW divided by the aggregate of weights i.e. [(RoNW x Weight) for each fiscal] / [Total of weights].
3. The figures disclosed above are based on the Restated Financial Information of our Company.
4. RONW for the period ended 20<sup>th</sup>February 2020 has been calculated by dividing the profit upto 31<sup>st</sup>December 2019 by the net worth as on 31/12/2019 taking effect of conversion of Director's loan into equity shares as on 20/02/2020.

4. Net Asset Value (NAV) pershare:

Particulars	Amount Per Share
March 31, 2019	15.84
For the period ended December 31, 2019*	18.33
For the period ended February 20, 2020*	28.21
NAV per Equity Share after the Issue	<b>34.29</b>
Issue Price per equity share	<b>51</b>

\*Not Annualized

Note: Net Asset Value per Equity Share has been computed as Net Worth divided by closing number of equity shares.

Note – NAV for the period ended 20/02/2020 has been calculated by dividing the Net Worth as on 31/12/2019 taking the effect of Director's Loan Conversion as on 20/02/2020 by Weighted Average Shares outstanding as on 20/02/2020.

**Comparison with listed industry peers:** Our Company is engaged in the business of manufacturing of electrical panels, harmonic filters and substation and equipment mounting structure and providing turnkey services which involves supply, installation, commissioning, testing and comprehensive maintenance of electric products. We believe that there are no listed

companies in India which are solely engaged in same type of business like ours. Hence, a strict comparison is not possible.

The Issue Price of ₹ 51 has been determined by our Company in consultation with the Lead Manager on the basis of the demand from investors for the Equity Shares through the Fixed Price Process and is justified in view of the above qualitative and quantitative factors. Investors should read the above mentioned information along with “Our Business” “Risk Factors” and “Financial Statements” beginning on pages 93, 24 and 133 of this Prospectus, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” or any other factors that may arise in the future and you may lose all or part of your investments.

**STATEMENT OF POSSIBLE TAX BENEFITS**

**The Board of Directors,**

Cospower Engineering Limited  
Flat No.203, 2nd Floor, Kesarinath Apartments  
S.V. Road, Opp. Vijay Sales,  
Goregaon (West) Mumbai - 400062, Maharashtra, India

Dear Sirs,

**Subject: Statement of possible special tax benefits available to Cospower Engineering Limited (“the Company”) and shareholders prepared in accordance with applicable requirements of the SEBI (ICDR) Regulations, 2018 (“SEBI ICDR Regulations”)**

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2018 presently in force in India (together referred to as the “**Direct Tax Laws**”) and The Goods and Service Tax Act, 2017 & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and / or the Company’s shareholders fulfilling the conditions prescribed under the relevant Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. Our Company does not have any Subsidiary as on date of this Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and 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 proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

The contents of this Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes. We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby give consent to include this Statement in the Prospectus and Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,

**For A. Biyani & Co.**

**Chartered Accountants**

**Arpit Tapadiya**

**Partner**

**M. No. 182428**

**F.R.N. 140489W**

**Place: Mumbai**

**Date: February 20, 2020**

Encl: a/a

**Annexure**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS**

Outlined below are the possible special tax benefits available to Cospower Engineering Limited ("the Company") and to its Shareholders under the direct and indirect Tax Laws in force in India.

**A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

**1. Direct Tax**

There are no special direct tax benefits available the Company.

**2. Indirect Tax**

There are no special indirect tax benefits available the Company.

**B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

**1. Direct Tax**

There are no special direct tax benefits available the Company.

**2. Indirect Tax**

There are no special indirect tax benefits available the Company.



## **SECTION VI – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

#### **GLOBAL ECONOMIC OVERVIEW**

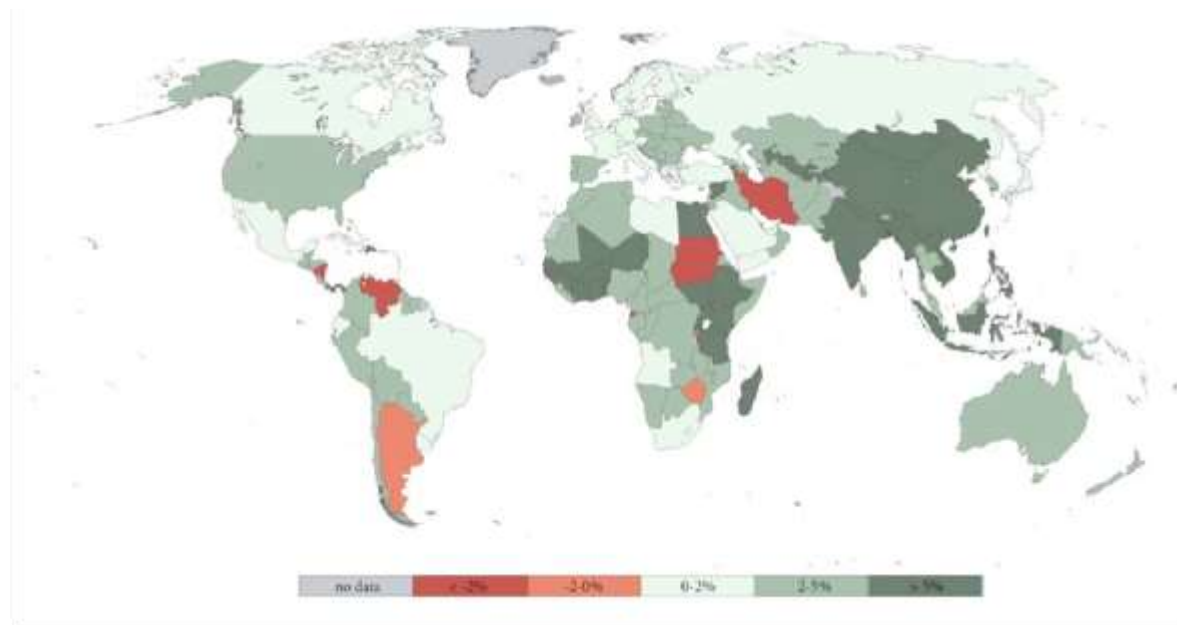
The global growth outlook has weakened amid unresolved trade tensions and elevated international policy uncertainty. Across both developed and developing countries, growth projections for 2019 have been downgraded. Alongside a slowdown in international trade, business sentiments have deteriorated, casting a cloud on investment prospects. In response to softening economic activity and subdued inflationary pressures, major central banks have eased their monetary policy stances.

While part of the growth slowdown reflects temporary factors, downside risks remain high. Prolonged trade disputes could have significant spillovers, including through weaker investment and the disruption of production networks. Recent monetary policy shifts have reduced short-term financial pressures, but may further fuel debt accumulation, increasing medium-term risks to financial stability. These persistent macroeconomic risks are compounded by greater frequency and intensity of natural disasters, reflecting the rising effects of climate change.

In the face of these multifaceted challenges, tackling the current growth slowdown and placing the world economy on a robust path towards the 2030 Agenda for Sustainable Development require more comprehensive and well-targeted policy responses. This should include a combination of monetary, fiscal and development-oriented measures. A coordinated, multilateral approach to global climate policy, including a price on carbon, is an important element of this policy mix. Increasing use of internal CO<sub>2</sub> prices by the private sector indicates some willingness by firms to adapt to expected policy changes. The deterioration in growth prospects of many countries that are already lagging behind poses additional challenges for sustainable development, especially the goal to universally eradicate poverty by 2030. Future progress on poverty reduction will, to a significant extent, depend on the effective management of ongoing urbanization, particularly in Africa and South Asia.

Growth projections for 2019 have been revised downward in all major developed economies. In the United States, the growth momentum is projected to moderate as headwinds from trade policy are compounded by the waning effects of fiscal stimulus. In Europe, while the effects of auto production disruptions are expected to dissipate, economic activity will be dampened by weaker confidence, softer external demand and prolonged uncertainty surrounding Brexit developments. In Japan, weak external demand has weighed on investment in the manufacturing sector, while household consumption remains sluggish.

The growth outlook for many developing economies has also weakened. Southern Africa, Western Asia and Latin America and the Caribbean have seen particularly large downward revisions for growth in 2019. The weaker prospects for Southern Africa are attributable to the devastation caused by cyclone Idai, coupled with a subdued outlook for South Africa's economy, which is severely hampered by power shortages. In Western Asia, growth in Saudi Arabia is projected to slow amid oil production cuts, while Turkey will only gradually emerge from recession, following a sharp contraction in domestic demand in the second half of 2018. The downward revision of the outlook for Latin America and the Caribbean reflects weaker-than-expected activity in the region's largest economies—Argentina, Brazil and Mexico—and a further severe contraction in the Bolivarian Republic of Venezuela. In contrast, growth prospects remain favourable in other developing regions, most notably East Africa and East Asia. In China, recent policy stimulus measures will largely offset the adverse effects from trade tensions. Despite downward revisions, growth in India remains strong amid robust domestic demand. (Source: *United Nations Report on World Economic Situation and Prospects as of mid-2019*)



**Growth of world output, 2017–2020**

	Annual Percentage Change				Change from WESP 2019 January forecast	
	2017	2018 (a)	2019 (b)	2020 (b)	2019	2020
<b>World</b>	3.1	3	2.7	2.9	-0.3	-0.1
<b>Developed economies</b>	2.3	2.2	1.8	1.8	-0.3	-0.1
USA	2.2	2.9	2.3	2.1	-0.2	0.1
Japan	1.9	0.8	0.8	1	-0.6	-0.2
European Union	2.4	1.9	1.5	1.8	-0.5	-0.3
EU-15	2.2	1.7	1.3	1.6	-0.5	-0.2
EU-13	4.7	4.3	3.6	3.4	0	-0.1
Euro area	2.4	1.8	1.4	1.6	-0.5	-0.3
Other developed countries	2.5	2.3	2.1	2.2	-0.2	0
<b>Economies in transition</b>	2	2.7	2	2.3	0	-0.3
South-Eastern Europe	2.4	3.9	3.4	3.2	-0.3	-0.5
Commonwealth of Independent States and Georgia	2	2.7	1.9	2.3	-0.1	-0.2
Russian Federation	1.6	2.3	1.4	2	0	-0.1
<b>Developing economies</b>	4.4	4.3	4.1	4.5	-0.2	-0.1
Africa	2.6	2.7	3.2	3.7	-0.2	0
North Africa	3.2	2.6	3.1	4.2	-0.3	0.7
East Africa	5.9	6.1	6.4	6.5	0	0
Central Africa	0.1	1.3	2.7	2.7	0.2	-1.1
West Africa	2.5	3.2	3.5	3.6	0.1	-0.2
Southern Africa	0.9	0.9	1.4	2.1	-0.7	-0.5

East and South Asia	6.1	5.8	5.4	5.6	-0.1	-0.1
East Asia	6	5.8	5.5	5.5	-0.1	0
China	6.8	6.6	6.3	6.2	0	0
South Asia	6.3	5.7	5	5.8	-0.4	-0.1
India (c)	7.1	7.2	7	7.1	-0.6	-0.4
Western Asia	2.5	2.5	1.7	2.6	-0.7	-0.8
Latin America and the Caribbean	1.1	0.9	1.1	2	-0.6	-0.3
South America	0.6	0.3	0.7	2	-0.7	-0.3
Brazil	1.1	1.1	1.7	2.3	-0.4	-0.2
Mexico and Central America	2.4	2.3	2	2.1	-0.5	-0.2
Caribbean	0	1.9	1.9	2.5	-0.1	0.5
Least developed countries	4.2	4.8	4.6	5.8	-0.5	0.1
Memorandum items:						
World trade (d)	5.3	3.6	2.7	3.4	-1	-0.5
World output growth with purchasing power parity-based weights	3.7	3.6	3.3	3.6	-0.3	-0.1

Source: UN/DESA.

a Partly estimated.

b UN/DESA forecasts.

c Fiscal year basis

d Includes goods and services.

(Source: United Nations Report on World Economic Situation and Prospects as of mid-2019)

## ECONOMIC OUTLOOK OF INDIA

As the world's third largest economy in purchasing parity terms, India aspires to better the lives of all its citizens and become a high-middle income country by 2030. Between 2011-15, more than 90 million people escaped extreme poverty and improved their living standards thanks to robust economic growth. However, India's growth rate has decelerated in the past two years.

In recent years, the country has made a significant dent in poverty levels, with extreme poverty dropping from 46 percent to an estimated 13.4 percent over the two decades before 2015. While India is still home to 176 million poor people, it is seeking to achieve better growth, as well as to promote inclusion and sustainability by reshaping policy approaches to human development, social protection, financial inclusion, rural transformation, and infrastructure development.

While the country's development trajectory is strong, challenges remain. Economic performance has been strong, but development has been uneven, with the gains of economic progress and access to opportunities differing between population groups and geographic areas. Implementation challenges of indirect tax reforms, stress in the rural economy and a high youth unemployment rate in urban areas may have moderated the pace of poverty reduction since 2015. Despite regulatory improvements to spur competitiveness, levels of private investment and exports continue to be relatively low, undermining prospects for longer term growth. The country's human development indicators – ranging from education outcomes to a low and declining rate of female labor force participation - underscore its substantial development needs.

India's ability to achieve rapid, sustainable development will have profound implications for the world. India's success will be central to the world's collective ambition of ending extreme poverty and promoting shared prosperity, as well as for achieving the 2030 Sustainable Development Goals (SDGs). Indeed, the world will be only able to eliminate poverty if India succeeds in lifting its citizens above the poverty line.

For international trade and the health of the global economy too, India's growth will be ever more important. Growth is projected to be 6.0 percent this fiscal year and expected to rise to 6.9 percent in 2020/21 and to 7.2 percent in the following year. In addition, the carbon footprint India leaves as it propels its high growth will have a significant influence on the planet's ability to keep global warming within the 2-degree threshold.

On crucial issues ranging from managing scarce water resources, to modernizing food systems, to improving rural livelihoods, to ensuring that megacities become engines of sustainable economic growth and inclusion, India’s development trajectory will have a major influence on the rest of the world.

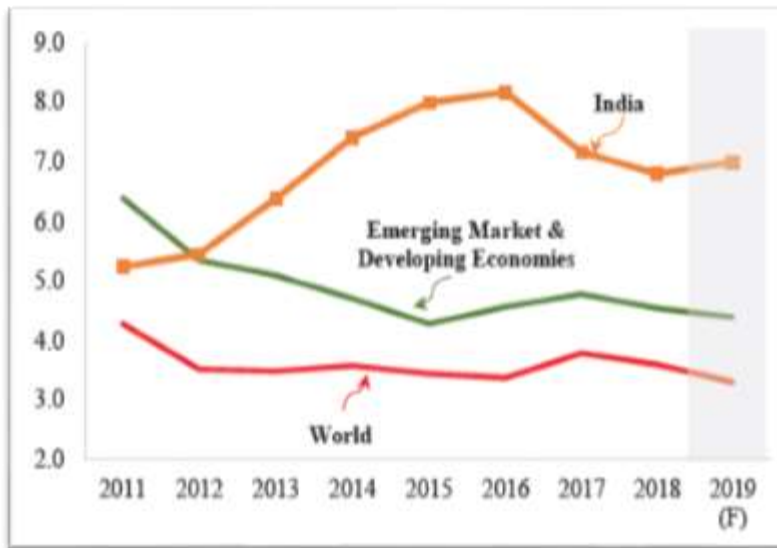
At the same time, India’s growing economic and political stature and the relevance of its experience, know-how and investments for the development efforts of other nations well-position the country to play a greater leadership role in the global arena.

India continues to remain the fastest growing major economy in the world in 2018- 19, despite a slight moderation in its GDP growth from 7.2 percent in 2017-18 to 6.8 per cent in 2018-19. On the other hand, the world output growth declined from 3.8 per cent in 2017 to 3.6 per cent in 2018. The slowdown in the world economy and Emerging Market and Developing Economies (EMDEs) in 2018 followed the escalation of US China trade tensions, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies. In 2019, when the world economy and EMDEs are projected to slowdown by 0.3 and 0.1 percentage points respectively, growth of Indian economy is forecast to increase.

(Source:

<https://www.worldbank.org/en/country/india/overview#1>)

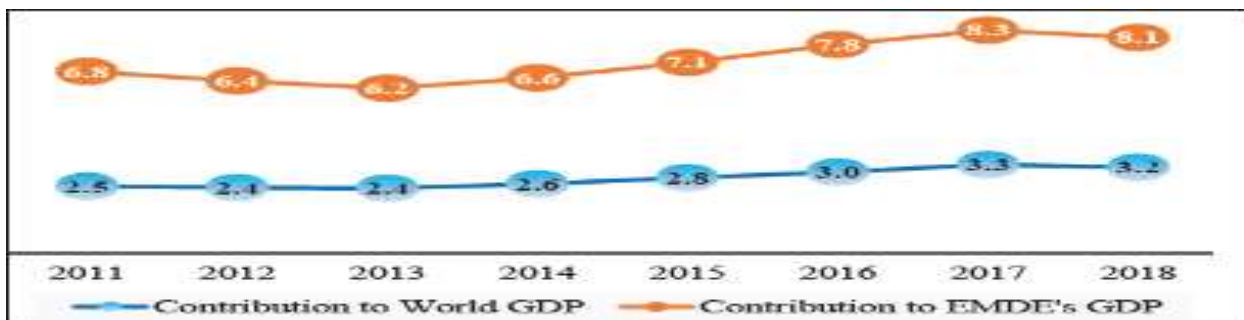
**Growth rate of real GDP (per cent):**



India is the seventh largest economy in terms of Gross Domestic Product (GDP) in current US\$ and has emerged as the fastest growing major economy. The average growth rate of India was not only higher than China’s during 2014-15 to 2017-18 but much higher than that of other top major economies (measured in terms of GDP at current US\$ terms) as well. With Purchasing Power Parity (PPP) adjustments, India’s GDP at current international dollar, ranks third in the world.

The contribution of the Indian economy to the GDP of EMDEs and world economy has increased consistently over the years. In a span of less than a decade, India’s contribution to EMDEs GDP has increased by around 1.3 percentage points and to the world economy by around 0.7 percentage points. India’s share in GDP of EMDEs stood at 8 per cent in 2018. As per the WEO, April 2019 of IMF, going forward, the growth of world economy will be bolstered mainly by growth in China and India and their increasing weights in world income. In EMDEs group, India and China are the major drivers of growth. The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. Hence, India’s contribution has become much more valuable to the global economy.

**India’s share in GDP of EMDEs and World (per cent)**





### **Outlook of the Economy**

The year 2019-20 has delivered a huge political mandate for the government, which augurs well for the prospect of high economic growth. Real GDP growth for the year 2019-20 is projected at 7 percent, reflecting a recovery in the economy after a deceleration in the growth momentum throughout 2018-19. The growth in the economy is expected to pick up in 2019-20 as macroeconomic conditions continue to be stable while structural reforms initiated in the previous few years are continuing on course. However, both downside risks and upside prospects persist in 2019-20.

Investment rate, which was declining from 2011-12 seems to have bottomed out. It is expected to pick up further in the year 2019-20 on the back of higher credit growth and improved demand. The political stability in the country should push the animal spirits of the economy, while the higher capacity utilization and uptick in business expectations should increase investment activity in 2019-20.

The oil prices increased in 2018-19 by around 14 \$/bbl. However, oil prices are expected to decline in 2019-20 from the current level (based on the oil futures price for 2019-20). This should provide a positive push to consumption.

Prospects of export growth remain weak for 2019-20 if status quo is maintained. However, reorientation of export policies to target countries/markets based on our own relative comparative advantage and the importing country's exposure to Indian goods can foster export performance. Under status quo, the outlook for the global economy is bleak in 2019, with most of the countries projected to slowdown. (Source: [https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01\\_vol2.pdf](https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf))

## **INDIAN POWER INDUSTRY**

### **INTRODUCTION**

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power.

### **RECENT TURNOVER**

For the Fiscal year ended as at September 30, 2019, March 31, 2018 and March 31, 2017 our gross revenues stood at 506.92 Lakhs, 1006.89 Lakhs and 1,010.71 lakhs respectively. Further, our PAT (Profit after Tax) for the Fiscal year ended on as at February 28, 2018, March 31, 2017 and March 31, 2016 were 161.87 Lakhs, 63.87 Lakhs and 32.35 Lakhs respectively.

### **MARKET SIZE**

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

Total installed capacity of power stations in India stood at 356.82 Gigawatt (GW) as of May 2019.

### **ACHIEVEMENTS**

Following are the achievements of the government in the past four years:

- India's rank jumped to 24 in 2018 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" ranking.
- Energy deficit reduced to 0.7 per cent in FY18 from 4.2 per cent in FY14.
- As of April 28, 2018, 100 per cent village electrification achieved under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY).

## **GOVERNMENT INITIATIVES**

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. Some initiatives by the Government of India to boost the Indian power sector:

- As of September 2018, a draft amendment to Electricity Act, 2003 has been introduced. It discusses separation of content & carriage, direct benefit transfer of subsidy, 24\*7 Power supply is an obligation, penalisation on violation of PPA, setting up Smart Meter and Prepaid Meters along with regulations related to the same.
- UjwalDiscoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15 per cent by FY19.
- As of August 2018, the Ministry of New and Renewable Energy set solar power tariff caps at Rs 2.50 (US\$ 0.04) and Rs 2.68 (US\$ 0.04) unit for developers using domestic and imported solar cells and modules, respectively.
- The Government of India approved National Policy on Biofuels – 2018, the expected benefits of this policy are health benefits, cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas and additional income to farmers.

## **THE ROAD AHEAD**

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power generation capacity in India, which currently stands at 191.09 (As of May 2019) GW is expected to reach 330-441 GW by 2040.

India could become the world's first country to use LEDs for all lighting needs by 2019, thereby saving Rs 40,000 crore (US\$ 6.23 billion) on an annual basis.

All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019, as per the Ministry of Power and New & Renewable Energy, Government of India.

## **REPORTS**

India has the fifth largest power generation capacity in the world. The country ranks third globally in terms of electricity production. In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power. Electricity production in India reached 108.90 Billion Units (BU) in April 2019.

Renewable energy is fast emerging as a major source of power in India. The Government of India has set a target to achieve 175 GW installed capacity of renewable energy by FY22. Wind energy is the largest source of renewable energy in India, accounting for 47.44 per cent (35.14 GW) (As of Dec 2018) of total installed renewable capacity (74.08 GW) (As of Dec 2018). There are plans to double wind power generation capacity to 60 GW by 2022. India has also raised the solar power generation capacity addition target by five times to 100 GW by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019. India is on path to achieve 100 per cent household electrification by March 31, 2019, as envisaged under the Saubhagya scheme. As of September 2018, the Government of India launched a voluntary based programme to promote energy efficient chiller systems in India. It labels the energy performance by providing star ratings and will be effective up to December 31, 2020.



## ***Cospower Engineering Limited***

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The Cabinet Committee on Economic Affairs (CCEA) has approved commercial coal mining for private sector and the methodology of allocating coal mines via auction and allotment, thereby prioritising transparency, ease of doing business and ensuring the use of natural resources for national development.

The Government of India is planning to invite bids for the largest solar tender in the world, for installing 20 gigawatts (GW) of solar power capacity, to give a boost to manufacturing of solar power equipment in India. (Source: <https://www.ibef.org/industry/power-sector-india.aspx>)

## **OUR BUSINESS**

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" 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. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the "CEL", "Company" or "we", "us" or "our" means Cospower Engineering Limited.*

*All financial information included herein is based on our "Financial information of the Company" included on page 133 of this Prospectus.*

Our Company was originally incorporated as Cospower Engineering Private Limited at Mumbai as Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 22, 2010, bearing Corporate Identification Number U31908MH2010PTC208016, issued by the Registrar of Companies, Mumbai and Maharashtra for the purpose of acquiring the Partnership business of M/s. Cospower Corporation, which was in existence since 2004. Subsequently, our Company was converted into Public Limited Company pursuant to a special resolution passed by members in Extra-Ordinary General Meeting of Company held on January 23, 2020 and the name of our company was changed to Cospower Engineering Limited vide a fresh Certificate of Incorporation dated February 19, 2020, issued by the Registrar of Companies, Mumbai and Maharashtra. The Corporate Identification Number of our Company is U31908MH2010PLC208016.

Initially our promoters have been started business in the year 2004 through partnership firm M/s. Cospower Corporation. The said firm was engaged in the business of trading and marketing of electric goods. Our promoters Mr. Oswald D'Souza and Mr. Felix Kadam were the partners of the said firm. In FY 2010, our Company has taken over the running business of M/s Cospower Corporation along with its assets and liabilities vide agreement of takeover dated December 01, 2010.

Our Company is currently engaged in the business of manufacturing of electrical panels, harmonic filters and substation and equipment mounting structure. The plant is equipped with machinery to produce the quality products with emphasis on quality and performance. Our Company has also been providing turnkey services which involves supply, installation, commissioning, testing and comprehensive maintenance of electric products. There are few products which the Company do not manufacture but has to provide turnkey services by buying from other manufacturers. Our Company has extended its product range to other power related products that are needed to complete the electrical system. Our company is offering 'under one roof' a complete package of electrical system and solutions.

Our Company has product portfolio that covers product range of electrical equipment's and we also provide wide range of turnkey services with the help of highly trained team of field of service engineers to assure the safe and proper operation of the electrical distribution equipment. Over last decades, we believe that we have gained invaluable experience in assisting our customers develop new designs, incorporating latest technologies and efficiently utilising our manufacturing facility, equipment and materials and thereby constantly improving our product offerings, structure and functional design so as to meet our customers' needs. We undertake manufacture and supply of finished products and intermediate-stage products for our customers on contract basis depending upon the demand from them.

Our Promoters Mr. Oswald D'Souza and Mr. Felix Kadam have an experience of about more than 2 decades each in electrical and engineering industry. They have been the guiding force to take timely decisions and have served as an invaluable mentor for strategy formulation for our company. For the detailed information regarding experience of our promoters and directors, refer to "Our Management" beginning on page 116 of this Prospectus.

Our Company is fully committed towards delivering products that will not only meet the expectations of the customers but exceed them as well to add a smile on their faces. And for achieving this objective, it is vital that the company upgrades the quality and range of its products to maintain the winning edge over its competitors. The engineers of the company are trained to face the market's challenge. Every engineer of the company are equipped and specialized to satisfy the client's needs. The ongoing training programs of the company are designed such that field engineers can independently handle the most intricate issues faced in the field during erection and maintenance of electrical equipment.

Our manufacturing unit is located at Vasai in Maharashtra. Our manufacturing facility is equipped with requisite infrastructure including machinery, other handling equipment to facilitate smooth manufacturing process. Moreover, the Environment Management System, Quality



Management System and Occupational Health and Safety Management System of our Company has been approved as per the guidelines of ISO 14001:2015 ISO 9001:2015 and ISO 45001:2018 respectively for design, manufacturing, supply, commissioning and consultancy for electrical and mechanical equipment and Manufacturing of high/ low voltage electrical panels.

For the 9 months period ended as on December 31, 2019, Total Revenue and Restated Profit/ Loss after Tax was of our Company is ₹748.88 Lakhs and ₹24.86 Lakhs, respectively. For the year ended March 31, 2019, Total Revenue and Restated Profit after Tax of our Company was ₹1303.26 Lakhs and ₹51.73 Lakhs respectively, compared to Total Revenue and Restated Profit after Tax of ₹860.75 Lakhs and ₹19.24 Lakhs respectively, over previous year ended i.e. March 31, 2018.

## **OUR LOCATION**

<b>Registered Office</b>	Flat No.203, 2nd Floor, Kesarinath Apartments, S.V. Road, Opp. Vijay Sales, Goregaon West, Mumbai, Maharashtra - 400062.
<b>Manufacturing Unit</b>	Gala No. K-4 Qureshi Estate, Sagar Industrial Estate, Survey No. 32, Parabwadi, Vasai East, Palghar-401208, Maharashtra.

## **Our Competitive Strengths**

We believe we have the following competitive strengths:

- ***Quality standards and ISO certified organisation***

Quality plays one of the most vital role in the success of any organisation. We are focused on providing quality products. We constantly strived to improve our industrial processes at every step in the production chain. The Environment Management System, Quality Management System and Occupational Health and Safety Management System of our Company has been approved as per the guidelines of ISO 14001:2015 ISO 9001:2015 and ISO 45001:2018 respectively for design, manufacturing, supply, commissioning and consultancy for electrical and mechanical equipment and Manufacturing of high/ low voltage electrical panels. Our focus on quality is evidenced by the quality certifications and accreditations that our facility has obtained. We believe that ensuring global standard products will attract domestic and international customers to our Company.

- ***Experienced and professional management team***

We believe that our qualified management team provides us a competitive advantage and enables us to function effectively and efficiently. Our Promoters, Mr. Oswald D'Souza and Mr. Felix Kadam have over 2 decade of experience in the electrical and engineering industry. The Promoters are supported by our experienced and professional management team having varied experience in finance, marketing, sales, product development, etc. Our management team brings focused abilities in product conceptualization to our business and we believe that their knowledge, global outlook and management ability would continue to contribute to our growth in future.

- ***Stable customer base***

Our Company enjoys long standing relationship with key customers and suppliers. These long standing relationships are result of our commitment to quality, timely delivery, promptness in payments and adaptability etc. Over last decades, we believe that we have gained invaluable experience in assisting our customers develop new designs, incorporating latest technologies and efficiently utilising our manufacturing facility, equipment and materials and thereby constantly improving our product offerings, structure and functional design so as to meet our customers' needs.

- ***Wide product range and product segments***

Our Company has product portfolio that covers product range of electrical equipment's and we also provide wide range of turnkey services with the help of highly trained team of field of service engineers to assure the safe and proper operation of the electrical distribution equipment. We believe that maintaining a diverse portfolio in our business provides us with an opportunity to cater to diverse needs of our different customer segment.

▪ ***Well established manufacturing facility***

Our manufacturing facility is situated at Vasai in Maharashtra consisting various machineries and suitable infrastructure and quality control setup to handle the product portfolio. The manufacturing process provides us with the flexibility of manufacturing any part of our products at short notice and delivered within scheduled.

**Our Business Strategy**

➤ ***Brand Image***

We would continue to associate ourselves with good quality customers and execute orders to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

➤ ***Strengthening relationship with existing customers and widen our customer base***

We look to further strengthen our relationship with our existing customers and meet their requirements. Whilst we continue to cater to our existing customers, we are emphasizing a lot on establishing new our relationship with prospective customers so that we can expand our customer base in other areas as well.

➤ ***Effective Utilization of Funds and Resources***

The sustainability and profitability of our business lies in effective utilization of our resources. It involves lower rejection, prompt recovery, cost effective purchases, controlled inventory, preventive maintenance of machines and equipment and constant endeavor to improve process timings and thereby increasing the productivity.

➤ ***Continue to expand and increase production capacity***

Our Company constantly endeavors to explore opportunities to expand our operations by developing new products and services within our existing lines of business. We expect that the increase in our product base will result in an increase in customer base and enable us target more customers and market segments.

➤ ***Continue to improve operational efficiencies and cost competitiveness continuously***

We continue to adopt best practices and standards across our manufacturing facility, drawing on our management's expertise and experience in plant management. We continue to increase efficiencies through comprehensive product planning resulting in increased utilization rates and reduction in cost of production.

➤ ***Focus on consistently meeting quality standards***

Presently, Our Company is certified from ISO 14001:2015, ISO 9001:2015 and ISO 45001:2018 and we intend to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. This will also aid us in enhancing our brand value.

**Our Products Range:**

Our Company manufactures electrical equipments. Various product manufactured by the company are mentioned below: -

**Electrical Equipment:** Our Company manufactures capacitors, switchgears, harmonic filters, cable termination kits, transformers, battery and battery chargers, electrical panels etc.



LT (APP type) capacitors for standard 415/440 V



Indoor MV Switchgears upto 33 kV



HT Capacitor banks of voltage levels from 3.3 kV to 132 kV



HT Passive Harmonic Filters



LT APFC (Automatic Power Factor Control) panels with contactor based switching



Cable termination kits, insulating sleeves, shrouds etc.



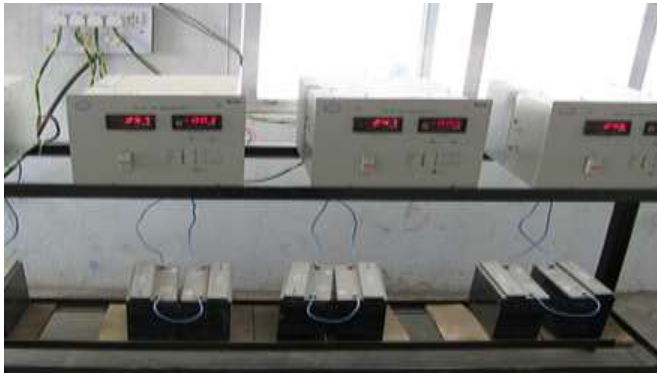
MV Current and Voltage Transformer upto 33 kV



Surge Arresters



Control and Relay Panels



Battery and Battery Chargers



LT (APP) capacitor of non-standard voltages like 480 V/525 V and any other special voltages

**Manufacturing Facilities:** Our manufacturing unit is located at Vasai in Maharashtra. Our manufacturing facility is equipped with requisite infrastructure including machinery, other handling equipment to facilitate smooth manufacturing process. We endeavour to maintain safety in our premises by adhering to key safety norms. Our manufacturing process is integrated from procurement of raw materials to final testing. We believe in manufacturing and delivering quality products and are dedicated towards supply of quality products by controlling the procurement of standard raw material, monitoring the process parameters, maintaining appropriate measures to manage hazardous materials and to comply with applicable statutory and regulatory requirements of our products. It is the diligent efforts of our personnel, that we have been able to streamline our business operations.

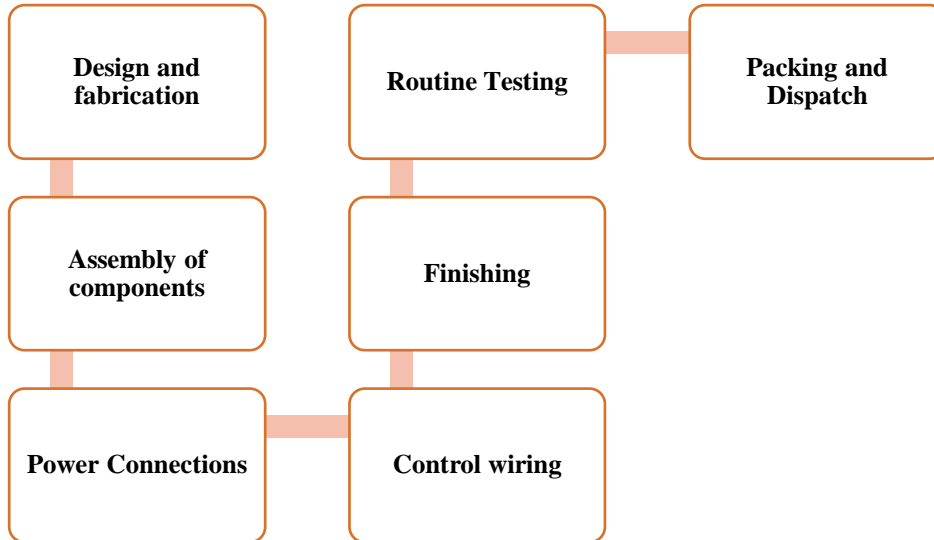
The following table provides an overview of our production machines:

S. No	Name of equipment/instrument	Qty.
1.	Hydraulic Angle punching machine 713 Punch Press Model 731 web type of 30 Ton capacity	1 No.
2.	Hydraulic AW Shear Press 704 Press Model 704 of 50 Ton	1 No.
3.	Hydraulic AW NBC 710 Notcher-Bender-Coper Model of 10 to 18 tons capacity	1 No.
4.	Power pack system – motor 10 HP, pump 11 lpm, W.P 315 bar, 80 litres tank capacity	1 No.
5.	Power pack system – motor 5 HP, pump 6 lpm, W.P 315 bar, 50 litres tank capacity	1 No.
6.	Hydro-pneumatic Press 15 Ton, “C” frame Cisca-75-6 anti rotation guide, track 75 mm.	1 No.
7.	Air Compressor Model – 353 with 7.5 HP motor	1 No.
8.	Lathe Machine	1 No.
9.	Welding Machines	2 sets
10.	Vertical Fixed type drilling machine	1 No.
11.	Portable hand drilling machines	2 No.
12.	Hex saw steel cutting machine	1 No.
13.	Fixed type tool grinding machine	2 No.
14.	Electronic weighing machine capacity of 500 kgs.	1 No.
15.	Capacitance meters	6 No.
16.	ACA leakage tester	4 No.
17.	Multimeter analogue	1 No.
18.	Motorized Meggar 500 V	1 No.
19.	Motorized Meggar 5000 V	1 No.
20.	Earth Leakage Meggar	1 No.
21.	Multimeter Analogue	1 No.
22.	Primary Injection Kit	1 No.
23.	Relay Testing Kit	1 No.
24.	Variac 24-230 VDC	1 No.
25.	3 phase Harmonic Analyzer	1 No.

**Our manufacturing process**

Our machines are equipped with complete machinery for fabrication, assembly and updated testing facilities of electrical panels to ensure that the end product is of a highest quality level. We have and may have dedicated production lines based on the size and frequency of the orders of our customers.

The production process may be diagrammatically explained in the following manner:



**Autocad Drawings**



**Fabrication**



**Assembly of components**



**Busbars work**



**Busbars work**



**Control wiring**



Control wiring



Finishing



Routine Testing



Packing and Dispatch

The process undergone in the manufacturing is briefly described hereunder:

**Design and fabrication:** The manufacturing process begins with fabrication of panel. This is done as per the designs done by our design department. All drawings are vetted by the engineering department. Along with the drawings we have initiate the procurement of raw materials so that materials are available to start the assembly work as soon as the panels are fabricated and powder coated.

**Assembly of components :** All the components of the panels are purchased from reputed suppliers. Raw materials are procured by our project department based on the bill of materials and the specification of the materials. We have a proper vendor development procedure to ensure that materials are procured from the most reliable source and at competitive prices prevailing in the market. All the components are assembled in the panel as per the drawings. Every component that are used in the assembly have distinctive numbers which are recorded in the job card to maintain a proper history of the production process and the end product. Besides, components like Ammeter, Voltmeter, Multi-functional meters, relays, LED lamps, pushbuttons etc. are fitted on the doors of the panels. The alignment of the components assembled is closely supervise by the supervisors to maintain a proper aesthetic look and also enable ease in power and control connection.

**Power Connections :** The next process is the power connection which are done through aluminium or copper busbars. Busbars are actually flat strips of sizes based on the current rating of the panels. These are specified in the bill of materials. Busbar size selection are done on specially designed software to eliminate any errors in calculations. The busbars are used for making inter connections between electrical components as per the drawing.

This work involves cutting, drilling or punching and bending processes which are done on our hydraulic machines and drilling machines. These finished busbars are provided with heat shrinkable sleeves for insulation. All the busbars are supported to the panels sturdily through epoxy insulators that are tailor made for our panels. Also, connections are made through power cables wherever providing busbars are not feasible. This involves cutting of cables and crimping of cables lugs on both ends. Crimping is done on pneumatic or hydraulic crimping machine. This is a very important activity as the connection of lug has to be just adequate i.e. neither loose nor too tight as both can lead to adverse performance of the panels. For critical application we also use fiber glass insulation cables which has superior features compared to normal cables. The assembly of the complete panels is an important aspect of production as the panels are at times subjected to short circuit forces during operation which the panels should be able to withstand.

**Control wiring :** The next process is control wiring of the entire panel. This is done as per the electrical diagram approved by the engineering department. The cables are procured from reputed manufacturers. The cross section of the cables are as per sizes given in the bill of materials made by the design department and approved by the engineering department. Every control cable is fitted with identification ferrules which are made in the ferrule printing machine. Finally, the lugs are crimped to the cables for connecting the same to the components. Cables are routed through cable trunk and neatly dressed to give a good aesthetic look.

**Finishing:** In the next process the panels are thoroughly cleaned and the necessary labels, rating plate, danger plate and our company's logo are affixed on the panel doors. Each final product is provided with a distinctive serial number.

**Routine Testing:** The panels are tested by the quality control department based on the prescribed quality check document. This document also includes random test for workmanship which are very stringent norm. No failure is permitted and if there is even one failure then the entire panel is rejected by the quality control department.

**Packing and Dispatch:** The panels are then packed. During packing activity, all care is taken that the components fitted on the doors is protected with good packing materials. All necessary supports are provided while loading the finished panels such that the panels reaches its destination safely.

### **Our Services:**

#### **Electrical System Study Solutions**

Our company is specialized in power quality improvement. All the engineers are trained to carry out power studies in the premises of the clients. The studies are carried out with sophisticated state-of-the-art power analysers. Thereafter the data is downloaded on the computer and these data are fed into a specially designed software. A thorough analysis is done on the results obtained from the software and recommendation are given to the clients. Based on our recommendation when the customer places the order on us, we design, manufacture and install the equipment in the premises of the client. Following the installation and commissioning, the power analysis is once again carried out to demonstrate the improvement in the voltage wave form which are actuals outcome of installation of our designed power quality improvement equipment.

#### **Energy Audit Study**

Over the years of experience in the industry, we have been able to render reliable energy audits services to our customers. We provide complete recommendation to conserve energy and reduce the unnecessary power losses of the system to ensure that the client saves on energy costs. All we assure our valued customers that energy cost could be minimized substantially in an effective manner. It includes:

- Energy Audit
- Energy Conservation
- Energy Savings
- Energy Auditor
- Energy Management
- Energy Crisis
- Energy crisis planning
- Energy & Environment
- Energy balance
- Energy efficiency & Conservation
- Energy information & Administration
- Energy Industry
- Energy use & Conservation
- Energy Intensity
- Energy Industry
- Energy Resources

#### **Turnkey jobs for electrical substations upto 132 kV voltage level (Contracting)**

Our Company provide turnkey contracts in electrical and mechanical works. In more than a decade of our existence, we have executed many electrical contracts with industries and government sectors. We have worked upto voltage level of 132 kV and have track record of completing projects on timely basis. We have a team of qualified engineers who have been trained to carry out site work right upto commissioning of the system. We have also diversified into mechanical works and has executed some mechanical projects with public utility sector.

Our turnkey solutions for high-voltage substations incorporate our unparalleled expertise, proven project management excellence and a one stop sourcing of power products, solutions, and services. We have the right pool of engineering talent to help deliver complex projects on time and as per budgets.

#### **Annual maintenance contracts (AMC) for capacitor and HT Switchgear system**

Our AMC comprise of preventive maintenance team and complaint team. The preventive maintenance team conduct redressal maintenance on the systems installed at regular intervals to ensure smooth operations. Our complaint redressal team comprises of engineers who are fully equipped with the necessary skills and tools to resolve the complaint immediately. A constant flow of customers for AMC is ensured from project division after the defect liability period. We also provide the gas and spares under the contract. We have serviced number of clients under all inclusive maintenance.

**Marketing and selling arrangements**

We have developed a marketing network across various states in the country focusing on government agencies, public sector undertakings and private clients as well. Our marketing team is led by our Promoters who are responsible for the overall marketing strategies. Our success lies in the strength of our relationship with our customers who have been associated with us for a long period. Our sales and marketing team is headed by our management which keeps itself updated on the customer preference and changes in their requirements from time to time. Our marketing team is also assisted by a technical team which is headed by our Director Mr. Felix Kadam. Our promoters Mr. Oswald D’Souza and Mr. Felix Kadam, through their vast experience and good rapport with customers plays an instrumental role in quality maintenance and timely delivery of products.

Our company uses marketing tools like advertisement, complimentary gifts, seminars followed by fellowship dinner for clients in order to widen their business scope and penetrate the market more incisively to increase business potential and market share of the company. Our company participate in exhibition in trade fairs related to electrical products. The management and staff also attend trade exhibitions all over the country to understand the trends of the market and also to promote that brand of the company.

**Infrastructure facilities**

**Raw materials**

The major raw materials required to carry the manufacturing activities are CRCA Sheet, MS structures, capacitors, reactors, LT switchgears, LED lamps, pushbuttons, ammeter, voltmeter, multifunctional meter, panel accessories etc. are available locally through distributors and manufactures.

**The main utilities required for our manufacturing activities are:**

**Power:** The requirement of power for our operations is met through Maharashtra State Electricity Distribution Board Ltd.

Electricity	Consumer No.	Sanction Load	Unit of Measurement
MSEDCL	002113879109	27	KWA

**Fuel:** There is no requirement of any hazardous fuel for manufacturing our products. However, fuel is required only for the Generators, which is sourced from the local source available nearby.

**Water:** Water required for the manufacturing and allied process is procured through the existing water supply network in that area.

**Effluent Treatment:** Our Company does not generate any industrial effluents which is hazardous to the environment.

**Competition**

We operate in an increasingly high competitive market, with participants in the organized and the unorganized sector. We face competition from other manufacturers, traders, suppliers and importers of electric equipment in relation to our offerings. Suppliers in the electric equipment industry are based on key attributes including technical competence, product quality, strength of sales and distribution network, pricing and timely delivery. While our competitors in the organized sector focus more on technology and quality of their products, their unorganized counterparts supply their products at extremely competitive prices, which we may be unable to effectively compete with. For instance, we face competition from electric equipment of Chinese origin, primarily in the switchgear and panels verticals, which have gained significant presence in the Indian electric equipment market and which may be sold at more competitive prices than what we offer.

**Quality control, certifications and accreditations**



In the precision components manufacturing industry, adherence to quality standards is a critical factor as any defects in any of the products manufactured by us, or failure to comply with the design specifications of our customers, may lead to cancellation of the purchase order placed by our customers and further loss of reputation. In order to maintain the quality standards and comply with the design specifications provided by our customers, we follow a stringent quality control mechanism. At each stage of the manufacturing process, the components are checked by our operators, to ensure there is no defect from the previous stage operator.

As a result of our quality assurance efforts over the years, our manufacturing unit has received ISO 14001:2015, ISO 9001:2015 and ISO 45001:2018 respectively for design, manufacturing, supply, commissioning and consultancy for electrical and mechanical equipment and Manufacturing of high/ low voltage electrical panels.

### **Collaborations**

Our Company has not entered into any technical or other collaboration.

### **Human resource**

We believe that we have a qualified and experienced employee base, managed by middle and senior management personnel.

As on December 31, 2019 we had 44 employees (including temporary workers) at our plant and office. On satisfactory completion of six months' probation period employees are confirmed by us as permanent employees. There is human resource policy uniformly adopted across all personnel engaged in our management, staff and worker. The permanent employees at our plants include personnel in manufacturing activities such as machine operations, assembling and testing of products, quality assurance, and receipt and dispatch of materials.

The employee strength of our Company as on December 31, 2019 is as follows:

<b>Category</b>	<b>No. of employees</b>
<b>On Permanent Basis</b>	
Directors /KMP	5
Managers	8
Executives and Engineers	12
Semi-skilled and Unskilled labour/staff	3
<b>Total (A)</b>	<b>28</b>
<b>On Temporary/ Contractual basis</b>	
On contract basis	16
<b>Total (B)</b>	<b>16</b>
<b>Total manpower (A+B)</b>	<b>44</b>

Apart from the above employees, we also employ labour on temporary basis as and when required. For details on our key managerial personnel, kindly refer to the chapters titled "Our Management" and "Government and Other Approvals" beginning on pages 116 and 181 respectively, of this Prospectus.

### **Details of Properties**


**Owned Properties by the Company:** The properties does not owned any property.

**Details of Leasehold Properties :** Following are the details of leasehold properties by our company:

Address	Name of Owner	Status	Date of Agreement	Rent	Lease Period	Usage
Flat No.203, 2nd Floor, Kesarinath Apartments, S.V. Road, Opp. Vijay Sales, Goregaon West, Mumbai, Maharashtra - 400062.	Parmabhai C. Patel (HUF)	Licensor	Leave and License Agreement dated 5 <sup>th</sup> December, 2018	Rs.52,000 per month from 1 <sup>st</sup> Month to 12 <sup>th</sup> Month Rs.57,200 per month from 13 <sup>th</sup> Month to 24 <sup>th</sup> Month Rs.62,920 per month from 25 <sup>th</sup> Month till the end of liscense period.	5 <sup>th</sup> December, 2018 to 30 <sup>th</sup> November, 2021	Registered Office
Gala No. K-4, Sagar Industrial Estate, Survey No. 31, Parabwadi, Vasai, Palghar, Vasai-Virar City, Maharashtra – 401208	Mr. Chetan RasikDodhia	Licensor	Leave and License Agreement dated 15 <sup>th</sup> February, 2019	Rs.45,000 per month from 1 <sup>st</sup> Month to 12 <sup>th</sup> Month Rs.48,600 per month from 13 <sup>th</sup> Month to 24 <sup>th</sup> Month Rs.52,488 per month from 25 <sup>th</sup> Month till the end of liscense period.	15 <sup>th</sup> February, 2019 to 14 <sup>th</sup> February, 2022	Factory

**Intellectual Property**



One of our Company’s logo and trademark i.e.  has been registered under Class 7 of the Trade Marks Act, 1999. For further details, please refer to the Section title “Government and Other Approvals” on page no. 181 of this Prospectus.

**Health safety and environments**

Our activities in the state of Maharashtra are subject to wide range of government rules and regulations regarding health, safety and environment protection. We are committed to protecting the health and safety of employees and contractors working in our factories, people who come in contact with our operations and the heath and sustainability of the environment in which we operate.

We believe that ensuring the health and safety of our employees is critical to the successful conduct of our business and operations. We are therefore committed to complying with applicable health, safety and environmental regulations and other requirements in our operations.

**Insurance**

We have obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, group personal accident insurance, marine cargo open policy, keyman life insurance, workman compensation policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed.

## **KEY INDUSTRY REGULATIONS**

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled "Government and Other Approvals" on page 181 of this Prospectus.*

### **The Companies Act, 2013 (to the extent notified).**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not replaced.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **Energy Consumption Act, 2001**

The Act regulates and empowers the Government to specify energy consumption standards for notified equipment and appliances, prohibit manufacture, sale, purchase and import of notified equipment and appliances not conforming to energy consumption standards, establish and prescribe energy consumption norms and standards for designated consumers, direct designated consumers to designate or appoint certified energy manager in charge of activities for efficient use of energy and its conservation, get an energy audit conducted by an accredited energy auditor in the specified manner and interval of time, furnish information with regard to energy consumed and action taken on the recommendation of the accredited energy auditor to the designed agency, comply with energy consumption norms and standards, prepare and implement schemes for efficient use of energy and its conservation if the prescribed energy consumption norms and standards are not fulfilled,

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **Bureau of Indian Standards Act, 2016 (the "BIS Act")**

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or articles of any scheduled industry, process, system of service which it considers necessary in the public interest or for protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified option to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

### **Industrial (Development and Regulation) Act, 1955, as amended (the "I (D&R) Act")**

The I(D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured

tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector.

An industrial undertaking which is exempt from licensing is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### **Environmental Laws**

The business of the Company is subject to various environment laws and regulations. The applicability of these laws and regulations varies from operation to operation and is also dependent on the jurisdiction in which the Company operates. Compliance with relevant environmental laws is the responsibility of the occupier or operator of the facilities.

The operations of the Company require various environmental and other permits covering, among other things, water use and discharges, stream diversions, solid waste disposal and air and other emissions. Major environmental laws applicable to the business operations include:

#### **The Environment (Protection) Act, 1986, as amended (the "EPA")**

The EPA is a umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the GoI with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ` 100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues.

There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

#### **The Water (Prevention and Control of Pollution) Act, 1974, as amended (the "Water Act")**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

#### **The Air (Prevention and Control of Pollution) Act, 1981, as amended (the "Air Act")**

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board.

#### **The Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")**

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### **Laws relating to Employment**

As part of business of the Company it is required to comply from time to time with certain laws in relation to the employment of labour. A brief description of certain labour legislations which are applicable to the Company is set forth below:

#### **Factories Act, 1948, as amended (the “Factories Act”)**

The Factories Act defines a ‘factory’ to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

#### **Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended (the “EPF Act”)**

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the GoI from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

#### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer’s contribution and also Central Government’s contribution to the insurance fund shall be credited to an account called as “Deposit-Liked Insurance Fund Account.”

#### **The Employees’ Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who became a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

#### **Employees State Insurance Act, 1948, as amended (the “ESIC Act”)**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ` 1 million.

### **Industrial Disputes Act, 1947, as amended (the “ID Act”)**

The ID Act provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

### **Payment of Bonus Act, 1965, as amended (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

### **Equal Remuneration Act, 1979:**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

### **Child Labour Prohibition and Regulation Act, 1986:**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001:**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### **Workmen’s Compensation Act, 1923**

The Workmen’s Compensation Act, 1923 (—WCA) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/ loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **Industrial Employment (Standing Orders) Act, 1946**

In order to strengthen the bargaining powers of the workers this act is established, it requires the employers to formally define the working conditions to the employee. The employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. The standing order shall unless in case of an appeal, come into operation on the expiry of thirty days from the date on which authenticated copies were sent. An employer failing to submit the draft standing order as required by the act shall be liable to pay fine as per section 13 of the act. Only Metropolitan Magistrate Court or Judicial Magistrate of second class shall try offence under this act.

### **Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)**

In respect of each of its facilities, the Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 in respect of each facility. Accordingly, the Company is regulated by the provisions of the CLRA Act which requires the Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act requires the principal employer of an establishment to which the CLRA Act applies to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also, a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the State Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor has to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

### **Tax Laws**

## **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

## **Goods and Service Tax (GST):**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise– goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling. It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 Lakh would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 Lakh. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 Lakh (50 Lakh in case of special category states) may opt for composition levy. Under GST goods and services are taxed at the rate of 0%, 5%, 12%, and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rate supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he became liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration number known as Goods and Services Tax Identification Number. In case a person has multiple business verticals in location in a state, a separate application will be made for registration of each and every location. The registered assesses are then required to pay GST as per the rules applicable thereon and file the appropriate return as applicable thereon.

## **Consumer Protection Act, 1986**

The Consumer Protection Act, 1986 ("COPRA") aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

## **Approvals from Local Authorities**

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat (s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.



## **Foreign Exchange Management Act, 1999 (“FEMA”)**

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations:**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

## **Laws relating to Intellectual Property**

In India, trademarks enjoy protection both statutory and under common law. The Trademarks Act, 1999, as amended (“Trademarks Act”), the Copyright Act, 1957, as amended (“Copyrights Act”), The Patents Act, 1970, as amended (“Patents Act”), and the Designs Act, 2000, as amended (“Designs Act”), amongst others govern the law in relation to intellectual property, including brand names, trade names and service marks, layout and research works.

### **Trademarks Act**

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years, and can be renewed in accordance with the specified procedure. Application for trademark registry has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

### **Copyrights Act**

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

## **Patents Act**

The purpose of a patent act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

## **The Shops and Establishments Legislations**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our Company's offices have to be registered under the shops and establishments laws of the state where they are located.

### **The Maharashtra Shops and Establishment Act 1948.**

The Company has its registered office in the state of Maharashtra. Accordingly the provisions of the Maharashtra Shops and Establishments Act, 1948 are applicable to the Company. The provisions of the Act regulates the Conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

### **Competition Act, 2002, as amended (the "Competition Act")**

The Competition Act prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and have come into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as 'Individuals' and 'Group'. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

## **Property related laws**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states.

Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other

authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate.

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

**The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually colored remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/-.

**Maternity Benefit Act, 1961:**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

**Other regulations**

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### BRIEF HISTORY AND BACKGROUND

Our Company was originally incorporated as Cospower Engineering Private Limited at Mumbai as Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 22, 2010, bearing Corporate Identification Number U31908MH2010PTC208016, issued by the Registrar of Companies, Mumbai and Maharashtra for the purpose of acquiring the Partnership business of M/s. Cospower Corporation, which was in existence since 2004. Subsequently, our Company was converted into Public Limited Company pursuant to a special resolution passed by members in Extra-Ordinary General Meeting of Company held on January 23, 2020 and the name of our company was changed to Cospower Engineering Limited vide a fresh Certificate of Incorporation dated February 19, 2020, issued by the Registrar of Companies, Mumbai and Maharashtra. The Corporate Identification Number of our Company is U31908MH2010PLC208016.

Mr. Oswald Rosario Dsouza and Mr. Felix Shridhar Kadam are the initial subscribers to the Memorandum of Association of our Company.

### Corporate profile of our Company

For information on our activities, growth, technology, geographical presence, market, managerial competence, our standing with reference to our prominent competitors and major customers and suppliers, , please refer to the chapter titled "Our Business" " Industry Overview" and "Our Management" on pages 93, 86and 116 respectively of this Prospectus.

### Change in the name of Company since incorporation

There is no change in the name of our Company from incorporation till date.

### Changes in the Registered Office of the Company since incorporation

Currently, the Registered Office our company is situated at flat No. 203, 2nd Floor, Kesarinath Apartments S.V. Road, Opp. Vijay Sales, Goregaon (West) Mumbai – 400 062 Maharashtra.

Following changes has been made in our registered office since incorporation till date of this Prospectus:

From	To	With effect from	Reason for Change
101/102, Arjun Velji Udyog No. 2 Behind Rajprabha Udyog Nagar, Golani Naka, Valiv, Vasai (E), Thane – 401208.	Flat No. 203, 2nd Floor, Kesarinath Apartments S.V. Road, Opp. Vijay Sales, Goregaon (West) Mumbai – 400 062 Maharashtra	May 3, 2019	Administrative Convenience

### Major events in the History of our Company

Year	Key Events / Milestone / Achievements
2010	Incorporation of our Company
2010	Taken over the running business of M/s Cospower Corporation (Partnership concern of our Promoters)along with its assets & liabilities vide Agreement of Takeover dated December 01, 2010
2017	Awarded ISO 9001:2015 Quality Management system for design, manufacturing, supply, commissioning and consultancy for electrical and mechanical equipment.
2018	Awarded ISO 14001:2015 for Environmental Management System
2020	Awarded ISO 45001:2018 for Occupational Health and Safety Management System
2020	Conversion of Private Limited Company to Public Limited Company

### Awards and accreditations received by our Company:-

We have not received any awards and accreditations as on the date of this Prospectus

**Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets etc**

There are no mergers, amalgamation, etc. with respect to our Company and we have not acquired any business/undertakings since incorporation except for the taken over the running business of M/s Cospower Corporation (Partnership concern of our Promoters) along with its assets & liabilities vide Agreement of Takeover dated December 01, 2010

**Main Objects of our Company**

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To acquire and take over as running concern, the Partnership business of M/s. **Cospower Corporation**, a Partnership Firm with all its assets and liabilities and on such take over the firm shall be dissolved.
2. To carry on in India or elsewhere the business to manufacture, produce, buy, sell, resell electrical hunt power capacitor banks, HT / LT Panels, power saving devices and erection, installation, fabrication, commissioning and maintenance of power projects and industrial plants, conducting power and energy studies and rendering consultancy services for repairing and maintenance of power saving devices.

**Amendments to our Memorandum of Association in last ten (10) years**

The following changes have been made to the Memorandum of Association in last ten (10) years:

<b>Date of Shareholders' Resolution</b>	<b>Nature of Amendment</b>
November 28, 2019	Authorized share capital of our Company was increased from Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs. 10.00 each to Rs 1,50,00,000 consisting of Rs 15,00,000 Equity Shares of Rs. 10.00 each.
January 23, 2020	Adoption of New Set of the Memorandum of Association of the Company
January 23, 2020	Deleted PRIVATE from the name of the Company by converting it from Private to Public
February 19, 2020	Adoption of New Set of the Memorandum of Association of the Company

**Adoption of new Articles of Association of the Company**

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated February 19, 2020

**Shareholders of our Company**

As on the date of this Prospectus, our Company has seven (7) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled "Capital Structure" beginning on page 57of this Prospectus

**Details of Holding Company :** As on the date of this Prospectus,our Company has no holding company.

**Details of Subsidiary Company:** As on the date of this Prospectus, our Company does not have any subsidiary Company.

**Joint Ventures :** As on the date of this Prospectus, there are no joint ventures of our Company.

**Capital raising activities through equity or debt**

Except as set out in the sections titled "Capital Structure" and "Statement of Financial Indebtedness" beginning on pages 57 and 167 respectively of this Prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

**Injunctions or restraining order against our Company**

There are no injunctions or restraining orders against our Company.

**Changes in the Activities of our Company during the last five years**

There has been no change in the activities being carried out by our Company which may have a material effect on the profits/loss of our Company, including discontinuance of lines of business, loss of agency or markets and similar factors in the last five years.

**Significant financial or strategic partnerships**

Our Company has not entered into any significant financial or strategic partnerships.

**Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity**

There are no defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity in relation to our Company.

**Time/cost overrun in setting up projects**

The nature of our business does not include implementation of projects and therefore there has been no time and cost overruns on the date of this Prospectus.

**Lock-out or strikes**

There have been no lock-outs or strikes in our Company.

**Shareholders Agreement and Other Agreements**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Prospectus.

**Agreements with key managerial personnel or a Director or Promoter or any other employee of the Company**

There are no agreements entered into by key managerial personnel or a Director or Promoter or any other employee of the 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 the Company.

**Agreements with strategic partners, joint venture partners and/or financial partners and other agreements**

As on the date of filing this Prospectus, there are no existing material agreements with strategic partners, joint venture and/or financial partners or other material agreements entered into by our Company which are not in its ordinary course of business.

**OUR MANAGEMENT**

**Board of Directors**

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than fifteen (15) Directors. Our Company currently has Six (6) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Designation, Occupation, Term, DIN and Nationality	Age (years)	Address	Other Directorships
<p><b>Mr. Oswald Rosario Dsouza</b></p> <p><b>Father's Name:</b> Mr. Andrew Louis Dsouza</p> <p><b>Designation:</b> Managing Director</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Appointed as Managing Director for the period of Threeyears w.e.f. 19.02.2020</p> <p><b>PAN:</b> ABOPD0106D</p> <p><b>Date of Birth:</b> October 07, 1962</p> <p><b>DIN:</b> 02711251</p> <p><b>Nationality:</b> Indian</p>	<p>57</p>	<p>1401, Agarwal Infinity Heights CHS, Near Orlem Market, Marve Road, Orlem, Malad (W), Mumbai - 400 064.</p>	<p><u><b>Indian public limited companies</b></u></p> <p>Nil</p> <p><u><b>Indian private limited companies</b></u></p> <p>i. Fos Glaze Private Limited</p> <p><u><b>Foreign Companies</b></u></p> <p>Nil</p>
<p><b>Mr. Felix Shridhar Kadam</b></p> <p><b>Father's Name:</b> Mr. Shridhar Badu Kadam</p> <p><b>Designation:</b> Whole-Time Director</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Appointed as Whole-time Director for the period of Three years w.e.f. 19.02.2020</p> <p><b>PAN:</b> ALSPK1402B</p> <p><b>Date of Birth:</b> November 20, 1975</p> <p><b>DIN:</b> 02880294</p> <p><b>Nationality:</b> Indian</p>	<p>43</p>	<p>304-Prathampad CHS, Everhisne Nagar, Near National Dairy, Link Road, Malad (W), Mumbai – 400 064</p>	<p><u><b>Indian public limited companies</b></u></p> <p>Nil</p> <p><u><b>Indian private limited companies</b></u></p> <p>i. Fos Glaze Private Limited</p> <p><u><b>Foreign Companies</b></u></p> <p>Nil</p>

Name, Designation, Occupation, Term, DIN and Nationality	Age (years)	Address	Other Directorships
<p><b>Mrs. Janet O D'Souza</b></p> <p><b>Husband's Name:</b> Mr. Oswald Rosario Dsouza</p> <p><b>Designation:</b> Non- Executive Director</p> <p><b>Occupation:</b> Service</p> <p><b>Term:</b> Appointed as an additional director w.e.f. 22.01.2020 and regularise as Non Executive Director w.e.f. 23.01.2020 for the period of next AGM</p> <p><b>PAN:</b> ABNPD5115D</p> <p><b>Date of Birth:</b> July 12, 1963</p> <p><b>DIN:</b> 08676037</p> <p><b>Nationality:</b> Indian</p>	56	1401, Agarwal Infinity Heights CHS, Near Orlem Market, Marve Road, Orlem, Malad(W), Mumbai - 400 064.	<p><u><b>Indian public limited companies</b></u></p> <p>Nil</p> <p><u><b>Indian private limited companies</b></u></p> <p>Nil</p> <p><u><b>Foreign Companies</b></u></p> <p>Nil</p>
<p><b>Mrs. Christbell F Kadam</b></p> <p><b>Husband's Name:</b> Mr. Felix Shridhar Kadam</p> <p><b>Designation:</b> Non- Executive Director</p> <p><b>Occupation:</b> Service</p> <p><b>Term:</b> Appointed as an additional director w.e.f. 22.01.2020 and regularise as Non Executive Director w.e.f. 23.01.2020 for the period of next AGM</p> <p><b>PAN:</b> AKSPP2404P</p> <p><b>Date of Birth:</b>December 01, 1980</p> <p><b>DIN:</b> 08676062</p> <p><b>Nationality:</b> Indian</p>	38	304-Prathampad CHS, Evershine Nagar, Near National Dairy, Link Road, Malad (W), Mumbai - 400 064	<p><u><b>Indian public limited companies</b></u></p> <p>Nil</p> <p><u><b>Indian private limited companies</b></u></p> <p>Nil</p> <p><u><b>Foreign Companies</b></u></p> <p>Nil</p>
<p><b>Mr. Anil Vasudev Kamath</b></p> <p><b>Father's Name:</b> Mr. Vasudev Kamath</p>	65	3B, Belair Cooperative Housing Society Limited, Union Park, Pali Hill Road, Near Dr. Babasaheb Ambedkar Statue, Khar West,	<p><u><b>Indian public limited companies</b></u></p> <p>i. Evans Electric Limited</p>



Name, Designation, Occupation, Term, DIN and Nationality	Age (years)	Address	Other Directorships
<p><b>Designation:</b> Independent Director</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Appointed as an additional director w.e.f. 14.01.2020 and regularise as Independent Director w.e.f. 20.02.2020 for the period of next AGM</p> <p><b>PAN:</b> AAHPK5633J</p> <p><b>Date of Birth: January 13, 1955</b></p> <p><b>DIN:</b> 07940476</p> <p><b>Nationality:</b> Indian</p>		Mumbai, 400052.	<p><u>Indian private limited companies</u></p> <p>Nil</p> <p><u>Foreign Companies</u></p> <p>Nil</p>
<p><b>Mr. Edwin E R Cotta</b></p> <p><b>Father's Name:</b> Mr. Eustaquio Cotta</p> <p><b>Designation:</b> Chairman and Independent Director</p> <p>Occupation: Business</p> <p><b>Term:</b> Appointed as an additional director w.e.f. 14.01.2020 and regularise as Independent Director w.e.f. 20.02.2020 for the period of next AGM</p> <p><b>PAN:</b> ACYPC5452E</p> <p><b>Date of Birth:</b> October 13, 1968</p> <p><b>DIN:</b> 02691199</p> <p><b>Nationality:</b> Indian</p>	51	MalwaraTiswadi, Agassaim, Panaji - 403 204, Goa.	<p><u>Indian public limited companies</u></p> <p>i. Mac Hotels Limited</p> <p><u>Indian private limited companies</u></p> <p>i. Hotel Miramar Comfort Pvt Ltd</p> <p><u>Foreign Companies</u></p> <p>Nil</p>

## BRIEF PROFILE OF OUR DIRECTORS

### Mr. Oswald R D'Souza

Mr. Oswald R D'Souza, aged 57 years the Managing Director of our Company. He has completed his diploma in electrical engineering from department of technical education, Government of Karnataka. He has over 3 decades of experience in Electrical and Engineering Industries. Further he has large amount of experience in business development. He is associated with our Company since inception. He is responsible for the overall functioning of our Company and for maintaining cordial ties with the clients. His vast experience has earned him a name in the local business circles. He has been the main guiding force behind the growth and business strategy of our Company.

### Mr. Felix S Kadam

Mr. Felix S Kadam, aged 43 years the Whole-Time Director of the Company. He has done his Diploma in Mechanical – Govt. of Maharashtra. He has over 2 decades of experience in Electrical and Engineering Industries. He is associated with our Company since inception. He is responsible for our Company's overall business operations, as well as looks after the company's product and business development.

**Mrs. Janet O D'Souza**

Mrs. Janet O D'Souza, aged 56 years the Non-Executive Director of our Company. She has Master's degree in English Literature and B.Ed degree with major English and Geography. She has joined our Company as CEO, Operation since 2008. She takes cares of the project execution, finance management and HR function in the company.

**Mrs. Christbell F Kadam**

Mrs. Christbell F Kadam, aged 38 years the Non-Executive Director of our Company. She has completed her Bachelor of Commerce from Mumbai University in the year 2001. She has over a decade of experience in the industry. She plays a pivotal role in formulation and implementation of strategy for growth and expansion of business. Her key skills are strategy planning, client relationship management and cost and people management.

**Mr. Anil Kamath**

Mr. Anil Kamath, aged 65 years is the Independent Director of our Company. He has completed his Bachelor of Commerce Degree from University of Bombay, Maharashtra and holds a certificate of Management education programme conducted by Indian Institute of Management Ahmedabad. He has an overall experience of 37 years in the field of Management. He has been appointed as Independent Director of our Company for a term of 5 years w.e.f. March 14, 2019.

**Mr. Edwin E R Cotta**

Mr. Edwin E R Cotta, aged 51 Years, is the Independent Director of our Company. He has also completed his Bachelor of Arts and Master of Arts from Karnatak University. He has an experience of around more than 12 years in the field of Hotel Industry. He has been appointed as an additional director w.e.f. 14.01.2020 and regularise as Independent Director w.e.f. 19.02.2020 for the period of next AGM.

**CONFIRMATIONS**

As on the date of this Prospectus:

1. Except as stated below; none of the Directors of our Company are related to each other as per Section 2 (77) of the Companies Act, 2013.

Sr. No	Name of the Director/KMP	Relationship
1.	Mr. Oswald R D'Souza & Mrs. Janet O D'Souza	Husband- Wife
2.	Mr. Felix Shridhar Kadam & Mrs. Christbell Felix Kadam	Husband- Wife

2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the Directors are categorized as a wilful defaulter, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
5. None of our Directors are or were directors of any Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
6. None of the Directors are categorized as a wilful defaulter, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.

**DETAILS OF BORROWING POWERS**

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held on February 19, 2020 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100 lakhs.

### COMPENSATION OF OUR EXECUTIVE DIRECTORS

Set forth below is the remuneration paid by our Company to our Executive Directors in Fiscal 2019.

S. No.	Name of Director	Remuneration paid in financial year 2019 (Rs in lakhs )
1.	Mr. Oswald R D'Souza	12.73
2.	Mr. Felix Shridhar Kadam	12.73
	<b>Total</b>	<b>25.46</b>

### Terms and Conditions of Employment of our Managing Director/ Whole-Time Directors

#### Mr. Oswald R D'Souza

Mr. Oswald R D'Souza was appointed as a director of our Company, upon incorporation and appointed as Managing Director of our Company *vide* Board resolution dated February 19, 2020 and shareholders' resolution dated February 19, 2020 for a period of three years commencing from February 19, 2020. The significant terms of his employment are as below:

<b>Salary</b>	Upto Rs. 18,06,876 p.a
<b>Term</b>	Appointed as Managing Director for the period of three years w.e.f. February 19, 2020
<b>Remuneration in the event of loss or inadequacy of profits</b>	In the event of inadequacy or absence of profits in any financial year during his tenure, the Managing Director will be entitled to the remuneration mentioned above by way of minimum remuneration.

#### Mr. Felix Shridhar Kadam

Mr. Felix Shridhar Kadam was appointed as a director of our Company, upon incorporation and appointed as a Whole-Time Director of our Company *vide* Board resolution dated February 19, 2020 and shareholder's resolution dated February 19, 2020 for a period of three years commencing from February 19, 2020. The significant terms of his employment are as below:

<b>Salary</b>	Upto Rs. 18,06,876 p.a
<b>Term</b>	Appointed as Whole-time Director for the period of three years w.e.f. February 19, 2020
<b>Remuneration in the event of loss or inadequacy of profits</b>	In the event of inadequacy or absence of profits in any financial years during his tenure, the Whole-Time Director will be entitled to the remuneration mentioned above by way of minimum remuneration.

### Sitting Fees

Our Board has, pursuant to its resolution dated February 19, 2020 fixed the sitting fee for our Non-Executive Independent Directors will be Rs. 2,000 for attending each meeting of the Board and audit committee thereof and other committee(s) of the Board. Our Company has not paid any sitting fees or any other remuneration to the Non- Executive Directors of our Company in the Financial Year 2019.

### Corporate Governance

The provisions of the Listing Regulations with respect to corporate governance will also be applicable to us immediately upon the listing of

our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, the SEBI (ICDR) Regulations and the Companies Act, 2013 in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of six Directors (including one woman Director) of which two are non- executive Independent Directors which is in compliance with the requirements of Regulation 17 of SEBI (LODR) Regulations.

**Committees of our Board**

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

**a. Audit Committee**

Our Audit Committee was constituted pursuant to a resolution of our Board dated on February 19, 2020. The Audit Committee comprises:

Name of Director	Status in Committee	Nature of Directorship
Mr. Edwin E R Cotta	Chairman	Non- Executive and Independent Director
Mr. Anil Vasudev Kamath	Member	Non- Executive and Independent Director
Mr. Oswald Rosario Dsouza	Member	Managing Director

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

**A. Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**B. Role of Audit Committee**

The role of the Audit Committee shall include the following:

- oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - 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;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;

- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow up thereon;
- 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 them to the board;
- 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;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7).

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than 120 days shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

**b. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated February 19, 2020. The Stakeholders' Relationship Committee comprises:

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Edwin E R Cotta	Chairman	Non- Executive and Independent Director
Mr. Anil Vasudev Kamath	Member	Non- Executive and Independent Director
Mr. Oswald Rosario Dsouza	Member	Managing Director

The Company Secretary of the Company shall act as the Secretary of the Stakeholders’ Relationship Committee. Set forth

below are the terms of reference of our Stakeholders’ Relationship Committee.

- To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transferor transmission of shares;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends; and
- To carry out any other function as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.”

**c. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted by our Board on February 19, 2020. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations. The Nomination and Remuneration Committee include the following:

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Edwin E R Cotta	Chairman	Non- Executive and Independent Director
Mr. Anil Vasudev Kamath	Member	Non- Executive and Independent Director
Ms. Janet Oswald Dsouza	Member	Non-Executive and Non-Independent Director

The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Set forth below are the terms of reference of our Nomination and Remuneration Committee.

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**POLICY ON DISCLOSURES & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

**Shareholding of Directors in our Company**

Our Articles of Association do not require our Directors to hold qualification shares. As on date of this Prospectus, our Directors hold the following number of Equity Shares of our Company:

<b>Name of the Director</b>	<b>No. of Equity Shares held</b>	<b>Pre-Issue percentage of Shareholding</b>
Mr. Oswald Rosario Dsouza	5,49,997	50.00
Mr. Felix Shridhar Kadam	5,49,998	50.00
Ms. Janet D'Souza	1	0.000
Ms. Christbell Kadam	1	0.000
<b>Total</b>	<b>10,99,997</b>	<b>100.00</b>

**Interest of our Directors**

Our Managing Director/Whole-time Directors may be interested to the extent of remuneration paid to them, respectively for services rendered as a Director of our Company and reimbursement of expenses payable to them. For details please refer “*Terms and conditions of employment of our Whole-time Directors*” above. Further, all our Non-executive and Independent Directors may be interested to the extent of fees payable to them and/or the commission payable to them for attending meetings of the Board of Directors or a committee thereof.

Further, except as disclosed under “*Shareholding of Directors in our Company*” above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or 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 Issue. Further, our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Promoters Directors Mr. Oswald Rosario Dsouza and Mr. Felix Shridhar Kadam may be interested to the extent our Company is promoted by them. For details, please refer “*History and Certain Other Corporate Matters*” on page 113 of this Prospectus.

None of our Directors have any interest in any property acquired by our Company within two years of the date of this Prospectus or proposed to be acquired by it or in any transaction in acquisition of land, construction of building and supply of machinery etc.

Further, our Directors may be directors on the board, or are members, or are partners, or are trustees of certain Group Entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to such Group Entities. For the payments that are made your Company to certain Group Entities, please refer-“*Financial Statements*” on page 133.

Other than as stated above and except as stated in the chapters “*Financial Statements*” and in “*Our Promoters and Promoter Group*” on pages 133 and 129 of this Prospectus, our Directors do not have any other interest in the business of our Company.

**Appointment of relatives of Directors to any office or place of profit**

Except as disclosed in this Prospectus, none of the relatives of our Directors currently hold any office or place of profit in our Company.

**Bonus or Profit Sharing Plan for our Directors**

None of our Directors are a party to any bonus or profit sharing plan.

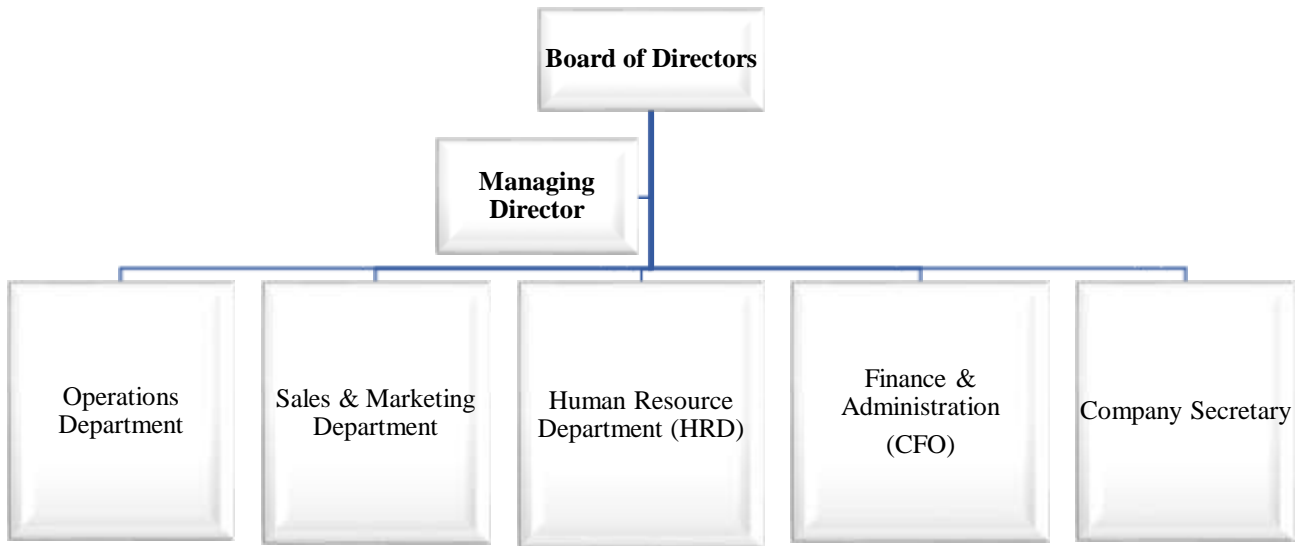
**Changes in our Board during the Last Three Years**

Except as disclosed below, there have been no changes in our Board during the last three years.

<b>Name of Director</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>Reason</b>
Mrs. Janet Dsouza	January 22, 2020	-	Appointment as Non-Executive Director
Mrs. Christbell Felix Kadam	January 22, 2020	-	Appointment as Non-Executive Director
Mr. Anil Vasudev Kamath	January 14, 2020	-	Appointment as Additional Director
Mr. Edwin E R Cotta	January 14, 2020	-	Appointment as Additional Director
Mr. Anil Vasudev Kamath	February 19, 2020	-	Regularization as Independent Director
Mr. Edwin E R Cotta	February 19, 2020	-	Regularization as Independent Director
Mr. Oswald Rosario Dsouza	February 19, 2020	-	Change in designation as MD
Mr. Felix Shridhar Kadam	February 19, 2020	-	Change in designation as WTD



**Organization Structure**



## KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Managing Director/Whole-Time Directors as on the date of this Prospectus. For details of our Managing Director /Whole-Time Directors, please refer “Our Management” on page 116of this Prospectus.

**Mr. Hiren Solanki**, aged 34 years the Chief Financial Officer of our Company. He has been associated as Accountant with our Company since 2007 and was promoted to act as Chief Financial Officer w.e.f. January 22, 2020. He is Bachelor of Commerce from Mumbai University in the year 2006. He has vast experience of over 10 years in the field of in accounts, finance and taxation. Compensation paid during last financial year was ₹ 447792.

**Ms. Garima Garg**, aged 26 years, is the Company Secretary and Compliance Officer of our Company. She is an associate member of the Institute of Company Secretaries of India. She has 2 year of experience in secretarial compliance and has been associated with the Company since February 14, 2020.

Notes: All our key managerial personnel are permanent employees of our Company.

Further, none of our KMPs is forming part of related parties as per the Accounting Standard 18. For details, please see the chapter titled “Financial Statements- Annexure 32 Statement of Related Party Transactions” on page no. 133 of this Prospectus.

### Nature of family relationship

Except as disclosed in chapter titled “Our Management” on page no. 116 of this Prospectus, there is no family relationship between the key managerial personnel of our Company

### Shareholding of the Key Managerial Personnel

Following key managerial personnel hold the following number of Equity Shares of our Company.

Name of key managerial personnel	Number of Equity Shares Held (Pre-Issue)	Percentage (in %)
Mr. Oswald Rosario Dsouza	5,49,997	50.00
Mr. Felix Shridhar Kadam	5,49,998	50.00
Mr. Hiren Solanki	1	0.00
<b>Total</b>	<b>10,99,996</b>	<b>100.00</b>

### Bonus or Profit Sharing Plan for our Key Managerial Personnel

As on the date of this Prospectus our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

### Loans to Key Managerial Personnel

There is no loan outstanding against key managerial personnel as on date of this Prospectus.

### Interest of Key Managerial Personnel

Except as disclosed in chapter titled “Our Management” on page no. 116of thisProspectus, none of our Key Management 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. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

### **Changes in Key Managerial Personnel in the Last Three Years**

For details of changes in our Managing Director/Whole-time Directors during the last three years, see “*Our Management*” page 116 of this Prospectus.

Set forth below are the changes in our key managerial personnel in the last three years immediately preceding the date of this Prospectus:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Reason</b>
Mr. Hiren Solanki	Chief Financial Officer	22/01/2020	Appointment
Ms. Garima Garg	Company Secretary and Compliance Officer	14/2/2020	Appointment

### **Employees Stock Option Scheme**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Prospectus.

### **Payment or Benefit to officers of our Company**

Except as stated in this Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company’s officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the section “*Financial Statements*” on page 133 of this Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoters.

Currently, our Company does not have any profit sharing plans or any employee stock option or purchase schemes for our employees.

### **Arrangements and Understanding with Major Shareholders**

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, please refer “*History and Certain Other Corporate Matters*” on page 113 of this Prospectus.

### **SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL**

Our Key Managerial Personnel have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.


### **Employees**


The details about our employees appear under the Paragraph titled “Human Resource” under chapter titled “Our Business” beginning on page 93 of this Prospectus.

### OUR PROMOTERS AND PROMOTER GROUP

Our Promoters comprise Mr. Oswald Rosario Dsouza and Mr. Felix Shridhar Kadam. As on the date of this Prospectus, our Promoters hold 10,99,995 Equity Shares representing 100.00% of the issued and paid-up Equity Share capital of our Company.

The details of our Promoters are provided below:

<b>Mr. Oswald Rosario Dsouza</b>		
	Mr. Oswald Rosario Dsouza, aged 57 years, is the Promoter and Managing Director of our Company.	
	Permanent Account Number	ABOPD0106D
	Aadhaar Card Number	██████████
	Driving License Number	MH0219910027733
	Address	1401, Agarwal Infinity Heights CHS, Near Orlem Market, Marve Road, Orlem, Malad(W), Mumbai - 400 064
	Other ventures	i. Fos Glaze Private Limited

<b>Mr. Felix Shridhar Kadam</b>		
	Mr. Felix Shridhar Kadam, aged 43 years, is the Promoter and Whole time Director of our Company.	
	Permanent Account Number	ALSPK1402B
	Aadhaar Card Number	██████████
	Driving License Number	A 6308
	Address	304-Prathampad CHS, Evershine Nagar, Near National Dairy, Link Road, Malad (W), Mumbai – 400 064
	Other ventures	i. Fos Glaze Private Limited

*For additional details on the age, background, personal address, educational qualifications, experience, positions/posts held in the past, terms of appointment as Directors and other directorships of our Promoters, please see the Chapter titled “Our Management” beginning on page 116 of this Prospectus*

*For details of the build-up of our Promoters’ shareholding in our Company, please see the chapter titled “Capital Structure” beginning on page 57 of this Prospectus.*

Our Company confirms that it has submitted the details of the PAN, Bank Account Number and Passport Numbers of our Promoters to the Stock Exchange at the time of filing the Draft Prospectus.

#### **Change in the control or management of the Issuer in last five years**

There has been no change in the control or management of our Company in the last five years.

#### **Interest of Promoters in promotion of our Company**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividends payable, if any, and any other distributions in respect of such shareholding.

For details regarding the shareholding of our Promoters in our Company, please refer the section titled "Capital Structure", "History and Certain Corporate Matters" and "Our Management", beginning on pages 57, 113 and 116 respectively. For details on the Group Companies and the nature and extent of interest of our Promoters in the Group Companies, please refer the section titled "Information with respect to Group Companies ", beginning on page 188of this Prospectus.

Our Promoters are the Directors of the Company and may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AoA of the Company. For details please refer to the chapter titled "Our Management", "Financial Statement" and "Capital Structure" beginning on page 116,133and 57respectively of this Prospectus.

### **Interests of Promoters in property of our Company**

Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the three years (3) preceding the date of this Prospectus, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

### **Business Interests**

Except as stated in related party transactions as restated as appearing in ANNEXURE 32 in the chapter titled "Financial Statements" and "Our Management" beginning on pages 133and 116respectively of this Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years (2) from the date of this Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoters are not related to any sundry debtors of our Company.

Except as disclosed in this Prospectus, our Promoters are not interested as a member of a firm or company, and no sum have been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

### **Common Pursuits**

Except as disclosed in this section, our Promoters do not have any interest in any ventures that is involved in the same line of activity or business as that of our Company.

### **Guarantees**

Except personal guarantee and mortgage of immovable properties owned by them for securing the repayment of certain bank loans obtained by our Company, our Promoters have not given any guarantee to a third party as of the date of this Prospectus.

### **Confirmations**

- Our Promoters and members of our Promoter Group have not been declared nor identified as wilful defaulters in terms of the SEBI Regulations.
- Further, there are no violations of securities laws committed by our Promoters and members of our Promoter Group in the past and no proceedings for violation of securities laws are pending against them.
- Our Promoters and members of our Promoter group, have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- Our Promoters and members of our Promoter Group are not and have never been promoters, directors 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 or any other regulatory or governmental authority.
- Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

- Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

**Payment or benefits to the Promoters and Promoter Group in the last two years**

The related party transactions entered into during the last two (2) Financial Years as per Accounting Standard 18 and in "Interest of Promoters" under chapter titled "Our Promoters and Promoter group" beginning on page 129 of this Prospectus, there has been no payment or benefit to our Promoters or Promoter Group during the two (2) years prior to the filing of this Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Prospectus.

**Disassociation by the Promoters from entities in last three (3) years**

Our Promoters have not disassociated from any of the companies or firms in the last three (3) years:

**Relationship of Promoters with our Directors**

Except as disclosed in chapter title "Our Management" beginning on page 116 of this Prospectus, none of director is related to our promoters.

**Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Prospectus, please see the chapter titled "Capital Structure" beginning on page no. 57 of this Prospectus.

**Promoter Group of our Company**

Apart from our Promoter, as per Regulation 2(1)(pp) of the SEBI (ICDR) Regulation, 2018, the following individuals and entities shall form part of our Promoter Group:

**A. Natural Persons who are Part of the Promoter Group**

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the following individuals form part of our Promoter Group:

<b>Relationship</b>	<b>Mr. Oswald Rosario Dsouza</b>	<b>Mr. Felix Kadam</b>
Spouse	Mrs. Janet Dsouza	Mrs Christbell Kadam
Father	-	Mr. Shridhar Kadam
Mother	Mrs. Molly D'Souza	Mrs. Jhona Kadam
Brother	Mr. Maxie Andrew D'Souza	-
Sister	Mrs. Volga D'Souza	Mrs. Bibiana S D'Souza Mrs. Yvette C Pereira
Son	-	Joshua F Kadam Jovian F Kadam
Daughter	Ms. Yonelle D'Souza	-
Spouse's father	-	Mr. Rocky N Pereira
Spouse's Mother	Mrs. Benedicta Louis Coutinho	Mrs Belinda Rocky Pereira
Spouse's Sister	-	Mrs Martina A D'Souza Mrs Melisiya R Pereira
Spouse's Brother	Mr. Joseph Walter Coutinho	-

**B. Companies / Corporate Entities Forming Part of the Promoter Group**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group.

- Fos Glaze Private Limited



### **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last three years. Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

**SECTION IX: FINANCIAL STATEMENTS**

**FINANCIAL STATEMENT AS RESTATED**

**Independent Auditor's Report for the Restated Financial Statements of  
Cospower Engineering Limited**

**The Board of Directors  
Cospower Engineering Limited  
Flat No.203, 2nd Floor,  
Kesarinath Apartments S.V. Road, Opp. Vijay Sales,  
Goregaon (West), Mumbai - 400062  
Maharashtra, India**

Dear Sirs,

1. We have examined the attached Restated Statement of Assets and Liabilities of **COSPOWER ENGINEERING LIMITED** (the "Company") as at 31<sup>st</sup> December 2019, 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017, the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the Period ended 31<sup>st</sup> December 2019, 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March 2017 annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of BSE Limited.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules") and
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company letter dated 20-12-2019 requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited (BSE SME) ("**IPO**" or "**SME IPO**"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**Guidance Note 2019**").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended 31<sup>st</sup> December 2019, 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 which has been approved by the Board of Directors.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The "**Statement of Assets and Liabilities as Restated**" as set out in **Annexure 1** to this report, of the Company as at 31<sup>st</sup> December 2019, 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully Described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
  - (ii) The "**Statement of Profit and Loss as Restated**" as set out in **Annexure 2** to this report, of the Company for the period ended 31<sup>st</sup> December 2019, 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.



- (iii) The “**Statement of Cash Flow as Restated**” as set out in **Annexure 3** to this report, of the Company for the period ended 31<sup>st</sup> December 2019, 31<sup>st</sup> March 2019 , 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
  - Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
  - There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments except as disclosed in the notes to accounts.
  - As per Accounting Standard - 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, the company is required to assess its gratuity/leave encashment liability each year on the basis of actuarial valuation and make provision for gratuity/leave encashment liability. Hence the provision has been made accordingly in the financial statements.
  - These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure 4** to this report.
6. Audit for the period / financial year ended 31<sup>st</sup> December 2019, 31<sup>st</sup> March 2019 , 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 was conducted by M/s. C.J.K. Associates (Chartered Accountants) accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them and no routine audit has been carried out by us. Further financial statements for the financial period ended on 31<sup>st</sup> March 2019 and 31<sup>st</sup> December, 2019 have been re-audited by us as per the relevant guidelines. Audit of the Stub Period ended on 31<sup>st</sup> December, 2019 have been audited by us hence no need of re audit.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on 31<sup>st</sup> December 2019, 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 proposed to be included in the Draft Prospectus/Prospectus (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Company:-**

- Significant Accounting Policies and Notes to Accounts as restated in Annexure 4;
- Reconciliation of Restated Profit as appearing in Annexure 5 to this report.
- Details of Share Capital as Restated as appearing in Annexure 6 to this report;
- Details of Reserves & Surplus as Restated as appearing in Annexure 7 to this report;
- Details of Long Term Borrowings as Restated as appearing in Annexure 8 to this report;
- Details of Long Term Provisions as Restated as appearing in Annexure 9 to this report;
- Details of Short Term Borrowings as Restated as appearing in Annexure 10 to this report;
- Nature of Security and Terms of Repayment for Long term Liabilities as appearing in Annexure 10.1 to this report;
- Details of Trade Payables as Restated as appearing in Annexure 11 to this report;
- Details of Other Current Liabilities as Restated as appearing in Annexure 12 to this report;
- Details of Short Term Provision as Restated as appearing in Annexure 13 to this report;
- Details of Fixed Assets as Restated as appearing in Annexure 14 to this report;
- Details of Non-Current Investments as Restated as appearing in Annexure 15 to this report;

14. Details of Deferred Tax Asset (Net) as Restated as appearing in Annexure 16 to this report;
  15. Details of Other Non-Current Assets as Restated as appearing in Annexure 17 to this report;
  16. Details of Inventories as Restated as appearing in Annexure 18 to this report;
  17. Details of Trade Receivables as Restated enclosed as Annexure 19 to this report;
  18. Details of Cash and Cash Equivalents as Restated enclosed as Annexure 20 to this report;
  19. Details of Short Term Loans & Advances as Restated as appearing in Annexure 21 to this report;
  20. Details of other Current Assets as Restated as appearing in Annexure 22 to this report;
  21. Details of Revenue from operations as Restated as appearing in Annexure 23 to this report;
  22. Details of Other Income as Restated as appearing in Annexure 24 to this report;
  23. Details of Purchases of Stock In Trade as Restated as appearing in Annexure 25 to this report;
  24. Details of Changes In Inventories of Stock-In-Trade as Restated as appearing in Annexure 26 to this report;
  25. Details of Employee Benefit Expenses as Restated as appearing in Annexure 27 to this report;
  26. Details of Finance Cost as Restated as appearing in Annexure 28 to this report;
  27. Details of Depreciation and Amortisation as Restated as appearing in Annexure 29 to this report;
  28. Details of Other expenses as Restated as appearing in Annexure 30 to this report;
  29. Details of Payment to Auditors as Restated as appearing in Annexure 30.1 to this report;
  30. Details of Summary of Accounting Ratios as Restated as appearing in Annexure 31 to this report;
  31. Details of Related Parties Transactions as Restated as appearing in Annexure 32 to this report;
  32. Capitalization Statement as Restated as at 31<sup>st</sup> December 2019 as appearing in Annexure 33 to this report;
  33. Statement of Tax Shelters as Restated as appearing in Annexure 34 to this report.
  34. Statement of Contingent Liabilities as Restated as appearing in Annexure 35 to this report.
8. We, M/s A Biyani & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“**ICAI**”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
  9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
  10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  12. In our opinion, the above financial information contained in Annexure 1 to 34 of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
  13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.



**For A Biyani & Co.  
Chartered Accountants**

**Arpit Tapadiya  
Partner  
FRN No.140489W  
Membership No. 182428  
Place : Mumbai  
Date : February 20, 2020**

**RESTATED BALANCE SHEET****Annexure 1**

(Rs. in Lakhs)

PARTICULARS		AS AT 31ST MARCH			
		As At	2019	2018	2017
		31.12.2019	Amt./RS.	Amt./RS.	Amt./RS.
		Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1.</b>	<b>Shareholders' Funds</b>				
(a)	Share Capital	100.00	15.00	15.00	15.00
(b)	Reserves & Surplus	83.29	143.42	91.69	72.45
		<b>183.29</b>	<b>158.42</b>	<b>106.69</b>	<b>87.45</b>
<b>2.</b>	<b>Non-Current Liabilities</b>				
(a)	Long Term Borrowings	-	-	-	3.58
(b)	Long term provisions	14.15	11.71	10.36	9.85
(d)	Other Long Term Liabilities	-	-	-	-
		<b>14.15</b>	<b>11.71</b>	<b>10.36</b>	<b>13.43</b>
<b>3.</b>	<b>Current Liabilities</b>				
(a)	Short Term Borrowings	403.72	251.54	439.52	409.37
(b)	Trade Payables	233.97	412.79	297.90	250.05
(c)	Other Current Liabilities	113.33	71.69	74.84	85.20
(d)	Short Term Provisions	7.23	24.77	28.44	33.87
		<b>758.25</b>	<b>760.78</b>	<b>840.69</b>	<b>778.50</b>
	<b>Total</b>	<b>955.69</b>	<b>930.91</b>	<b>957.75</b>	<b>879.38</b>
<b>B)</b>	<b>ASSETS</b>				
<b>1.</b>	<b>Non-Current Assets</b>				
(a)	Fixed Assets				
	i) Tangible Assets	19.71	20.64	21.81	23.03
	ii) Intangible Assets	-	-	-	-
		<b>19.71</b>	<b>20.64</b>	<b>21.81</b>	<b>23.03</b>
(b)	Non-Current Investment	15.98	14.55	0.68	0.68
(c)	Long Term Loans and Advances	-	-	-	-
(d)	Deferred Tax Assets (Net)	9.12	9.12	9.17	11.36
(e)	Other Non-Current Assets	33.52	51.99	38.61	42.22
		<b>58.62</b>	<b>75.66</b>	<b>48.46</b>	<b>54.26</b>
<b>2.</b>	<b>Current Assets</b>				
(a)	Inventories	328.02	178.61	239.61	249.86
(b)	Trade Receivables	471.62	527.13	440.81	319.69
(c)	Cash and Bank Balances	6.14	40.57	30.25	61.46
(d)	Short term loans & advances	11.80	35.77	117.99	116.16
(e)	other current assets	59.77	52.51	58.80	55.02
		<b>877.34</b>	<b>834.59</b>	<b>887.45</b>	<b>802.18</b>



***Cospower Engineering Limited***

	<b>Total</b>		<b>955.69</b>	<b>930.91</b>	<b>957.75</b>	<b>879.38</b>
<b>Accounting Policies &amp; Notes on Accounts As per our Report on Even date attached</b>						

**RESTATED STATEMENT OF PROFIT AND LOSS****Annexure 2**

(Rs. in Lakhs)

PARTICULARS		FOR THE PERIOD ENDED	FOR THE YEAR ENDED 31ST MARCH		
		31.12.2019	2019	2018	2017
		Amt./RS.	Amt./RS.	Amt./RS.	Amt./RS.
1	Revenue From Operation	743.40	1,301.08	857.79	912.33
2	Other Income	05.48	02.18	02.96	44.76
<b>3</b>	<b>Total Revenue (1+2)</b>	<b>748.88</b>	<b>1,303.26</b>	<b>860.75</b>	<b>957.09</b>
<b>4</b>	<b>Expenditure</b>				
(a)	Purchase of Traded Goods	627.91	848.87	602.27	630.07
(c)	Changes in Inventories of stock-in-trade	(149.41)	61.00	10.25	85.71
(d)	Employee Benefit Expenses	106.42	102.19	86.76	94.44
(e)	Finance Cost	17.08	29.01	29.38	35.67
(f)	Depreciation and Amortisation Expenses	03.30	03.69	04.16	04.63
(g)	Other Expenses	100.56	187.61	97.39	59.08
<b>5</b>	<b>Total Expenditure 4(a) to 4(g)</b>	<b>705.86</b>	<b>1,232.37</b>	<b>830.22</b>	<b>909.61</b>
	Exceptional Items	-	-	-	-
<b>6</b>	<b>Profit/(Loss) Before Tax (3-5)</b>	<b>43.02</b>	<b>70.89</b>	<b>30.53</b>	<b>47.48</b>
<b>7</b>	<b>Tax Expense:</b>				
(a)	Tax Expense for Current Year	12.00	19.50	9.00	19.00
(b)	Short/(Excess) Provision of Earlier Year	6.16	0.05	0.10	2.80
(c)	Deferred Tax	-	(0.40)	2.19	(1.90)
	<b>Net Current Tax Expenses</b>	<b>18.16</b>	<b>19.16</b>	<b>11.29</b>	<b>19.90</b>
<b>8</b>	<b>Profit/(Loss) for the Year (6-7)</b>	<b>24.86</b>	<b>51.73</b>	<b>19.24</b>	<b>27.58</b>
<b>Accounting Policies &amp; Notes on Accounts As per our Report on Even date attached</b>					

**RESTATED CASH FLOW STATEMENT****Annexure 3**

(Rs. in Lakhs)

PARTICULARS	FOR THE PERIOD ENDED	FOR THE YEAR ENDED 31ST MARCH		
	31.12.2019	2019	2018	2017
<b>A) Cash Flow From Operating Activities :</b>				
Net Profit before tax	43.02	70.89	30.53	47.48
Adjustment for :				
Depreciation	3.30	3.69	4.16	4.63
Interest Paid	17.08	29.01	29.38	35.67
Interest Income	(0.67)	(1.17)	(1.64)	(0.31)
Provision for Employee Benefits	2.44	1.35	0.51	9.85
Operating profit before working capital changes	65.17	103.77	62.93	97.32
<b>Changes in Working Capital</b>				
(Increase)/Decrease in Inventories	(149.41)	61.00	10.25	85.71
(Increase)/Decrease in Trade Receivables	55.51	(86.33)	(121.12)	(286.02)
(Increase)/Decrease in Short Term Loans & Advances	23.96	82.22	(1.83)	8.01
(Increase)/Decrease in Other Current Assets	(7.25)	6.29	(3.78)	(54.57)
Increase/(Decrease) in Trade Payables	(178.82)	114.89	47.85	177.52
Increase/(Decrease) in Other Current Liabilities	41.65	(3.15)	(10.37)	34.88
Increase/(Decrease) in Short Term Provisions	(17.54)	(3.67)	(14.44)	9.72
Increase/(Decrease) in Deposits	-	-	-	-
Increase/(Decrease) in Short Term Borrowings	152.19	(187.98)	30.21	38.67
Increase/(Decrease) in Differed Tax	-	-	(0.29)	-
<b>Cash generated from operations</b>	(14.54)	87.03	(0.57)	111.23
Less:- Income Taxes paid	18	19.10	-	2.80
<b>Cash Flow Before Extraordinary Item</b>	(32.70)	67.93	(0.57)	108.43
Extraordinary Items	-	-	-	-
<b>Net cash flow from operating activities</b>	<b>(32.70)</b>	<b>67.93</b>	<b>(0.57)</b>	<b>108.43</b>
<b>B) Cash Flow From Investing Activities :</b>				
Purchase of Fixed Assets	(2.37)	(2.52)	(2.94)	(0.84)
Investment made during the year	(1.43)	(13.87)	-	-
Interest Income	0.67	1.17	1.64	0.31
Deposits	-	-	-	-
Other Non-Current Assets	18.47	(13.38)	3.61	(7.96)
<b>Net cash flow from investing activities</b>	15.34	(28.60)	2.31	(8.49)
<b>C) Cash Flow From Financing Activities :</b>				
Issue of Shares	-	-	-	-

Increase/(Decrease) in Long Term Borrowings		-	-	(3.58)	(17.22)
Interest Paid		(17.08)	(29.01)	(29.38)	(35.67)
<b>Net cash flow from financing activities</b>		(17.08)	(29.01)	(32.96)	(52.89)
Net Increase/(Decrease) In Cash & Cash Equivalents		(34.44)	10.32	(31.21)	47.06
Cash equivalents at the beginning of the year		40.57	30.25	61.46	14.39
Cash equivalents at the end of the year		6.14	40.57	30.25	61.46
Notes :-					
		<b>As on 31st December 2019</b>	<b>As on 31st March, 2019</b>	<b>As on 31st March, 2018</b>	<b>As on 31st March, 2017</b>
1	Component of Cash and Cash equivalents				
	Cash on hand	1.64	1.68	5.74	0.17
	Balance With banks	4.50	38.89	24.52	61.29
	Fixed Deposit	-	-	-	-
		6.14	40.57	30.25	61.46
2	Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated				
<b>Accounting Policies &amp; Notes on Accounts as per our Report on even date attached</b>					



## **ANNEXURE-4**

### **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

#### **A. BACKGROUND**

Cospower Engineering Limited ('the Company') is a limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is in the business of manufacturing & supply of re-active power compensation systems, harmonic filters & other engineering goods. Company received a certificate of incorporation from Registrar of Companies, Mumbai on September 22, 2010 bearing Corporate Identification Number (CIN) U31908MH2010PTC208016.

#### **B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

##### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Statement of Assets and Liabilities of the Company as on December 31, 2019, March 31, 2019, March 31, 2018 and March 31, 2017, and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the period ended on December 31, 2019 and for the year ended on March 31, 2019, March 31, 2018 and March 31, 2017 and the annexure thereto (collectively, the "**Restated Financial Statements**" or "**Restated Summary Statements**") have been extracted by the management from the Audited Financial Statements of the Company for the period ended December 31, 2019 and for the year ended March 31, 2019, March 31, 2018 and March 31, 2017.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2014 as per section 133 of the Companies Act, 2013.

##### **2. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### **3. FIXED ASSETS**

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

#### **4. DEPRECIATION**

Depreciation is provided on a straight line basis over the useful lives of assets, which is as stated in Schedule II of the Companies Act 2013 or based on technical estimation made by the Company. The details of estimated life for each category of assets are as under:

<b>Category of assets</b>	<b>Estimated Life (Yrs)</b>
Computer	3
Motor Cars	8
Office Equipment's	5
Plant & Machinery	15
Furniture & Fixtures	10
Leasehold Improvements	20

Depreciation and amortization methods, useful lives and residual values are reviewed at each reporting date.

#### **5. BORROWING COSTS**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are charged to statement of profit and loss as and when incurred.

#### **6. IMPAIRMENT OF ASSETS**

In accordance with AS 28 on 'Impairment of assets' as prescribed in the Companies (Accounting Standards) Rules, 2006, the Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognized whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and loss or against revaluation surplus, where applicable. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

#### **7. INVESTMENTS**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### **8. INVENTORIES**

Inventories of finished goods are valued at cost or net realizable value, whichever is lower. Cost of finished goods includes purchase cost, cost incurred in bringing the inventories to their present location and condition, excise duty etc.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

## **9. CURRENT/NON CURRENT CLASSIFICATIONS**

The Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current. An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the balance sheet date; or
- d) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the balance sheet date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### **Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

## **10. REVENUE RECOGNITION**

- i) Revenue from sale of goods is recognizing when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from sale of goods is net of sales tax, trade discounts, rebates etc.
- ii) Service income is recognized as and when services are rendered in accordance with the terms of the specific contracts, net of all contractual deductions. Revenue is recognized net of all taxes and levies.
- iii) Interest income is recognized on a time proportion basis.

## **11. FOREIGN CURRENCY TRANSACTIONS**

### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **Conversion**

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

### **Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

## **12. EMPLOYEE BENEFITS**

- a) Provision for Gratuity :-

Employee gratuity fund scheme is the Defined Benefit Plan. Provision for gratuity has been made in the restated accounts based on actuarial Valuation. Gratuity is paid at the time of retirement of employees.

b) Leave Encashment :-

The Management has decided to apply the yearly settlement method in which all the unveiled leaves are settled to employee through cash at the end of the year..

c) Provident Fund :-

Provident fund is a defined contribution scheme as the company pays fixed contribution at pre-determined rates. The obligation of the company is limited to such fixed contribution. The contributions are charged to Profit & Loss A/c.

### **13. SEGMENT ACCOUNTING**

#### **(i) Business Segment**

The Company operates in one Business Segment only and hence no separate information for business segment wise disclosure is required.

#### **(ii) Geographical Segment**

The Company operates in one Geographical Segment namely “within India” and hence no separate information for geographic segment wise disclosure is required.

### **14. ACCOUNTING FOR TAXES ON INCOME**

#### **Current Tax**

Current tax is determined as the amount of tax payable under the provisions of Income Tax Act, 1961, in respect of taxable income for the year.

#### **Deferred Tax**

Deferred income taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

### **15. CONTINGENT LIABILITIES AND PROVISIONS**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

**16. EARNINGS PER SHARE:**

Basic earnings per share are computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

**17. CASH FLOW:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

**18. Other Disclosures****1. Managerial Remuneration****(Rs. in Lakhs)**

PARTICULARS	FOR THE PERIOD ENDED	FOR THE YEAR ENDED 31ST MARCH		
	31.12.2019	2019	2018	2017
Remuneration to Directors	27.10	25.47	22.73	19.87
<b>Total</b>	<b>27.10</b>	<b>25.47</b>	<b>22.73</b>	<b>19.87</b>

**2. Expenditure / Income in foreign currency****(Rs. in Lakhs)**

PARTICULARS	FOR THE PERIOD ENDED	FOR THE YEAR ENDED 31ST MARCH		
	31.12.2019	2019	2018	2017
<b>Income</b>				
Sale of Products	44.87	23.61	35.00	51.03
Sale of Services	-	-	-	-
<b>Expenditure</b>				
Foreign Travelling	00.45	2.22	2.07	-
Import of Goods				
<b>Total</b>	<b>45.32</b>	<b>25.83</b>	<b>37.07</b>	<b>51.03</b>

**3. Remuneration to Auditors****(Rs. in Lakhs)**

PARTICULARS	FOR THE PERIOD ENDED	FOR THE YEAR ENDED 31ST MARCH		
	31.12.2019	2019	2018	2017
Audit Fee	3.00	3.00	2.40	1.50
<b>Total</b>	<b>27.10</b>	<b>25.47</b>	<b>22.73</b>	<b>19.87</b>

For A Biyani & Co.  
Chartered Accountants

Arpit Tapadiya  
Partner  
FRN No.140489W  
Membership No. 182428  
Place: Mumbai  
Date : February 20, 2020

**Reconciliation of Restated profit:**

**Annexure 5  
(Rs. in Lakhs)**

Particulars	31.12.2019	2018-19	2017-18	2016-17
<b>Net Profit Before Tax as per audited accounts but before adjustments for restated accounts:</b>	<b>45.95</b>	<b>71.97</b>	<b>38.03</b>	<b>50.01</b>
(Short)/Excess Provision of Gratuity Expense	(2.44)	(1.34)	(0.51)	(9.85)
(Short)/Excess booking of TDS Paid by the Company	-	-	-	-
(Short)/Excess Provision of depreciation on Fixed Assets	-	-	-	-
(Short)/Excess Provision of Expenses towards Commission and Royalty, Octroi, Telephone Expenses	-	-	-	-
Adjustment for Depreciation Differential	-	-	-	(0.14)
Excess/(Short) Provision of Employee Benefits	-	-	(3.09)	3.09
Prior Period Expenses Accounted in Respective period	(0.49)	(0.23)	(4.13)	0.22
Short Provision of Expenses	-	-	-	(0.23)
Prepaid Expenses recognized in P&L	-	0.48	0.23	4.38
Amortization of Expenses for Increase in Authorize Share Capital and ROC Expenses	-	-	-	-
Non booking of Service Tax on Input services in Profit & Loss Account	-	-	-	-
<b>Net Adjustment in Profit and Loss Account</b>	<b>(2.93)</b>	<b>(1.08)</b>	<b>(7.50)</b>	<b>(2.53)</b>
<b>Adjusted Profit before Tax</b>	<b>43.02</b>	<b>70.89</b>	<b>30.53</b>	<b>47.48</b>
<b>Net Profit before Tax as per Restated Accounts:</b>	<b>43.02</b>	<b>70.89</b>	<b>30.53</b>	<b>47.48</b>

**STATEMENT OF SHARE  
CAPITAL**

(Rs in  
Lakhs)

<b>Share Capital</b>	<b>From 1<sup>st</sup> April to 31<sup>st</sup> December 2019</b>		<b>As At 31<sup>st</sup> March 2019</b>		<b>As At 31<sup>st</sup> March 2018</b>		<b>As At 31<sup>st</sup> March 2017</b>	
	<b>Number</b>	<b>Amt. Rs.</b>	<b>Number</b>	<b>Amt. Rs.</b>	<b>Number</b>	<b>Amt. Rs.</b>	<b>Number</b>	<b>Amt. Rs.</b>
<b>Authorised*</b>								
Equity Shares of Rs.10 each	15,00,000	150.00	5,00,000	50.00	5,00,000	50.00	5,00,000	50.00
<b>Issued</b>								
Equity Shares of Rs.10 each	10,00,000	100.00	1,50,000	15.00	1,50,000	15.00	1,50,000	15.00
<b>Subscribed &amp; Paid up</b>								
Equity Shares of Rs.10 each fully paid up	10,00,000	100.00	1,50,000	15.00	1,50,000	15.00	1,50,000	15.00
<b>Total</b>	<b>10,00,000</b>	<b>100.00</b>	<b>1,50,000</b>	<b>15.00</b>	<b>1,50,000</b>	<b>15.00</b>	<b>1,50,000</b>	<b>15.00</b>

**RECONCILIATION OF NUMBER OF SHARES**

<b>Particulars</b>	<b>Equity Shares</b>		<b>Equity Shares</b>		<b>Equity Shares</b>		<b>Equity Shares</b>	
	<b>Number</b>	<b>Amt. Rs.</b>	<b>Number</b>	<b>Amt. Rs.</b>	<b>Number</b>	<b>Amt. Rs.</b>	<b>Number</b>	<b>Amt. Rs.</b>
Shares outstanding at the beginning of the year	1,50,000	15.00	1,50,000	15.00	1,50,000	15.00	1,50,000	15.00
Shares Issued during the year**	8,50,000	85.00	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	10,00,000	100.00	1,50,000	15.00	1,50,000	15.00	1,50,000	15.00

**Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co.**

<b>Name of Shareholder</b>	<b>From 1<sup>st</sup> April to 31<sup>st</sup> December 2019</b>		<b>As At 31<sup>st</sup> March 2019</b>		<b>As At 31<sup>st</sup> March 2018</b>		<b>As At 31<sup>st</sup> March 2017</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Oswald Dsouza	5,00,000	50.00%	75,000	50.00%	75,000	50.00%	75,000	50.00%
Felix Kadam	5,00,000	50.00%	75,000	50.00%	75,000	50.00%	75,000	50.00%

		<b>Annexure 7</b>			
<b>STATEMENT OF RESERVES AND SURPLUS</b>		<b>Rs. In Lakhs</b>			
Particulars	As at				
	31.12.2019	31.03.2019	31.03.2018	31.03.2017	
<b><u>Reserves and Surplus</u></b>					
<b>A) Surplus in Profit and Loss account</b>					
Balance as per the last financial statements	143.42	91.69	72.45	44.96	
Profit/(Loss) for the Year	24.86	51.73	19.24	27.58	
<b>Amount Available for Appropriation</b>	<b>168.29</b>	<b>143.42</b>	<b>91.69</b>	<b>72.53</b>	
Add - Adjustment for Depreciation Differential	-	-	-	0.14	
Less - Prior Period Adjustments	-	-	-	0.22	
Less - Capitalisation of Reserves	85.00	-	-	-	
<b>Net Surplus in the statement of profit and loss account</b>	<b>83.29</b>	<b>143.42</b>	<b>91.69</b>	<b>72.45</b>	
<b>Notes.</b>					
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.					
2. Company does not have any Revaluation Reserve.					
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.					

		<b>Annexure 8</b>			
<b>STATEMENT OF LONG TERM BORROWINGS</b>		<b>(Rs. in Lakhs)</b>			
Particulars	As at				
	31.12.2019	31.03.2019	31.03.2018	31.03.2017	
<b>Long Term Borrowings</b>					
<b>Secured Loan</b>					
- From Directors/ Promoter/Promoter Group companies/ Relatives of Promoter/Relatives of Directors	-	-	-	-	
- From Bank (Hypo. of Assets Purchased from Bank Finance)	-	-	-	-	
- From Others	-	-	-	-	
<b>Total Long Term Borrowings (Secured)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Unsecured Loan</b>					
- From Directors/ Promoter/Promoter Group companies/ Relatives of Promoter/Relatives of Directors	-	-	-	3.58	
- From Bank and Financial Institution	-	-	-	-	
- From Others	-	-	-	-	
<b>Total Long Term Borrowings (Unsecured)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.58</b>	



<b>Total</b>	-	-	-	<b>3.58</b>

**LONG TERM PROVISIONS****Annexure 9**

Particulars	As on			
	31.12.2019	31.03.2019	31.03.2018	31.03.2017
Provision for Gratuity	14.15	11.71	10.36	9.85
<b>Total</b>	<b>14.15</b>	<b>11.71</b>	<b>10.36</b>	<b>9.85</b>

(Amt. in Lakh Rs.)

**Annexure 10****STATEMENT OF SHORT TERM BORROWINGS**

(Rs. in Lakhs)

Particulars	As at			
	31.12.2019	31.03.2019	31.03.2018	31.03.2017
<b>Short Term Borrowings (Secured)</b>				
- From Bank and Financial Institutions	260.55	124.35	241.26	206.55
- Others	-	-	-	-
<b>Total</b>	<b>260.55</b>	<b>124.35</b>	<b>241.26</b>	<b>206.55</b>
<b>Unsecured Loan</b>				
- From Directors/ Promoter/Promoter Group companies/ Relatives of Promoter/Relatives of Directors	127.75	127.19	198.25	202.82
- From Bank and Financial Institutions	15.42	-	-	-
<b>Total Long Term Borrowings (Unsecured)</b>	<b>143.17</b>	<b>127.19</b>	<b>198.25</b>	<b>202.82</b>
The above amount includes:				
Secured Borrowings	260.55	124.35	241.26	206.55
Unsecured Borrowings	143.17	127.19	198.25	202.82

**Notes**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditor. The Auditor have not performed any procedure to determine whether the list is accurate and complete.
- The terms and conditions and other information in respect of Secured Loans are given in Annexure 7.1

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY								Annexure 10.1	
Name of Lender	Nature of Facility	Purpose	Sanctioned Amount (In Lakhs Rs.)	Securities offered	Re-Payment Schedule	Moratorium	Outstanding amount (In Lakhs Rs.) as on (as per Books)	Outstanding amount (In Lakhs Rs.) as on (as per Books)	
							31.12.2019	31.03.2019	
Kotak Mahindra Bank	Overdraft	To Meet Working Capital Requirements	392.25	Immovable Property	Subject to Annual Reduction or modification	-	260.55	124.35	
Bajaj Finserve	Business Loan	To Meet urgent business requirement	21.30	Unsecured	To be paid by 02-01-2020	-	15.42	-	

STATEMENT OF TRADE PAYABLES					Annexure 11 (Rs. in Lakh)	
Particulars	As on					
	31.12.2019	31.03.2019	31.03.2018	31.03.2017		
<b>Trade Payables For Goods &amp; Services</b>						
- Micro, Small and Medium Enterprises	-	-	-	-	-	
- Others	233.97	412.79	297.90	250.05		
<b>Total</b>	<b>233.97</b>	<b>412.79</b>	<b>297.90</b>	<b>250.05</b>		

**Notes:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, is not available with the Company as the Company is in the process of Compiling the information from its vendors.

STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS					Annexure 12(Rs. in Lakh)	
Particulars	As on					
	31.12.2019	31.03.2019	31.03.2018	31.03.2017		
Other Current Liabilities (Annexure 12)						

**Cospower Engineering Limited**

Current Maturities of Long Term Debts	-	-	3.58	14.56
Statutory Dues Payable	5.24	35.23	23.04	25.29
Advance from Customers	97.64	20.50	29.62	35.80
Outstanding Expenses	9.05	14.50	16.55	9.55
Other Payable	1.40	1.46	2.05	-
<b>Total</b>	<b>113.33</b>	<b>71.69</b>	<b>74.84</b>	<b>85.20</b>

**Annexure 13(Rs. in Lakh)**

Particulars	As on			
	31.12.2019	31.03.2019	31.03.2018	31.03.2017
<b>Short Term Provisions (Annexure 13)</b>				
Provision for Expenses	-	-	-	0.12
Provision for Employee Benefits	7.23	5.27	4.30	14.75
Provision for Income Tax	-	19.50	24.14	19.00
<b>Total</b>	<b>7.23</b>	<b>24.77</b>	<b>28.44</b>	<b>33.87</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**NON CURRENT ASSETS Annexure 14  
(FIX ASSETS) Rs in Lakhs**

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1st April 2016	Additions	Disposals	Balance as at 31st March 2017	Balance as at 1st April 2016	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2017	Balance as at 31st March 2017	Balance as at 31st March 2016
<b>Tangible Assets</b>											
Leasehold Building	15.75	-	-	15.75	0.79	0.79	-	-	1.58	14.17	14.96
Computer Office	4.53	-	-	4.53	4.44	0.05	-	-	4.49	0.04	0.09
Equipment	5.13	0.70	-	5.83	4.73	0.06	-	-	4.79	1.04	0.39
Plant and Equipment	10.84	-	-	10.84	6.42	0.85	-	-	7.27	3.57	4.42
Furniture & Fixtures	5.74	0.14	-	5.88	4.56	0.45	-	-	5.01	0.87	1.18
Vehicles	25.53	-	-	25.53	19.76	2.43	-	-	22.19	3.34	5.77
<b>Total</b>	<b>67.52</b>	<b>0.84</b>	<b>-</b>	<b>68.36</b>	<b>40.70</b>	<b>4.63</b>	<b>-</b>	<b>-</b>	<b>45.33</b>	<b>23.03</b>	<b>26.81</b>

**Cospower Engineering Limited**

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 <sup>st</sup> April 2017	Additions	Disposals	Balance as at 31 <sup>st</sup> March 2018	Balance as at 1 <sup>st</sup> April 2017	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 <sup>st</sup> March 2018	Balance as at 31 <sup>st</sup> March 2018	Balance as at 31 <sup>st</sup> March 2017
<b>Tangible Assets</b>											
Leasehold Building	15.75	-	-	15.75	1.58	0.79	-	-	2.37	13.38	14.17
Computer Office	4.53	0.84	-	5.37	4.49	0.31	-	-	4.80	0.57	0.04
Equipment	5.83	2.10	-	7.93	4.79	0.88	-	-	5.67	2.26	1.04
Plant and Equipment	10.84	-	-	10.84	7.27	0.68	-	-	7.95	2.89	3.57
Furniture & Fixtures	5.88	-	-	5.88	5.01	0.22	-	-	5.23	0.65	0.87
Vehicles	25.53	-	-	25.53	22.19	1.28	-	-	23.47	2.06	3.34
<b>Total</b>	<b>68.36</b>	<b>2.94</b>	<b>-</b>	<b>71.30</b>	<b>45.33</b>	<b>4.16</b>	<b>-</b>	<b>-</b>	<b>49.49</b>	<b>21.81</b>	<b>23.03</b>

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 <sup>st</sup> April 2018	Additions	Disposals	Balance as at 31 <sup>st</sup> March 2019	Balance as at 1 <sup>st</sup> April 2018	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 <sup>st</sup> March 2019	Balance as at 31 <sup>st</sup> March 2019	Balance as at 31 <sup>st</sup> March 2018
<b>Tangible Assets</b>											
Leasehold Building	15.75	-	-	15.75	2.37	0.79	-	-	3.16	12.59	13.38
Computer Office	5.37	1.00	-	6.37	4.80	0.31	-	-	5.11	1.26	0.57
Equipment	7.93	0.31	-	8.24	5.67	1.24	-	-	6.91	1.33	2.26
Plant and Equipment	10.84	1.21	-	12.05	7.95	0.56	-	-	8.51	3.54	2.89
Furniture & Fixtures	5.88	-	-	5.88	5.23	0.15	-	-	5.38	0.50	0.65
Vehicles	25.53	-	-	25.53	23.47	0.64	-	-	24.11	1.42	2.06
<b>Total</b>	<b>71.30</b>	<b>2.52</b>	<b>-</b>	<b>73.82</b>	<b>49.49</b>	<b>3.69</b>	<b>-</b>	<b>-</b>	<b>53.18</b>	<b>20.64</b>	<b>21.81</b>

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 <sup>st</sup> April 2019	Additions	Disposals	Balance as at 31 <sup>st</sup> December 2019	Balance as at 1 <sup>st</sup> April 2019	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 <sup>st</sup> December 2019	Balance as at 31 <sup>st</sup> December 2019	Balance as at 31 <sup>st</sup> March 2018
<b>Tangible Assets</b>											
Leasehold Building	15.75	-	-	15.75	3.16	0.59	-	-	3.75	12.00	12.59
Computer Office	6.37	0.54	-	6.91	5.11	0.95	-	-	6.06	0.84	1.26
Office Equipment	8.24	1.43	-	9.67	6.91	1.14	-	-	8.05	1.62	1.33

Plant and Equipment	12.05	0.20	-	12.25	8.51	0.39	-	-	8.90	3.35	3.54
Furniture & Fixtures	5.88	0.21	-	6.09	5.38	0.12	-	-	5.50	0.59	0.50
Vehicles	25.53	-	-	25.53	24.11	0.10	-	-	24.21	1.32	1.42
	<b>73.82</b>	<b>2.37</b>	<b>-</b>	<b>76.19</b>	<b>53.18</b>	<b>3.30</b>	<b>-</b>	<b>-</b>	<b>56.48</b>	<b>19.71</b>	<b>20.64</b>

<b>Annexure 15</b>				
<b>STATEMENT OF NON-CURRENT INVESTMENTS</b>				
(Rs. in Lakh)				
Particulars	As on			
	31.12.2019	31.03.2019	31.03.2018	31.03.2017
<b>Non-Current Investment</b>				
Fixed Deposit	11.98	14.55	0.68	0.68
Others	4.00	-	-	-
<b>Total</b>	<b>15.98</b>	<b>14.55</b>	<b>0.68</b>	<b>0.68</b>

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

<b>Annexure 16</b>				
<b>STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES</b>				
(Rs. in Lakh)				
Particulars	As on			
	31.12.2019	31.03.2019	31.03.2018	31.03.2017
<b>Opening Balance (A)</b>				
Opening Balance of Deferred Tax (Asset)/ Liability	(9.12)	(9.17)	(11.36)	(9.46)
<b>Current Year Provision (B)</b>				
(DTA)/ DTL on Provision for Employee benefits	-	0.05	2.19	(1.90)
Closing Balance of Deferred Tax (Asset)/ Liability (A+B)	(9.12)	(9.12)	(9.17)	(11.36)

Note:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, I and III.

<b>Annexure 17</b>				
<b>OTHER NON CURRENT ASSETS</b>				
(Rs. in Lakh)				
Particulars	As on			
	31.12.2019	31.03.2019	31.03.2018	31.03.2017
Security Deposits	33.52	51.99	38.61	42.22
<b>Total</b>	<b>33.52</b>	<b>51.99</b>	<b>38.61</b>	<b>42.22</b>
Notes:				
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.				
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.				

<b>Annexure 18</b>				
<b>STATEMENT OF INVENTORIES</b>				
(Rs. in Lakh)				
Particulars	As on			
	31.12.2019	31.03.2019	31.03.2018	31.03.2017
Closing Stock	328.02	178.61	239.61	249.86
<b>Total</b>	<b>328.02</b>	<b>178.61</b>	<b>239.61</b>	<b>249.86</b>
Note-:				
1. Inventory has been physically verified by the management of the Company at the end of respective year/period				
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.				
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.				

<b>Annexure 19</b>				
<b>STATEMENT OF TRADE RECEIVABLES</b>				
(Rs. in Lakh)				
Particulars	As on			
	31.12.2019	31.03.2019	31.03.2018	31.03.2017

<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>				
- From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
- From Others	318.36	297.74	249.74	53.04
<b>Outstanding for a period not exceeding six months (Unsecured and considered Good)</b>				
- From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
- From Others	153.26	229.39	191.07	266.65
<b>Total</b>	<b>471.62</b>	<b>527.13</b>	<b>440.81</b>	<b>319.69</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

<b>STATEMENT OF CASH &amp; CASH EQUIVALENTS</b>				<b>Annexure 20</b> (Rs. in Lakh)
<b>Particulars</b>	<b>As on</b>			
	<b>31.12.2019</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Cash on Hand (As Certified by Management)	1.64	1.68	5.74	0.17
Balances with Banks				
- In Current Accounts	4.50	38.89	24.52	61.29
- In Deposit Account	-	-	-	-
<b>Total</b>	<b>6.14</b>	<b>40.57</b>	<b>30.25</b>	<b>61.46</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

<b>STATEMENT OF SHORT-TERM LOANS AND ADVANCES</b>				<b>Annexure 21</b> (Rs. in Lakh)
<b>Particulars</b>	<b>As on</b>			
	<b>31.12.2019</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Unsecured, Considered Good unless otherwise stated;</b>				
Advance given to Related Parties	1.05	-	99.00	98.57
Other Loans & Advances	10.76	35.77	18.99	17.59
<b>Total</b>	<b>11.80</b>	<b>35.77</b>	<b>117.99</b>	<b>116.16</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

<b>STATEMENT OF OTHER CURRENT ASSETS</b>				<b>Annexure 22</b>
				<b>(Rs. in Lakh)</b>
<b>Particulars</b>	<b>As on</b>			
	<b>31.12.2019</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Other current Assets</b>				
Deposit with Government Authority	11.17	24.34	8.99	4.87
Others	2.75	0.23	0.22	0.12
Advance to Suppliers	45.81	27.46	49.37	45.65
Prepaid Expenses	0.04	0.48	0.23	4.38
<b>Total</b>	<b>59.77</b>	<b>52.51</b>	<b>58.80</b>	<b>55.02</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

<b>REVENUE FROM OPERATIONS</b>				<b>Annexure 23</b>
				<b>(Rs. in Lakh)</b>
<b>Particulars</b>	<b>For the Period Ended</b>		<b>For the Year Ended</b>	
	<b>31.12.2019</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Sale of Products</b>				
- Export	44.87	23.61	35.00	51.03
- Domestic	698.53	1,277.47	819.26	822.65
<b>Sale of Services</b>				
- Export	-	-	-	-
- Domestic	-	-	3.53	38.65



<b>Total</b>	<b>743.40</b>	<b>1,301.08</b>	<b>857.79</b>	<b>912.33</b>
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1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

<b>STATEMENT OF OTHER INCOME</b>				<b>Annexure 24</b>
				<b>(Rs. in Lakhs)</b>
<b>Particulars</b>	<b>For the Period Ended</b>	<b>For the Year Ended</b>		
	<b>31.12.2019</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Related and Recurring Income:</b>				
Interest Income	0.67	1.17	1.64	0.31
Discount	0.41	0.29	-	0.68
Other	0.90	0.73	1.32	0.00
<b>Total</b>	<b>1.98</b>	<b>2.18</b>	<b>2.96</b>	<b>0.99</b>
<b>Related and Non-Recurring Income:</b>				
Insurance Claim	-	-	-	41.54
Commission	-	-	-	2.23
Other	3.50	-	-	-
<b>Total</b>	<b>3.50</b>	<b>-</b>	<b>-</b>	<b>43.77</b>
<b>Total</b>	<b>5.48</b>	<b>2.18</b>	<b>2.96</b>	<b>44.76</b>

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**PURCHASES OF STOCK-IN-TRADE**

Annexure 25

<b>Particulars</b>	<b>For the period 01<sup>st</sup> Apr'19 to 31<sup>st</sup> Dec'19</b>	<b>For the year ended 31<sup>st</sup> March 2019</b>	<b>For the year ended 31<sup>st</sup> March 2018</b>	<b>For the year ended 31<sup>st</sup> March 2017</b>
Purchases	627.91	848.87	602.27	630.07
<b>Total</b>	<b>627.91</b>	<b>848.87</b>	<b>602.27</b>	<b>630.07</b>

## CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Annexure 26

Particulars	For the period 01 <sup>st</sup> Apr'19 to 31 <sup>st</sup> Dec'19	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b><u>Inventories at the end of the year</u></b>				
Stock-In-Trade	328.02	178.61	239.61	249.86
<b><u>Inventories at the beginning of the year</u></b>				
Stock-In-Trade	178.61	239.61	249.86	335.57
<b>Net(Increase)/decrease</b>	<b>-149.41</b>	<b>61.00</b>	<b>10.25</b>	<b>85.71</b>

## EMPLOYEE BENEFITS EXPENSES

Annexure 27

Particulars	For the period 01 <sup>st</sup> Apr'19 to 31 <sup>st</sup> Dec'19	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
a) Salaries, Bonus, PF & ESIC	70.25	71.92	56.08	55.75
b) Director's Remuneration	27.10	25.47	22.73	19.87
c) Other Employee Benefit Expenses	9.07	4.80	7.95	18.83
<b>Total</b>	<b>106.42</b>	<b>102.19</b>	<b>86.76</b>	<b>94.44</b>

## FINANCE COST

Annexure 28

Particulars	For the period 01 <sup>st</sup> Apr'19 to 31 <sup>st</sup> Dec'19	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Interest on Loans	17.08	29.01	29.38	35.67
<b>Total</b>	<b>17.08</b>	<b>29.01</b>	<b>29.38</b>	<b>35.67</b>

## DEPRECIATION AND AMORTISATION

Annexure 29

Particulars	For the period 01 <sup>st</sup> Apr'19 to 31 <sup>st</sup> Dec'19	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
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Depreciation	3.30	3.69	4.16	4.63
Amortisation	-	-	-	-
<b>Total</b>	<b>3.30</b>	<b>3.69</b>	<b>4.16</b>	<b>4.63</b>

**OTHER EXPENSES**

Annexure 30

Particulars	For the period 01 <sup>st</sup> Apr'19 to 31 <sup>st</sup> Dec'19	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Auditor's Remuneration	3.00	3.00	2.40	1.50
Bad Debts	-	-	13.32	
Bank Charges	2.93	2.49	6.34	3.13
Business Promotion Expenses	1.80	3.85	2.69	3.56
Electricity Charges	1.63	1.49	1.28	1.45
Freight & Transport	11.14	24.22	16.59	7.28
Legal and Professional fees	2.14	2.78	3.99	0.75
Office Expenses	3.63	3.87	5.97	5.15
Rent Paid	10.23	12.76	9.39	11.33
Repair & Maintenance Expenses	2.58	-	-	2.10
Telephone Charges	1.53	1.74	1.92	2.41
Travelling Expenses	15.54	23.32	11.16	4.82
Vat/CST Expenses	2.41	1.78	2.10	11.78
Insurance	3.59	3.59	5.47	0.96
Labour Charges	16.70	18.55	1.55	-
Commission	2.11	4.95	1.23	-
Late Delivery Charges	-	-	3.97	-
Penalty	3.97	6.87	1.99	-
Service Charges	-	65.42	-	
Miscellaneous Expenses	15.63	6.93	6.02	2.88
<b>Total</b>	<b>100.56</b>	<b>187.61</b>	<b>97.39</b>	<b>59.08</b>

**PAYMENT TO AUDITORS AS:**

Annexure 30.1

Particulars	For the period 01 <sup>st</sup> Apr'19 to 31 <sup>st</sup> Dec'19	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Payment to auditors				
a. Statutory Audit fees	3.00	3.00	2.40	1.50
b. for taxation matters	-	-	-	-
c. for company law matters	-	-	-	-
d. for management services	-	-	-	-
e. for other services	-	-	-	-
f. for reimbursement of expenses	-	-	-	-
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	<b>2.40</b>	<b>1.50</b>

<b>STATEMENT OF MANDATORY ACCOUNTING RATIOS</b>				<b>Annexure 31</b>
<b>(Rs. in Lakhs, except per share data)</b>				
<b>Particulars</b>	<b>As at</b>			
	<b>31.12.2019</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Net Worth (A)	183.29	158.42	106.69	87.45
EBITDA	63.40	103.58	64.07	87.78
Restated Profit after tax	24.86	51.73	19.24	27.58
Less: Prior period item	-	-	-	-
Adjusted Profit after Tax (B)	24.86	51.73	19.24	27.58
Number of Equity Share outstanding as on the End of Year/Period ( C)	10.00	1.50	1.50	1.50
Weighted average no of Equity shares at the time of end of the year (D)	10.00	10.00	10.00	10.00
Current Assets (E)	877.34	834.59	887.45	802.18
Current Liabilities (F)	758.25	760.78	840.69	778.50
Face Value per Share	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earnings Per Share (Rs.) (B/D)	2.49	5.17	1.92	2.76
Return on Net worth (%) (B/A)	13.57%	32.65%	18.03%	31.53%
Net asset value per share (A/D) (Face Value of Rs. 10 Each)	18.33	15.84	10.67	8.75
Current Ratio (E/F)	1.16	1.10	1.06	1.03
<b>Note:</b>				
<p>1) The ratios have been computed as below:            (a) Basic earnings per share (Rs. ) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year            (b) Diluted earnings per share (Rs. ) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS            (c) Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year            (d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year            2) Weighted average number of equity shares is calculated as per AS 20            3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss).            4) The figures disclosed above are based on the standalone restated summary statements of the Group.            5) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.            6) The Company has capitalised its reserves of Rs 85,00,000 by issuing 8,50,000 bonus shares as on 31/12/2019 to its existing shareholders in the ratio of 5.67:1</p>				

<b>STATEMENT OF RELATED PARTY TRANSACTION</b>		<b>Annexure 32</b>
<b>1</b>	<b>Names of the related parties with whom transaction were carried out during the years and description of relationship:</b>	

a)	Company/entity owned or significantly influenced by directors/ KMP	M/s Fos Glaze Pvt. Ltd.
b)	Key Management personnel/Directors:	Mr. Oswald D'Souza
		Mr. Felix Kadam
c)	Relative of Key Management Personnel/Director/Partners:	Yonelle D'Souza
		Mrs. Janet D'Souza
		Mrs. Christbell Kadam
		Mr. Shridhar Kadam

**2. Transaction with Key Management Personnel/Directors**

(Amt. in Lakhs)					
Sr. No.	Nature of Transaction				
		31.12.2019	31.03.2019	31.03.2018	31.03.2017
<b>A</b>	<b>Remuneration</b>				
	Mr. Oswald D'Souza	13.55	12.73	11.37	10.03
	Mr. Felix Kadam	13.55	12.73	11.37	10.03
<b>B</b>	<b>Loan Repaid</b>				
	Mr. Oswald D'Souza	1.06	47.75	1.97	1.74
	Mr. Felix Kadam	1.06	46.92	1.79	1.99
<b>C</b>	<b>Rent</b>				
	Mr. Oswald D'Souza	-	-	-	1.20
	Mr. Felix Kadam	-	-	-	1.20
<b>D</b>	<b>Loan Taken</b>				
	Mr. Oswald D'Souza	-	11.40	-	-
	Mr. Felix Kadam	-	11.40	-	-
<b>E</b>	<b>Loan Given</b>				
	M/s Fos Glaze Pvt. Ltd.	1.05	-	0.43	0.24
<b>F</b>	<b>Loan Collection</b>				
	M/s Fos Glaze Pvt. Ltd.	-	99.02	-	-
<b>3. Transaction with Relatives of Key Management Personnel / Director</b>					
<b>A</b>	<b>Rent</b>				
	Janet D'Souza	-	-	-	1.20
	Christle Kadam	-	-	-	1.20
<b>B</b>	<b>Remuneration</b>				
	Janet D'Souza	7.96	7.82	-	-
	Christle Kadam	7.96	7.82	-	-

4. Balances Outstanding at the end of the Year					
	Mr. Oswald D'Souza	60.43	61.48	97.83	99.62
	Mr. Felix Kadam	64.65	65.71	101.23	103.20
	M/s Fos Glaze Pvt. Ltd.	1.05	-	99.00	98.57

STATEMENT OF CAPITALISATION		Annexure 33	
Particulars	Pre Issue	Post Issue	
	31.12.2019		
<b>Debt</b>			
Short Term Debt	403.72		276.72
Long Term Debt	-		-
<b>Total Debt</b>	<b>403.72</b>		<b>276.72</b>
<b>Shareholders' Fund (Equity)</b>			
Share Capital	100.00		150.00
Reserves & Surplus	83.29		364.29
Less: Miscellaneous Expenses not w/off	-		-
<b>Total Shareholders' Fund (Equity)</b>	<b>183.29</b>		<b>514.29</b>
<b>Long Term Debt/Equity</b>	-		-
<b>Total Debt/Equity</b>	<b>2.20</b>		<b>0.54</b>
<b>Notes:</b>			
1. Short term Debts represents the debts which are expected to be paid/ payable within 12 months and excludes instalment of term loans repayable within 12 months.			
2. Long term Debts represent debts other than Short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities			
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/12/2019.			

STATEMENT OF TAX SHELTER		Annexure 34 (Amt. in Lakhs)			
Particulars		As at			
		31.12.2019	31.03.2019	31.03.2018	31.03.2017
<b>A</b>	Profit before taxes as restated	43.02	70.89	30.53	47.48
	- Taxable at normal Rate	43.02	70.89	30.53	47.48
	- Taxable at special Rate	-	-	-	-
<b>B</b>	Normal Tax Rate Applicable %	26.00%	30.90%	30.90%	30.90%

	Special Tax Rate Applicable %	15.45%	15.45%	15.45%	15.45%
<b>C</b>	Tax Impact (A*B)	11.19	21.90	9.43	14.67
	<b>Adjustments:</b>				
<b>D</b>	<b>Permanent Differences</b>				
	Non Deduction of TDS	-	0.27	0.60	0.10
	Penalty Under MVAT Act	-	-	1.36	-
	Donation	-	0.13	-	-
	<b>Total Permanent Differences</b>	-	<b>0.40</b>	<b>1.96</b>	<b>0.10</b>
<b>E</b>	<b>Timing Difference</b>				
	Difference in Depreciation	(1.32)	(1.16)	(0.79)	(0.72)
	Provision for Gratuity/Leave Encashment	2.44	1.35	0.51	9.85
	Non Payment of Statutory Dues before the due date of filing of return	-	1.40	(4.51)	9.46
	<b>Total Timing Differences</b>	<b>1.12</b>	<b>1.59</b>	<b>(4.79)</b>	<b>18.59</b>
	<b>Unabsorbed Loss/(Carried Forward Loss Set off)</b>	-	-	-	-
<b>F</b>	<b>Net Adjustment (F) = (D+E)</b>	1.12	<b>1.99</b>	<b>-2.83</b>	<b>18.69</b>
<b>G</b>	<b>Tax Expenses/ (Saving) thereon (F*B)</b>	0.29	0.61	-0.87	5.78
<b>H</b>	<b>Tax Liability, After Considering the effect of Adjustment (C +G)</b>	11.48	22.52	8.56	20.45
<b>I</b>	<b>Deferred Tax</b>	(0.29)	(0.49)	1.48	(5.74)
<b>J</b>	<b>Total Tax expenses (H+I)</b>	<b>11.19</b>	<b>22.03</b>	<b>10.04</b>	<b>14.70</b>

**Notes :**

1. The aforesaid statement of tax shelters has been prepared as per the restated summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax return respective years stated above.
2. The figures for the period ended December 31, 2019 are based on the provisional computation of Total Income prepared by the Company.
3. The effect of Tax Shelter i.e. short/excess provision for Income Tax has not been given effect in Annexure II - Restated Statement of Profit and Loss account. Provision for Income Tax given in Annexure II is based on the Income Tax Return/Audited Financial Statement only.
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
5. As observed by us during the Audit, Settlement of the Payable Statutory dues has been made by the company partly through input credit & book adjustment entries as well.

**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES****Annexure 35  
(Rs. in Lakh)**

Particulars	As at
-------------	-------

	31.12.2019	31.03.2019	31.03.2018	31.03.2017
<b>Contingent liabilities in respect of:</b>				
Claims against the company not acknowledged as debts	-	-	-	-
Guarantees given on Behalf of the Directors loan	-	-	-	-
Guarantees given on Behalf of the Subsidiary Company	-	-	-	-
Other moneys for which the company is contingently liable	-	-	-	-
Pending Dispute Under MVAT Act	13.82	13.82	5.82	-
TDS Defaults	6.16	6.15	6.11	5.93
<b>Commitments (to the extent not provided for)</b>				
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-	-
Other commitments	-	-	-	-
<b>Total</b>	<b>19.98</b>	<b>19.97</b>	<b>11.93</b>	<b>5.93</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



## OTHER FINANCIAL INFORMATION

<b>STATEMENT OF MANDATORY ACCOUNTING RATIOS</b>				
<b>(Rs. in Lakhs, except per share data)</b>				
<b>Particulars</b>	<b>As at</b>			
	<b>31.12.2019</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Net Worth (A)	183.29	158.42	106.69	87.45
EBITDA	63.40	103.58	64.07	87.78
Restated Profit after tax	24.86	51.73	19.24	27.58
Less: Prior period item	-	-	-	-
Adjusted Profit after Tax (B)	24.86	51.73	19.24	27.58
Number of Equity Share outstanding as on the End of Year/Period ( C)	10.00	1.50	1.50	1.50
Weighted average no of Equity shares at the time of end of the year (D)	10.00	10.00	10.00	10.00
Current Assets (E)	877.34	834.59	887.45	802.18
Current Liabilities (F)	758.25	760.78	840.69	778.50
Face Value per Share	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earnings Per Share (Rs.) (B/D)	2.49	5.17	1.92	2.76
Return on Net worth (%) (B/A)	13.57%	32.65%	18.03%	31.53%
Net asset value per share (A/D) (Face Value of Rs. 10 Each)	18.33	15.84	10.67	8.75
Current Ratio (E/F)	1.16	1.10	1.06	1.03
<b>Note:</b>				
<p>1) The ratios have been computed as below:            (a) Basic earnings per share (Rs. ) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year            (b) Diluted earnings per share (Rs. ) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS            (c) Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year            (d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year</p> <p>2) Weighted average number of equity shares is calculated as per AS 20</p> <p>3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss).</p> <p>4) The figures disclosed above are based on the standalone restated summary statements of the Group.</p> <p>5) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.</p> <p>6) The Company has capitalised its reserves of Rs 85,00,000 by issuing 8,50,000 bonus shares as on 31/12/2019 to its existing shareholders in the ratio of 5.67:1</p>				

**STATEMENT OF FINANCIAL INDEBTEDNESS**

The principal terms of loans and assets charged as security as on latest date: 31-12-2019

**A. Loan from Banks / Financial Institutions**

(Rs. In lakhs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
<b>Secured Loan</b>							
Kotak Mahindra Bank	Working Capital – Fund based (Dropline Overdraft)	Original Sanction Amount was 380 but now available limit is 242.50	MCLR 6M + 0.60%	Collateral: 1) EM of Flat No. 1401, The Agarwal Infinity Heights CHSL, Tank Road, Orlem Church, Malad (West), Mumbai- 400 064 in the name of Oswald Rosario D’Souza & Janet Osawald D’Souza 2) Flat No. A/505, 5th Floor, Kasturbha Usha Colony CHSL, Kasturbha Nagar, Evershine Nagar, Malad (West), Mumbai- 400 064 in the name of Felix S. Kadam.	Max 120 Month sub to Annual Review by bank	Nil	209.20
Kotak Mahindra Bank	Overdraft	150.00 (80.00)	MCLR 6M+ 0.95%	3) Flat No. 304, 3rd Floor, Prathampad CHSL, Evershine Nagar, Malad (West), Mumbai- 400 064 in the name of Christbell Felix Kadam & Felix Shridhar Kadam. 4) Flat No. 404, 4th Floor, Prathampad CHSL, Evershine Nagar, Malad (West), Mumbai- 400 064 in the name of anet Oswald D’Souza & Oswald Rosario D’Souza.  Personal Guarantee of – 1. Mrs. Janet Dsouza 2. Mrs. Christbell Kadam 3. Mr. Felix S Kadam 3. Mr. Oswald Dsouza	12 Months	Nil	51.35
	(W/w WCDL)	(150.00)	To be declared at the time of drawal		89 Days		
	(W/w Letter of Credit)	(150.00)	1.5% Commission		120 Days		
	(W/w Letter of Guarantee)	(150.00)	1.5% Commission		24 Months Incl Calm Period of 12 Months		

<b>Unsecured Loan</b>							
Bajaj Finserve Limited	Business Flexi Interest Only Loan	21.30	17.00%	Nil	Payable in 36 Months from the date of sanction ie 02-01-2020 as the loan being sanctioned on 02-02-2017	Nil	15.42

**Restrictive Covenants**

1. The borrower is prohibited from using the loan amount or any part thereof for any purpose other than for which it has been sanctioned.
2. The proposed property/security Shall be insured at all times The details of insurance of the property need to submitted to the bank within 30 days of disbursement.
3. The property shall be well maintained at all times and during the pendency of loan if the property suffers any loss on account of natural calamities or due to riots etc, the same should be intimated to the bank without fail.
4. The bank reserves the right to in cease the interest rate on the sanctioned financial facilities, including increasing the interest spread, in the event of downgrade in Borrower internal or external rating.
5. Full repayment will be allowed during the course of this Agreement on the payment of 4 (Four) percent plus GST(currently @ 18 percent(as amended from time to time) and other applicable taxes as prepayment charges on the aggregate amount of Loan outstanding and also on any amounts part prepaid during the last 12(Twelve months).
6. Entire banking to be shifted to KMBL.
7. Central Bank loan comprising of CC of Rs.2.25 crore, HL of Rs,17,85 lakh, HL of Rs.5.2 lakh, HL of Rs.26 lakh, HL of Rs.26.35lakh and loan of Rs.2.5 lakh to be closed from proposed loan.

**For and on behalf of**  
A Biyani & Co  
Chartered Accountants  
FRN: - 140489W

CA Arpit Tapadiya  
Partner  
M. No - 182428  
Date: 20/02/2020  
UDIN - 20182428AAAAAC2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the period ended December 31, 2019 and years ended March 31, 2019, 2018 and 2017 including the related notes and reports, included in this Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 24 and 17 respectively, and elsewhere in this Prospectus.*

*Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.*

### **Business Overview:**

Our Company was originally incorporated as Cospower Engineering Private Limited at Mumbai as Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 22, 2010, bearing Corporate Identification Number U31908MH2010PTC208016, issued by the Registrar of Companies, Mumbai and Maharashtra for the purpose of acquiring the Partnership business of M/s. Cospower Corporation, which was in existence since 2004. Subsequently, our Company was converted into Public Limited Company pursuant to a special resolution passed by members in Extra-Ordinary General Meeting of Company held on January 23, 2020 and the name of our company was changed to Cospower Engineering Limited vide a fresh Certificate of Incorporation dated February 19, 2020, issued by the Registrar of Companies, Mumbai and Maharashtra. The Corporate Identification Number of our Company is U31908MH2010PLC208016.

Initially our promoters have been started business in the year 2004 through partnership firm M/s. Cospower Corporation. The said firm was engaged in the business of trading and marketing of electric goods. Our promoters Mr. Oswald D'Souza and Mr. Felix Kadam were the partners of the said firm. In FY 2010, our Company has taken over the running business of M/s Cospower Corporation along with its assets and liabilities vide agreement of takeover dated December 01, 2010.

Our Company is currently engaged in the business of manufacturing of electrical panels, harmonic filters and substation and equipment mounting structure. The plant is equipped with machinery to produce the quality products with emphasis on quality and performance. Our Company has also been providing turnkey services which involves supply, installation, commissioning, testing and comprehensive maintenance of electric products. There are few products which the Company do not manufacture but has to provide turnkey services by buying from other manufacturers. Our Company has extended its product range to other power related products that are needed to complete the electrical system. Our company is offering 'under one roof' a complete package of electrical system and solutions.

Our Company has product portfolio that covers product range of electrical equipment's and we also provide wide range of turnkey services with the help of highly trained team of field of service engineers to assure the safe and proper operation of the electrical distribution equipment. Over last decades, we believe that we have gained invaluable experience in assisting our customers develop new designs, incorporating latest technologies and efficiently utilising our manufacturing facility, equipment and materials and thereby constantly improving our product offerings, structure and functional design so as to meet our customers' needs. We undertake manufacture and supply of finished products and intermediate-stage products for our customers on contract basis depending upon the demand from them.

Our Promoters Mr. Oswald D'Souza and Mr. Felix Kadam have an experience of about more than 2 decades each in electrical and engineering industry. They have been the guiding force to take timely decisions and have served as an invaluable mentor for strategy formulation for our company. For the detailed information regarding experience of our promoters and directors, refer to "Our Management" beginning on page 116 of this Prospectus.

Our Company is fully committed towards delivering products that will not only meet the expectations of the customers but exceed them as well to add a smile on their faces. And for achieving this objective, it is vital that the company upgrades the quality and range of its products to maintain the winning edge over its competitors. The engineers of the company are trained to face the market's challenge. Every engineer of the company are equipped and specialized to satisfy the client's needs. The ongoing training programs of the company are designed such that field engineers can independently handle the most intricate issues faced in the field during erection and maintenance of electrical equipment.

Our manufacturing unit is located at Vasai in Maharashtra. Our manufacturing facility is equipped with requisite infrastructure including machinery, other handling equipment to facilitate smooth manufacturing process. Moreover, the Environment Management System, Quality Management System and Occupational Health and Safety Management System of our Company has been approved as per the guidelines of ISO 14001:2015 ISO 9001:2015 and ISO 45001:2018 respectively for design, manufacturing, supply, commissioning and consultancy for electrical and mechanical equipment and Manufacturing of high/ low voltage electrical panels.

For the 9 months period ended as on December 31, 2019, Total Revenue and Restated Profit/ Loss after Tax was of our Company is ₹ 748.88 Lakhs and ₹ 24.86 Lakhs, respectively. For the year ended March 31, 2019, Total Revenue and Restated Profit after Tax of our Company was ₹ 1303.26 Lakhs and ₹ 51.73 Lakhs respectively, compared to Total Revenue and Restated Profit after Tax of ₹ 860.75 Lakhs and ₹ 19.24 Lakhs respectively, over previous year ended i.e. March 31, 2018.

#### **Significant developments subsequent to the last Audited Period**

In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e. December 31, 2019 as disclosed in this Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on February 19, 2020 proposed the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra Ordinary General Meeting held on February 20, 2020 authorized the Issue.

#### **Key factors affecting our results of Operation**

1. Our dependence on limited number of customers for a significant portion of our revenues;
2. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
3. Our exposure to risks associated with fluctuations in foreign exchange rates;
4. Our ability to retain and hire key employees or maintain good relations with our workforce;
5. Realization of Contingent Liabilities, if any;
6. Any disruption in labour industry or strikes by our workforce may affect the production capability;
7. Increased competition in industries/sector in which we operate;
8. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
9. Changes in laws and regulations relating to the Sectors in which we operate;
10. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
11. Any adverse outcome in the legal proceedings in which we are involved;
12. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
13. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
14. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

#### **Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled "Financial Statements" on page no. 133 of the Prospectus.

Particulars	For the nine Month Period ended December 31, 2019	% of Total Income	F.Y. ended March 31, 2019	% of Total Income	F.Y. ended March 31, 2018	% of Total Income	F.Y. ended March 31, 2017	% of Total Revenue
<b>INCOMES:</b>								
- Revenue From Operation	743.40	99.27	1301.08	99.83	857.79	99.66	912.33	95.32
- Other income	5.48	0.73	2.18	0.17	2.96	0.34	44.76	4.68
<b>Total Income</b>	<b>748.88</b>	<b>100.00</b>	<b>1303.26</b>	<b>100.00</b>	<b>860.75</b>	<b>100.00</b>	<b>957.09</b>	<b>100.00</b>
<b>EXPENDITURES:</b>								
Changes in inventories of finished goods, WIP and Stock-in-Trade	(149.41)	(19.95)	61	4.68	10.25	1.19	85.71	8.96
Purchase of Traded Goods	627.91	83.85	848.87	65.13	602.27	69.97	630.09	65.83
Employee benefits expense	106.42	14.21	102.19	7.84	86.76	10.08	94.44	9.87
Finance costs	17.08	2.28	29.01	2.23	29.38	3.14	35.67	3.73
Depreciation and amortization expenses	3.30	0.44	3.69	0.28	4.16	0.48	4.63	0.48
Other expenses	100.56	13.42	187.61	14.39	97.39	11.31	59.08	6.17
<b>Total Expenses</b>	<b>705.86</b>	<b>94.26</b>	<b>1232.37</b>	<b>94.56</b>	<b>830.22</b>	<b>96.45</b>	<b>909.61</b>	<b>95.04</b>
<b>Net Profit before tax, exceptional &amp; extraordinary items</b>	<b>43.02</b>	<b>5.74</b>	<b>70.89</b>	<b>5.44</b>	<b>30.53</b>	<b>3.55</b>	<b>47.48</b>	<b>4.96</b>
Less: Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit before extraordinary items and tax (C=A-B)</b>	<b>43.02</b>	<b>5.74</b>	<b>70.89</b>	<b>5.44</b>	<b>30.53</b>	<b>3.55</b>	<b>47.48</b>	<b>4.96</b>
Prior Period Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Extraordinary items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit before tax</b>	<b>43.02</b>	<b>5.74</b>	<b>70.89</b>	<b>5.44</b>	<b>30.53</b>	<b>3.55</b>	<b>47.48</b>	<b>4.96</b>
<b>Tax Expenses</b>								
- Current Tax	12.00	1.60	19.50	1.50	9.00	1.05	19.00	1.99
-Short/(Excess) Provision of Earlier Year	6.16		0.05		0.10		2.80	
- Deferred Tax Liability / (Asset)	0	0	(0.40)	(0.03)	2.19	0.25	(1.09)	(0.20)
<b>Profit/(Loss) for the period After Tax- PAT</b>	<b>24.86</b>	<b>4.14</b>	<b>51.73</b>	<b>3.97</b>	<b>19.24</b>	<b>2.25</b>	<b>27.58</b>	<b>3.17</b>
Minority Interest	0.07	0.00	(0.64)	0.00	(0.91)	0.00	0.23	0.00
<b>Profit for the Year</b>	<b>24.86</b>	<b>4.14</b>	<b>51.73</b>	<b>3.97</b>	<b>19.24</b>	<b>2.25</b>	<b>27.58</b>	<b>3.17</b>

**Key Components of Our Profit And Loss Statement**

**Revenue from operations:** Revenue from operations mainly consists of sale of materials, Scrap Sales, Cash Discount and Transport charges recovered and job work items.

**Other Income:** Other income primarily comprises interest income, profit on sale of assets, discount, foreign exchange difference, excise duty credit and dividend income etc.

**Expenses:** Our expenses majorly consist of cost of material consumed, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

**Employee benefits expense:** Employee benefit expense includes salaries and wages, staff welfare expenses, bonus, director's remuneration and contribution to provident fund and gratuity.

**Finance Costs:** Finance cost comprises interest on indebtedness, bank and other finance charges.

**Depreciation and amortization expense:** We recognize depreciation and amortization expense on a Written down value method as per the provisions set forth in the Companies Act 2013.

**Other expenses:** Other expenses consist power and fuel, repairs and maintenance, packing expenses, lease rent of machinery, sales promotion expense, advertisement expenses, office expenses, legal and professional fees, conveyance and travelling, insurance, repairs and maintenance, security and housekeeping charges, water charges, communication expenses, printing and stationery, etc.

**Financial Performance for the nine months period ended December 31, 2019:**

*Revenue from Operations*

Revenue from operations for the period ended December 31, 2019 amounted to ₹ 743.40 Lakhs which was primarily on account of sale of materials, Scrap Sales, Cash Discount and Transport charges recovered and job work items.

*Other income*

Our other income was ₹ 5.48 lakhs for the period ended December 31, 2019 comprising interest income, profit on sale of assets, discount, foreign exchange difference, excise duty credit and dividend income.

*Total Expenses*

Our total expenses, excluding tax amounted to ₹ 705.86 lakhs for the period ended December 31, 2019 which were 94.26% of our total revenue.

*Employee Benefit Expenses*

Our employee benefit expenses for the period ended December 31, 2019 was 106.42 lakhs which primarily comprised salaries and wages, staff welfare expenses, bonus, director's remuneration and contribution to provident fund and gratuity.

*Finance Costs*

Our finance costs for the period ended December 31, 2019 was ₹ 17.08 lakhs primarily consisting of interest on indebtedness, bank and other finance charges.

*Depreciation and Amortization Expenses*

Our Depreciation and amortization expenses for the period ended December 31, 2019 was ₹ 3.30 Lakhs on account of depreciation on

tangible fixed assets.

*Other expenses*

Our other expenses for the period ended December 31, 2019 was ₹ 100.56 lakhs primarily consisting power and fuel, repairs and maintenance, packing expenses, lease rent of machinery, sales promotion expense, advertisement expenses, office expenses, legal and professional fees, conveyance and travelling, insurance, repairs and maintenance, security and housekeeping charges, water charges, communication expenses, printing and stationery, etc

*Profit before Tax*

Our Profit before tax for the period December 31, 2019 was ₹ 43.02 lakhs which was 5.74% of our total revenue.

*Tax Expenses*

Our tax expenses for the period ended December 31, 2019 was ₹ 18.16 lakhs. Tax expenses comprised of current tax, deferred tax. Our tax expenses were 2.44% of our total revenue.

*Profit after Tax*

Our profit after tax for the period December 31, 2019 was ₹ 24.86 lakhs forming 4.14% of our total revenue.

Since, the results are for nine Months, Comparison with previous fiscal would not reflect actual performance of the Company, Comparison has not been provided.

**Comparison of the Financial Performance of Fiscal 2019 with Fiscal 2018**

**Revenue from Operations:** During the F.Y. 2019 the revenue from operation of the Company increased to ₹1301.08 lakhs as against previous financial year ₹ 857.79 lakhs an increase of 51.68%. This increase was mainly due to increase in revenue from sale of the products.

**Total Revenue:** Total Revenue for the F.Y. 2019 stood at ₹1303.26 lakhs where as in F.Y. 2018 the same was ₹ 860.75 lakhs i.e. increases of 51.41%.

**Total Expenses:** Total expenditure for the F.Y. 2019 increased to ₹1232.37 lakhs from ₹830.21 lakhs compared to the previous financial year, increasing by 48.44 %.

**Purchase of Traded Goods:** Purchase of Traded Goods increased to ₹ 848.87 lakhs from ₹ 602.27 lakhs compared to the previous financial year, increasing by 40.95%. This was mainly due to increase in Purchase costs of the raw materials and consumables.

**Employee benefits expense:** Employee benefits expense increased to ₹ 102.19 lakhs from ₹86.76 lakhs in the year F.Y 2019 from its previous year, i.e. an increase of 17.78%. This was also due to increase in business activities of the Company.

**Finance costs:** Finance costs decreased to ₹ 29.01 lakhs in F.Y 2019 as compared to F.Y 2018 in which it was ₹ 29.38 lakhs i.e. a decrease of 1.26%.

**Depreciation and amortization expense:** Depreciation and amortization expense decreased from ₹3.69 lakhs in F.Y. 2019 to ₹ 4.16 lakhs in F.Y. 2018. i.e. a decrease of 11.30%

**Other Expenses:** Other expenses for the F.Y 2019 stood at ₹ 187.61 lakhs; whereas it was ₹97.39lakhs in previous financial year i.e. as increase of 92.64%. This was mainly due to Increase in travelling Expenses &labour cost.

**Net Profit before tax:** Net Profit before tax for the F.Y 2019 was ₹ 70.89 lakhs and in F.Y. 2018 the Net Profit before tax was ₹30.53 lakhs. The increase in profit before tax was 132.20% due to increase in sale.

**Restated profit after tax:** The Restated profit after tax for the F.Y 2019 was ₹70.89 lakhs and in F.Y. 2018 the loss was ₹ 30.53 lakhs representing increasing of 168.92 % due to decrease in sale.



**Comparison of the Financial Performance of Fiscal 2017 with Fiscal 2016**

**Revenue from Operations:** During the F.Y. 2018 the revenue from operation of the Company decreased to ₹ 857.79 lakhs as against previous financial year ₹ 912.33 lakhs an decrease of 5.98 %.

**Total Revenue:** Total Revenue for the F.Y. 2018 stood at ₹ 960.75 lakhs where as in F.Y. 2017 the same was ₹ 957.09 lakhs i.e. decreases of 10.07%.

**Total Expenses:** Total expenditure for the F.Y. 2018 decreased to ₹ 830.21 lakhs from ₹909.62lakhs compared to the previous financial year, decreasing by 8.73%.

**Purchase of Traded Goods:** Costs of materials consumed decreased to ₹ 602.27 lakhs from ₹ 630.09 lakhs compared to the previous financial year, increasing by 6.63%.

**Employee benefits expense:** Employee benefits expense increased to ₹ 504.97 lakhs from ₹435.10 lakhs in the year F.Y 2018 from its previous year, i.e. an decrease of 4.41%.

**Finance costs:** Finance costs increased to ₹ 29.38 lakhs in F.Y 2018 as compared to F.Y 2017 in which it was ₹ 35.67 lakhs i.e. decrease of 17.63%.

**Depreciation and amortization expense:** Depreciation and amortization expense decreased from ₹4.63 lakhs in F.Y. 2017 to ₹ 4.16 lakhs in F.Y. 2018. i.e. a decrease of 10.15%

**Other Expenses:** Other expenses for the F.Y 2018 stood at ₹ 97.39 lakhs; whereas it was ₹ 59.08 lakhs in previous financial year i.e. as increase of 64.84 %. This was mainly due to Increase in travelling Expenses & labour cost.

**Net Profit before tax:** Net profit before tax for the F.Y 2018 was ₹ 30.53 lakhs and in F.Y. 2017 the Net Profit before tax was ₹47.48 lakhs due to due to decrease in sale.

**Restated profit after tax:** The Restated Profit after tax for the F.Y 2018 was ₹ 19.24 lakhs and in F.Y. 2017 the Profit was ₹ 27.59 lakhs due to due to decrease in sale.

**Information required as per Item (2) (C) (1) (11) of Part A of Schedule VI to the SEBI ICDR Regulations, 2018:**

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

**Unusual or infrequent events or transactions:-**There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

**Significant economic changes that materially affected or are likely to affect income from continuing operations:-**There are no significant economic changes that may materially affect or likely to affect income from continuing 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:-**

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page no. 24of this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**Future changes in relationship between costs and revenues:-**Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by our suppliers.

**Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Increases in revenues are by and large linked to increase in volume of business.

**Total turnover of each major industry segment in which the issuer company operated.**

Our Company is currently engaged in the business of manufacturing of electrical panels, harmonic filters and substation and equipment mounting structure. For further details, please refer the chapter titled "Our Business" beginning on page no. 93 of this Prospectus. Relevant Industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page no. 86 of this Prospectus.

**Status of any publicly announced new products or business segment.**

Our Company has not announced any new product and segment.

**Seasonality of business:-**Currently our Company's business is not seasonal in nature.

**Dependence on a single or few customers/ clients:-**The percentage of contribution of our Company's top customers/clients & top suppliers for the period ended December 31, 2019 are as follows:

Particulars	Customers	Suppliers
Top 10 (%)	69.21%	67.54%

**Competitive conditions:**

Competitive conditions are as described under the Chapters "*Industry Overview*" and "*Our Business*" beginning on pages no. 86 and 93 respectively of the Prospectus.

**Details of material developments after the date of last balance sheet i.e. December 31, 2019**

There are no circumstances which have arisen since the date of last financial statement until the date of filing this Draft Prospectus except allotment of 1,00,000 equity shares in equal ratio dated 20th February 2020 to Mr. Oswald Rosario Dsouza and Mr Felix Kadam, for further information refer to section title "Capital Structure", Basis of Issue Price" and statement of Financial Indebtness beginning on Page no 57,81,167 of the Prospectus. which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

## CAPITALISATION STATEMENT

<b>STATEMENT OF CAPITALISATION</b>		
<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
	<b>31.12.2019</b>	
<b>Debt</b>		
Short Term Debt	403.72	<b>276.72</b>
Long Term Debt	-	-
<b>Total Debt</b>	<b>403.72</b>	<b>276.72</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	<b>100.00</b>	<b>150.00</b>
Reserves & Surplus	<b>83.29</b>	<b>364.29</b>
Less: Miscellaneous Expenses not w/off	-	-
<b>Total Shareholders' Fund (Equity)</b>	<b>183.29</b>	<b>514.29</b>
<b>Long Term Debt/Equity</b>	-	-
<b>Total Debt/Equity</b>	<b>2.20</b>	<b>0.54</b>
<b>Notes:</b>		
1. Short term Debts represents the debts which are expected to be paid/ payable within 12 months and excludes instalment of term loans repayable within 12 months.		
2. Long term Debts represent debts other than Short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities		
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/12/2019.		

## **SECTION X: LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by regulatory or statutory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five financial years, including outstanding action, (IV) claims related to direct and indirect taxes, and (V) other pending litigation which are determined to be material as per the policy adopted by our Board ("Materiality Policy"), in each case involving our Company, Promoters and Directors, (the "Relevant Parties"). For the purpose of (V) above, our Board has considered and adopted a policy of materiality for identification of material litigation in terms of the SEBI (ICDR) Regulations, 2018 as amended for disclosure of all pending litigation involving the Issuer, its directors and promoters, other than criminal proceedings, statutory or regulatory actions and taxation matters where the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 1.00 lacs and such pending cases are material from the perspective of the Issuer's business, operations, prospects or reputation. The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5% of the total trade payables as per the last audited financial statements of the Issuer.

#### **PART I – CONTINGENT LIABILITIES OF OUR COMPANY**

For details of Contingent Liability please refer to Section titled "Financial Information" beginning on page 133 of Prospectus"

#### **PART II – LITIGATIONS RELATING TO OUR COMPANY**

##### **A. Cases filed against our Company**

###### **1. Litigation involving Civil Laws**

Nil

###### **2. Litigation involving Criminal Laws**

1. Nil

###### **2. Litigation involving Securities and Economic Laws**

Nil

###### **3. Litigation involving Labour Laws**

Nil

###### **4. Litigation involving Taxation**

1. A demand of Rs. 19,39,191/- had been raised against the Company against the assessment order (the order) for the period from 01.04.2011 to 31.03.2012 passed u/s. 9(2) of the CST Act, 1956 r/w. Section 23(5) of MVAT Act, 2002 by the Dy. Commissioner of Sales tax (PAL-VAT-E-007), Bhayander. The company had filed an appeal against the order against a part payment of Rs. 5,57,703/-. Pursuant to which the Joint Commissioner of Sales Tax (VAT Adm.) had stayed the recovery proceedings vide its order no. JC VAT ADM/APP/CST-65/17-18/BHAYANDER/B-1394 dtd. 25.05.2018, without prejudice to the penalty u/s. 29(8) of the Maharashtra Value Added Tax Act, 2002, that may be leviable from the date of assessment order to the date of Payment.

##### **B. Cases filed by our Company**

###### **1. Litigation involving Civil Laws**

***Cospower Engineering Limited***

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Nil

**1. Litigation involving Company Laws**

Nil

**2. Litigation involving Criminal Laws**

NIL

**3. Litigation involving Securities and Economic Laws**

Nil

**4. Litigation involving Labour Laws**

Nil.

**5. Litigation involving Taxation**

Nil

**C. Notices from Statutory Authorities**

Nil.

**PART III – LITIGATIONS RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF  
THE COMPANY**

**A. Cases filed against the Directors**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Economic Offenses**

Nil

**4. Litigation involving Tax Liabilities**

Nil

**B. Cases filed by the Directors**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Economic Offenses**

Nil

**4. Litigation involving Tax Liabilities**

Nil

**PART IV – LITIGATIONS RELATING TO OUR PROMOTERS AND PROMOTER GROUP ENTITIES**

**A. Cases filed against the Promoters and Promoter Group entities**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Economic Offenses**

4. Nil

**5. Litigation involving Tax Liabilities**

Nil

**B. Cases filed by the Promoters and Promoter Group entities**

**1. Litigation involving Civil Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Securities and Economic Laws**

Nil

**4. Litigation involving Labour Laws**

Nil.

**5. Litigation involving Taxation**

Nil

**PART V – AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

The Board of Directors of our Company considers dues exceeding 5% of our Company's total Trade Payables as per Audited financial statements, to small scale undertakings and other creditors as material dues for our Company. As on December 31, 2019, there are 6 creditors to whom our Company owes amounts exceeding 5% of our Company's Trade Payables and the aggregate outstanding dues to it being approximately Rs. 150.61 lakhs. Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year-end together with interest payable as required under the said Act have not been furnished.

Therefore, as on December 31, 2019, our Company owes amounts aggregating to Rs. 233.97 lakhs approximately towards Trade Payables as per Restated Financial Statements, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company

#### **PART VI: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in chapter titled "Capital Structure" on page 57 of this Prospectus there have been no material developments that have occurred after the Last Balance Sheet Date.

## **GOVERNMENT AND OTHER APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **Approvals In Relation to Our Company's incorporation**

1. Certificate of incorporation dated September 22, 2010 from the Registrar of Companies, Maharashtra, Mumbai under the Companies Act, 1956 as 'Cospower Engineering Private Limited' (Corporate Identification No.: U31908MH2010PTC208016);
2. Certificate of Incorporation dated February 19, 2020 from the Registrar of Companies, Maharashtra, Mumbai consequence to conversion of Company 'Cospower Engineering Private Limited' to "Cospower Engineering Limited" (Corporate Identification No. - U31908MH2010PLC208016)

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on February 19, 2020 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated February 20, 2020 under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated February 20, 2020 and March 11, 2020 authorized our Company to take necessary action for filing the Prospectus and Prospectus respectively with BSE.

#### ***Approvals from Stocks Exchange***

1. Our Company has received in- principle listing approval from the SME Platform of BSE dated March 09, 2020 for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated February 28, 2020 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent for the dematerialization of its shares.
2. The Company has entered into an agreement dated February 27, 2020 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent for the dematerialization of its shares.



**Approvals/Licenses/Permissions in relation to our Business**

***Tax Related Approvals***

S.No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	NA	AAECC1654M	Commissioner of Income Tax, Maharashtra	03.11.2010	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	101-102,BUILDING NO.2, ARJUN VELJI UDYOG, BH RAJPRABHA UDYOG NGR, GOLANI NAKA, VALIV, VASAI EAST, DIST. THANE, MAHARASHTRA-401208	PNEC08702B	Income Tax Department	07.05.2011	Valid till Cancelled
3.	Certificate of Registration and Allotment of TIN (CST):	a. 101/102,ARJUN VELJI UDYOG NO.2,VILLAGE VALIV, VASAI EAST, CITY: WALIV(CT), 401208, TALUKA: VASAI, DISTRICT: THANE, MAHARASHTRA, INDIA.  b. 316,SHREE KRISHNA COMMERCIAL CENTRE, GOREGAON UDYOG NAGAR, OPP. S.V. ROAD, CITY: DAHANU (MCL), 400062, TALUKA: MUMBAI, DISTRICT: MUMBAI SUBURBAN, MAHARASHTRA, INDIA	27130807256C	Sales Tax officer (VAT-C-001) Registration, Nallasopara.	20.11.2012	Valid till Cancelled
4.	Certificate of Registration and Allotment of TIN (MVAT)	a. Office Address: 101/102, ARJUN VELJI UDYOG NO.2, VILLAGE VALIV, CITY:WALIV(CT),4012 08, TALUKA: VASAI, DISTRICT: THANE, MAHARASHTRA, INDIA  b. Additional Office Address: 316, SHREE KRISHNA COMMERCIAL	27130807256V	Sales tax Officer (VAT-C-001) Registration: Nalasopara	20.11.2012 Effective form 01.12.2010	Valid till Cancelled

S.No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
		CENTRE, GORE GAON (WEST), 6, UDYOG NAGAR OPP. S.V. ROAD, CITY: DAHANU(MCL), 400062, TALUKA MUMBAI, DISTRICT: MUMBAI SUBURBAN, MAHARASHTRA, INDIA				
5.	Central Excise Registration Certificate	ARJUN VELJI UDYOG NO.2, 101/102, GOLANI NAKA, BEHIND RAJPRABHA INDL UDYOG, VALIV, VASAI, THANE, MAHARASHTRA	AAECC1654ME M001	Depty. Commissioner, Central Excise Vassai Division, Thane-II	16.12.2010	Valid till Cancelled
6.	Service Tax Registration Certificate	ARJUN VELJI UDYOG NO.2, 102, GOLANI NAKA, VALIV, VASAI, THANE, MAHARASHTRA - 411208	AAECC1654MS D001	Central board Of Excise And Custom Superintendent Service Tax, Division-VI, Mumbai-II	17.05.2013	Valid till Cancelled
7.	Professions Tax Registration certificate (P.T.R.C.):	101/102, ARJUN VELJI NAGAR, BEHIND RAJPRABHA INDL, UDHYOG GOLANI NAKA, VALIV, VASAI(E), CITY: VASAI (MCL), 401208, TALUKA: VASAI, DISTRICT: THANE, MAHARASHTRA, INDIA	27130807256P	Sales Tax Office Profession Tax Officer, Nalasopara(west)	03.02.2012	Valid till Cancelled
8.	GST Registration Certificate	GALA No. K/4, QURESHI ESTATE, (SAGAR INDUSTRIAL ESTATE NO. 1), SURVEY NO. 31, PT., NEAR PARABWADI, CHINCHOTI, KOLHI, TAL. VASAI (ESTATE), PALGARH, MAHARASHTRA - 401208	27AAECC1654 M1ZH	Central Board of Indirect Taxes & Customs	22.09.2017	Valid till Cancelled

**Other Approvals**

S.No.	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry	
1.	Certificate of Importer-Exporter Code (IEC)	203-KESARINATH BUILDING NEAR FILMISTAN, S V ROAD GOREGAON WEST MUMBAI, MUMBAI	0311059414	Ministry of Commerce and Industry, Mumbai	07.12.2011 Added branch code:1 vide certificate	Valid till Cancelled

S.No.	Description		Registration Number	Issuing Authority	Date of issue	Date of Expiry
		SUBURBAN MAHARASHTRA 400062  a. Branch 203-KESARINATH BUILDING NEAR FILMISTAN, S V ROAD GOREGAON WEST MUMBAI, MUMBAI SUBURBAN MAHARASHTRA 400062			dated 16.05.2019	
2.	Registration under the Employees Provident fund (EPF)	101/102, ARJUN VELJI UDYOG NO.2, VILLAGE VALIV, TALUKA VASAI DIST. THANE 401208	KD/MAL/021027 8/000	Regional Provident Fund Commissioner, Mumbai, Maharashtra	Allotted on 28.08.2007 to M/s. Cospower Corporation and was later allocated in the name of M/s. Cospower Engineering Private Limited	Valid till Cancelled
3.	Registration under State Insurance Act (ESI) for place of business at:	101/102, ARJUN VELJI UDYOG NO.2, BEHIND RAJPRABHA UDYOG NAGAR, GOLANI NAKA, VILLAGE: VALIV, TAL: VASAI, 401208	<b>350003281600006 06</b>	Sub-Regional Office, ESIC, Mumbai	28.06.2012	Valid till Cancelled
4.	Registration under Shop & Establishment	203, KESARINATH BUILDING, S V ROAD, NEAR FILMISTAN, GOREGAON WEST, MUMBAI-400062, MAHARASHTRA	820064885/ PS Ward/ Commercial II	The Secretary, Government of India	22.08.2019	21.08.2022
5.	NSIC-GOVERNMENT PURCHASE ENLISTMENT CERTIFICATE:	a. Office Address: 203, KESARINATH BUILDING, S.V. ROAD, NEAR FILMISTAN, GOREGAON (WEST), MUMBAI CITY, MAHARASHTRA-400062  b. Factory Address: GALA No. K/4, QURESHI ESTATE, (SAGAR INDUSTRIAL ESTATE NO. 1, SURVEY NO. 31, PT., NEAR PARABWADI,	NSIC/GP/MUM/2 016/0020911  Old registration no. NSIC/MUMGP/R S/C-211/MH	The National Small Industries Corporation Limited	15.01.2020	28.11.2021

S.No.	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
		CHINCHOTI, KOLHI, TAL. VASAI (ESTATE), PALGARH, MAHARASHTRA- 401208			
	Electrical Contractors License		CCR-2015/PG351/Energy-2	Maharashtra Industries, Energy and Labour Department	28.07.2016 Renewed till 28.07.2022
6.	Udyog Aadhar Memorandum (UAM) Number	203 KESARINATH BUILDING S V ROAD NEAR FILMISTAN GOREGAON WEST DISTRICT: PALGHAR MAHARASHTRA-400062 b. Factory Address: B/2, SURVEY NO. 46,47, SAGAR INDUSTRIAL ESTATE, DHUMAL NAGAR, VALIV, DISTRICT:PALGHAR, MAHARASHTRA-401208	MH17A0016475 Previous registration no. EM-2:: 27-021-11-02334-PARTII	MSME (Ministry of Micro Small & Medium Enterprises)	13.12.2017 Valid till Cancelled

**Certificates Received:**

S.No	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	ISO 14001:2015 for Environmental Management System	a. Office Address: 203, KESARINATH BUILDING, S.V. ROAD, NEAR FILMISTAN STUDIO, GOREGAON (WEST), MUMBAI-400062, MAHARASHTRA, INDIA b. Factory Address: GALA No. K/4, QURESHI ESTATE, (SAGAR INDUSTRIAL ESTATE NO. 1, SURVEY NO. 31, PT., NEAR PARABWADI, CHINCHOTI, KOLHI, TAL. VASAI (ESTATE), PALGARH, MAHARASHTRA - 401208	IN114940B	LMS Assessments [Accredited by Emirates International Accreditation Centre (EIACI)]	20.12.2018 Renewed till 19.12.2021
2.	ISO 9001:2015 For Quality	a. Office Address: 203, KESARINATH BUILDING, S.V. ROAD, NEAR FILMISTAN STUDIO, GOREGAON	DI-17112402	Indraprastha SystemCert Pvt. Ltd. [Accredited by Emirates	24.11.2017 Renewed till 23.11.2020

S.No	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
	Management system  (WEST), MUMBAI-400062, MAHARASHTRA, INDIA  b. Factory Address: GALA No. K/4, QURESHI ESTATE, (SAGAR INDUSTRIAL ESTATE NO. 1, SURVEY NO. 31, PT., NEAR PARABWADI, CHINCHOTI, KOLHI, TAL. VASAI (ESTATE), PALGARH, MAHARASHTRA - 401208		International Accreditation Centre (EIACI)		
	ISO 45001:2018 For Occupational Health and Safety Management System  a. Office Address: 203, KESARINATH BUILDING, S.V. ROAD, NEAR FILMISTAN STUDIO, GOREGAON (WEST), MUMBAI - 400062, MAHARASHTRA, INDIA  b. Factory Address: GALA No. K/4, QURESHI ESTATE, (SAGAR INDUSTRIAL ESTATE NO. 1, SURVEY NO. 31, PT., NEAR PARABWADI, CHINCHOTI, KOLHI, TAL. VASAI (ESTATE), PALGARH, MAHARASHTRA - 401208	20E0BS11	Magnitude Management Services Pvt. Ltd. [Accredited by Egyptian Accreditation Council (EGAC)]	10.02.2020	09.02.2023

**APPROVALS/LICENSES/PERMISSIONS APPLIED FOR**

S.No	Description	Application Number	Issuing Authority	Date of Application
	Factory License	Token ID of Mahawallet: 13550200000884 Application No. 100011132021	Department of Labour, Government of Maharashtra	February 12, 2020

**MEMBERSHIP:**

S.No	Description	Membership No.	Year of Issue	Validity
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**Cospower Engineering Limited**

1.	Bombay Chamber of Commerce & Industry	BC/6579/AL/2012	2012	February 12, 2020
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**Intellectual Property**

**Trademarks registered/Objected/Abandoned in the name of our company**

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark	Owner	Number/ Date of Application	Authority	Current Status
1.		7	Registered	COSPOWER ENGINEERING PRIVATE LIMITED	3846935 30/05/2018	Registrar of Trademark, Mumbai	Registered Valid upto 30/05/2028

**Domain Name**

S.No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="http://www.cospowerindia.com/">http://www.cospowerindia.com/</a>	K-systems	Cospower Engineering Pvt. Ltd 101/102, A.V. Udyog #2, Golani Naka Off. Rajprabha Udyog Nagar, Valiv Vasai East , Maharashtra-401208, India		

## **SECTION XI: INFORMATION WITH RESPECT TO GROUP COMPANIES**

As per the SEBI (ICDR) Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standard, i.e., AS-18 as per the Restated Financial Statements (other than our Subsidiary Company if any) and other companies considered material by our Board with which our Company has had related party transactions during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

Pursuant to a resolution of our Board dated February 19, 2020. Our Board has adopted a policy for determining material group companies for the purpose of disclosure in the offer documents in connection with the Issue, and as per the said policy, a company shall be considered material and disclosed as a Group Company, if such company is a part of the Promoter Group as defined under the SEBI (ICDR) Regulations and our Company has entered into one or more transactions such that, individually or cumulatively such transaction exceeds 20% of the total revenue of our Company of those previous financial periods in respect of which, such financial statements are included in this Prospectus.

Based on the above as on the date of filing this Prospectus, there are no companies which are considered as group companies for the purpose of disclosure in this Prospectus.

## SECTION XII: OTHER REGULATORY AND STATUTORY DISCLOSURES

### **Authority for the Issue**

#### *Corporate Approvals*

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on February 19, 2020 and our Shareholders have approved the Fresh Issue pursuant to the resolution passed at their meeting held on February 19, 2020 under Section 62(1) (c) of the Companies Act, 2013.

#### *In-principle Approval*

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Draft Prospectus/ Prospectus pursuant to an approval letter dated March 09, 2020 BSE is the Designated Stock Exchange.

### **Prohibition by SEBI, RBI or governmental authorities**

We confirm that our Company, our Promoters, our Promoter Group, our Directors, person(s) in control of the promoters or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court

The companies, with which our Directors are or were associated as promoters, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our Directors are associated with as promoters or directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoter or director.

### **Prohibition with respect to willful defaulters**

Neither our Company, our Promoters, our Directors, Group Company, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as willful defaulters as defined by the SEBI ICDR Regulations.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.**

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Prospectus, there are no such significant beneficial owners in our Company.

### **Eligibility for the Issue**

We are an issuer whose post issue paid-up capital is less than or equal to Rs.10 Crore and therefore, our company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018.

Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares. The point wise Criteria for SME Platform of BSE Limited and compliance thereof are given hereunder;

- (i) The Company has Net Tangible Assets of at least Rs.3 crores as on the date of filing of Draft Prospectus;
- (ii) Our Company is incorporated under the Companies Act, 1956
- (iii) The Net worth (excluding revaluation reserves) of the Company is Positive;



- (iv) The Company have a track record of at least 3 years; and
- (v) The Company has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on December 31, 2019 is positive:

Particulars	Period ending December 31, 2019	Year ending March 31, 2019	Year ending March 31, 2018
Net worth	197.41	169.63	116.81
Earnings before depreciation and tax	49.24	75.67	42.20
Net Tangible Asset	183.29	158.42	106.69

The post issue paid up capital of the company will be 15,00,000 Equity Shares of face value of Rs.10/- aggregating up to Rs. 150 lakhs which is less than Rs. 25 Crores.

**We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "General Information – Underwriting" beginning on page 48of this Prospectus.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Draft Prospectus/Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus/Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Issue" beginning on page 48of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in demat securities. We have entered into an agreement with both the depositories.
2. Our Company has a website i.e. www.cospowerindia.com

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE

3. Our Company was originally incorporated as Cospower Engineering Private Limited at Mumbai as Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 22, 2010, bearing Corporate Identification

Number U31908MH2010PTC208016, issued by the Registrar of Companies, Mumbai and Maharashtra for the purpose of acquiring the Partnership business of M/s. Cospower Corporation, which was in existence since 2004. Subsequently, our Company was converted into Public Limited Company pursuant to a special resolution passed by members in Extra-Ordinary General Meeting of Company held on January 23, 2020 and the name of our company was changed to Cospower Engineering Limited vide a fresh Certificate of Incorporation dated February 19, 2020, issued by the Registrar of Companies, Mumbai and Maharashtra. The Corporate Identification Number of our Company is U31908MH2010PLC208016.

4. The post issue paid up capital of the company will be upto 15,00,000 Equity shares of face value of Rs.10/- aggregating upto 150.00 lakhs which is less than Rs. 25 Crores.
5. Our Company has a track record of three years as on date of filing of this Prospectus.
6. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on December 31, 2019 is positive.
7. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
8. There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
9. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
10. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Company, companies promoted by the promoter of the company.
11. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

Our Company is in compliance with the following conditions specified in Regulation 230 of the SEBI Regulations, 2018 to the extent applicable.

- Our Company has applied to the SME Platform of BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue and has received the in-principle approval from the SME Platform of BSE pursuant to its letter no. LO/SME IPO/ VK/IP/421/2019-20 having dated March 09, 2020. For the purposes of this Issue, SME Platform of BSE shall be the Designated Stock Exchange;
- Our Company has entered into the tripartite agreements with NSDL & CDSL along with our Registrar for facilitating trading in dematerialized mode. The details are as follows:
  - Agreement dated February 28, 2020 between CDSL, the Company and the Registrar to the Issue;
  - Agreement dated February 27, 2020 between NSDL, the Company and the Registrar to the Issue;
  - The Company's shares bear an ISIN: INE0CQB01010.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable. Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the 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 our Promoters or Directors is a willful defaulter.
- d) None of our Promoters or Directors is a fugitive economic offender.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT / OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT / OFFER DOCUMENT. THE LEAD MANAGER, SHRENI SHARES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MANAGER, SHRENI SHARES PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SHRENI SHARES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 20, 2020, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR), REGULATION 2018.**

**THE FILING OF THIS 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 PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LM ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS PROSPECTUS.**

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai, Maharashtra in terms of section 26 of the Companies Act, 2013.*

#### **Price Information and Track Record of past issues handled by Lead Manager**

This being the first issue managed by the Lead Manager, the stated disclosure is not applicable.

#### **Disclaimer from our Company and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (Shreni Shares Private Limited), and our Company on February 20, 2020 and the Underwriting Agreement dated February 20, 2020 entered into between the Underwriters, and our Company and the Market Making Agreement dated February 20, 2020 entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Company, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group and our affiliates or associates for which they have received and may in future receive compensation.

#### **Note**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

#### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the SME Platform of BSE**

As required, a copy of the Prospectus shall be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by the SME Platform of BSE Limited to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

*"BSE Limited ("BSE") has vide its letter dated March 09, 2020 given permission to Cospower Engineering Limited to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:*

*i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or ii. Warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company; iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker(s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved*

by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever, v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof. vi, The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules/regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Filing**

This Prospectus is being filed with BSE Limited, Exchange Plaza, 25<sup>th</sup> Floor, P J Towers, Dalal Street, Mumbai, Maharashtra 400001 India.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus and Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 26 of the Companies Act, 2013, and a copy of the Prospectus, required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Mumbai 100, Everest, Marine Drive Mumbai- 400002

#### **Listing**

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in- principle approval from BSE by way of its letter dated March 09, 2020 for listing of equity shares on SME Platform of BSE (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed

by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

### **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 to action under section 447 of the Companies, Act 2013

### **Consents**

Consents in writing of Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Lead Manager, Registrar to the Issue, Banker to the Issue, Legal Advisor to the Issue, Sponsor Bank, Underwriters to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. A. Biyani & Co., Chartered Accountants, Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

### **Experts Opinion**

Except for the reports in the section titled "*Financial Statements and Statement of Tax Benefits*" on page 133 and 86 respectively of this Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Lead Manager will be as per the (i) Agreement dated February 20, 2020 with the Lead Manager, (ii) the Underwriting Agreement dated February 20, 2020 and the addendum thereto with the Underwriters and (iii) the Market Making Agreement dated February 20, 2020 with the Market Maker and the addendum thereto, a copy of which is available for inspection at our Corporate Office from 10.00am to 5.00 pm on Working Days from the date of the Prospectus until the Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated February 20, 2020 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Except as disclosed in section titled "*Capital Structure*", our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled "*Capital Structure*" beginning on page 57 of this Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Previous capital issue during the last three years by listed Group Companies of our Company**

None of our Group Companies are listed. Further, none of our Group Companies have made any capital issue of securities in the preceding three years.

### **Performance vis-à-vis objects**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **Partly Paid-Up Shares**

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

### **Option to Subscribe**

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

### **Stock Market Data for our Equity Shares**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of this Prospectus. Since

there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

Investors may contact the LM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or first Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, UPI ID (if applicable), address of the Applicant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, LM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Garima Garg, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. For details, see "*General Information*" on page 48 of this Prospectus.

Our Board by a resolution on February 19, 2020 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "*Our Management*" beginning on page 116 of this Prospectus.

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Capitalization of Reserves or Profits**

Save and except as stated in "*Capital Structure*" on page 57 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

### **Revaluation of assets**

Our Company has not revalued its assets since incorporation.

### **Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**





Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as disclosed under sections titled "*Our Management*"; and "*Related Party Transactions*" beginning on page 116 and 133 respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## **SECTION XIII: OFFERING INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Prospectus, the Draft Prospectus, the abridged prospectus, any addendum/corrigendum thereto, Application Form, any Confirmation of Allocation Note ("CAN"), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to 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 GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 and SEBI/HO/CFD/DIL2/CIR/P/2018/138, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (ASBA) process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

The present Public Issue of upto 4,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on February 19, 2020 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-ordinary General Meeting held on February 19, 2020 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to "Main Provisions of Articles of Association of the Company" on page 231 of the Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to "Dividend Policy" on page 132 of the Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹10.00 each are being offered in terms of this Prospectus at the price of ₹ 51.00 per Equity Share (including premium of ₹ 41.00 per share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section titled "***Basis for Issue Price***" beginning on page 81 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & Notices to members
- Right to attend general meetings and exercise voting rights, unless prohibited bylaw;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled "*Main Provisions of Articles of Association of the Company*" beginning on page 231 of the Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated February 27, 2020 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated February 28, 2020 between CDSL, our Company and Registrar to the Issue;

The trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 2,000 Equity Shares and is subject to a minimum allotment of 2,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in the

Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

**Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

**Issue Program:**

Event	Indicative Date
Issue Opening Date	March 17, 2020
Issue Closing Date	March 19, 2020
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before March 24, 2020
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before March 26, 2020
Credit of Equity Shares to Demat accounts of Allottees	On or before March 27, 2020
Commencement of trading of the Equity Shares on the Stock Exchange	On or before March 30, 2020

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as

extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

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

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

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

#### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled "*General Information - Underwriting*" on page 48 of this Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

#### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company desiring to migrate to the Main board from the SME Board within two years of listing on SME platform of BSE has to fulfil following conditions:

- a) *The increase in post issue face value capital beyond ₹2,500 lakhs should arise only because of merger/acquisition or for expansion purposes.*
- b) *The company should have a minimum turnover of ₹1,000 lakhs as per last audited financials and market capitalization of ₹10,000 lakhs.*
- c) *The company should have a minimum profit before tax of ₹1,000 lakhs for two years out of three preceding years.*
- d) *There should not be any action against the company by any regulatory agency at the time of application for migration.*

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to section titled "*General Information - Details of the Market Making Arrangements for this Issue*" on page 48 of this Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 2000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription

in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Option to receive Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

#### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "*Capital Structure*" beginning on page 57 of this Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 231 of this Prospectus.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre- Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in



***Cospower Engineering Limited***

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compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



**ISSUE STRUCTURE**

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 199 and 209 of this Prospectus.

The Issue comprises of a Public Issue of upto 4,00,000 Equity Shares of Face Value of ₹10/- each fully paid (The "Equity Shares") for cash at a price of ₹ 51.00 per Equity Shares (including a premium of ₹ 41.00 per equity share) aggregating to 204.00 Lakhs ("the Issue") by our Company of which up to 24,000 Equity Shares of ₹10 each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of up to 3,76,000 Equity Shares of ₹10 each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 26.67% and 25.07% respectively of the post issue paid up Equity Share Capital of the Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	Upto 3,76,000 Equity Shares	Upto 24,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.00 % of the Issue Size	6.00% of the Issue Size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 2000 Equity Shares and further allotment in multiples of 2000 Equity Shares each. For further details please refer to " <i>Issue Procedure - Basis of Allotment</i> " on page 209 of this Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through ASBA Process including through UPI mode (as applicable)	Through ASBA Process Only.
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
<b>Minimum Application Size</b>	<p><b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of 2000 Equity Shares at an Issue price of ₹ 51.00 each, such that the Application Value exceeds ₹ 2,00,000/-</p> <p><b><u>For Retail Individuals Investors:</u></b> 2000 Equity Shares at an Issue price of ₹ 51.00 each.</p>	Upto 24,000 Equity Shares
<b>Maximum Application Size</b>	<p><b><u>For Other than Retail Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p><b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of 2000 Equity Shares such that the Application Value does not exceed ₹2,00,000/-.</p>	Upto 24,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Trading Lot</b>	2000 Equity Shares	2000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
<b>Terms of Payment</b>	The entire Application Amount shall be blocked by the SCSBs in the bank account of Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI mechanism) at the time of the submission of the Application Form	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

\*Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum of 50.00% of the net offer of shares to the public shall be made available for Retail Individual Investors; and
- b) The balance Net Issue of shares to the Public shall be made available for allotment to individual Applicants other than Retail Individual Applicant and other Investors including Non-Institutional Investors, Qualified Institution Buyers, Corporate Bodies/ Institutions.

**Note: If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.**

**Withdrawal of the Issue**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh DraftProspectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the ROC.

**Issue Program:**

<b>ISSUE OPENING DATE</b>	March, 17, 2020
<b>ISSUE CLOSING DATE</b>	March 19, 2020

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis- à-vis the data contained in the physical Application form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## **ISSUE PROCEDURE**

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, modified and updated pursuant to, among others, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 notified by SEBI, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016, SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 ("General Information Document"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document shall be made available on the websites of the Stock Exchange, the Company and the Lead Manager before opening of the Issue Period.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendments, modifications or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.*

*The lists of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbroker, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that has been notified by BSE Limited to act as intermediaries for submitting Application Forms are provided on <https://www.bsesme.com>.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.*

### **PART A**

#### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018 via Fixed Price Process wherein minimum of 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non-Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Applicants are required to submit their Applications to the Designated Intermediaries i.e. SCSBs or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application

Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant’s depository account along with Application Form. The Application Forms which do not have the details of the Applicants’ depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants’ PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

**Phased implementation of Unified Payments Interface**

*SEBI has issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 in relation to streamlining the process of public issue of equity shares and convertibles (“UPI Circular”). Pursuant to the circular, Unified Payments Interface (“UPI”) is proposed to be introduced in a phased manner (phase I will be effective from January 1, 2019) as an additional mode of payment with ASBA Form for applications by Retail Individual Investors through intermediaries (i.e., Registered Stock Brokers, Registrar and Transfer Agents and Depository Participants) (“UPI Channel”). The UPI Channel for making Applications by Retail Individual Investors will be made available in accordance with the UPI Circular. SEBI vide circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 has extended the implementation of Phase I till June 30, 2019.*

*Thereafter, for application by Retail applicants through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI*

**Application Form**

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis(ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “**Designated Intermediaries**”)

No.	Designated Intermediaries

1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
3.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
4.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB without use of UPI for payment:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment.</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details, including UPI ID, in the electronic bidding system of the stock exchange. Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

**Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

**Who can apply?**

In addition to the category of Applicants as set forth under “*General Information Document for Investing in Public Issues- Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

### **Maximum and Minimum Application Size**

The applicants in this Issue, being a fixed price, will be categorized into two:

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 2000 Equity Shares and in multiples of 2000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000. Under existing SEBI Regulations, Retail Individual Investors applying for amount not exceeding Rs.2,00,000 are allowed to withdraw or revise their application until the closure of the Issue.

#### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of 2000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Applicant cannot withdraw or lower their Application whether in terms of no. of Shares or amount at any stage.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

For applications where the proportionate allotment works out to less than 2000 equity shares the allotment will be made as follows:

1. Each successful applicant shall be allotted 2000 equity shares; and
2. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of 2000 equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 2000 equity shares subject to a minimum allotment of 2000 equity shares.

If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 2000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
2. The balance net offer of shares to the public shall be made available for allotment to
  - a. Individual applicants other than retail individual investors and
  - b. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Participation by Associates /Affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the Lead Manager may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of its clients.

#### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.



- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Application by HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

**Application by Eligible NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Applicants applying on a non- repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full application amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

**Application by FIIs (including FIIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, 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 that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly,

only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual Fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability

Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

#### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with Insurance Regulatory Development Authority ("**IRDA**"), certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager, reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5<sup>th</sup>Amendment) Regulations, 2010, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

- a) Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) The entire group of the investee company: atleast 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans);and
- c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. 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.

#### **Applications by Systemically Important Non-Banking Financial Companies**

In case of Applications made by Systemically Important Non-Banking Financial Companies 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 and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Applications by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs.2,500 Lakhs and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be

lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit. The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

#### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs.2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

#### **Information for the Applicants:**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account or alternatively, the Retail Individual Applicants apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs) , the relevant SCSB , shall block an amount in the ASBA Account equal to the Application Amount



9. specified in the Application Form, before entering the ASBA application into the electronic system. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

**Issue Procedure for Application Supported By Blocked Account (ASBA) Applicants**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

**Method and Process of Applications**

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the
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	extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

**Terms of payment**

The entire Issue price of Rs. 51.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

**Payment mechanism for Applicants**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to

the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case maybe.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

**Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - (i) the applications accepted by them;
  - (ii) the applications uploaded by them;
  - (iii) the applications accepted but not uploaded by the mor;
  - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) the applications accepted by any Designated Intermediaries;
  - (ii) the applications uploaded by any Designated Intermediaries or;
  - (iii) the applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.



5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in this Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein upto 24,000 Equity Shares shall be reserved for Market Maker, at least upto 1,88,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- 1) Our company has entered into an Underwriting Agreement dated February 20, 2020.
- 2) A copy of Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- 3) The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- 4) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

### **General Instructions**

**Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Bank to release the funds blocked in the ASBA Account/ UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE [i.e. www.bseindia.com](http://www.bseindia.com). With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com)

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No, UPI ID (if applicable), Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within three (3) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **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 of Companies Act, 2013 and shall be treated as Fraud."*

### **Undertakings by our Company**

We undertake as follows:

**Cospower Engineering Limited**

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by the Board
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 6) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 7) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 8) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- 9) There is no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc.;
- 10) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
- 11) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- 12) That none of the promoters or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

**Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 and Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

**Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:



**Cospower Engineering Limited**

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- a) Agreement dated February 27, 2020 between NSDL, the Company and the Registrar to the Issue; and
  - b) Agreement dated February 28, 2020 between CDSL, the Company and the Registrar to the Issue;
- The Company's equity Shares bear an ISIN No. INE0CQB01010

## **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 Foreign Exchange Management Act, 1999 ("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 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 government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from April 28, 2017 later amended in January 2018, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 with amendments in January 2018 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 and as amended in January 2018 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions



as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

**Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% 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 FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

**Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should 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 total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; 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.

**Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017 and amendments in January 2018, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

### **Interpretation**

#### **I. (1) In these regulations—**

- (a) “the Act” means the Companies Act, 2013,
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
- (3) “public company” means a company which-
  - (a) is not a private company;

- (b) has a minimum paid-up share capital as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

### **Share capital and variation of rights**

- II. 1.** Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- 2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
  - (a) one certificate for all his shares without payment of any charges; or

\*Note: i) Deleted PRIVATE from the name of the Company by converting it into Private to Public vide special resolution passed in the Extra Ordinary General Meeting of the members held on 23<sup>rd</sup> January, 2020.

Cospower Engineering Limited

ii) Deleted Article 3 vide special resolution passed in the Extra Ordinary General Meeting of the members held on 23<sup>rd</sup> January, 2020.

iii) Adoption of new set of Articles of Association as per Companies Act, 2013 at the EOGM held on 23<sup>rd</sup> January, 2020

iv) Adoption of new set of Articles of Association as per Companies Act, 2013 at the EOGM held on 19<sup>th</sup> February, 2020

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid- up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

4. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- 7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### **Lien**

- 9. (i) The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
  - (iii) That the fully paid-up shares shall be free from all kind of lien and that in the case of partly paid-up shares the issuers lien shall be restricted to monies called or payable at the fixed time in respect of such shares
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has alien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

**Calls on shares**

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
- (iv) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The Provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board—

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **Transfer of shares**

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(iii) That a common form of transfer shall be used to transfer the instruments.

(iv) That the registration of transfer shall not be refused on the grounds of the transferor being either alone or jointly with any person or persons indebted to the issuer on any account whatsoever.

20. The Board may, subject to the right of appeal conferred by section 58 declines to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has alien.

21. The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **Transmission of shares**

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
27. In case of a One Person Company—
- (i) on the death of the sole member, the person nominated by such member shall be the person recognized by the company as having title to all the shares of the member;
  - (ii) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company;
  - (iii) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable;
  - (iv) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.

#### **Forfeiture of shares**

28. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
29. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
31. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
32. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
33. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of capital**

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.



36. Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

#### **Capitalization of profits**

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

- (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

41. All general meetings other than annual general meeting shall be called extra ordinary general meeting.
42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
43. The Chairman of the Board of Directors shall preside as Chairman at every general meeting of the Company.
44. If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the directors present shall elect one of their members to be Chairman of the meeting.

#### **Proceedings at general meetings**

45. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when

the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

(iii) That option of right to call of shares shall not be given to any person except with the sanction of the issuer in general meetings

46. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

47. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

48. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

49. In case of a One Person Company—

(i) the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118;

(ii) such minutes book shall be signed and dated by the member;

(iii) the resolution shall become effective from the date of signing such minutes by the sole member.

### **Adjournment of meeting**

50. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Voting rights**

51. 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 present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

52. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
53. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
  
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
54. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
55. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
56. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
57. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  
  
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **Proxy**

58. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than

24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

59. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
60. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

61. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
62. The following shall be the First Directors of the Company.
  - i. Oswald Rosario Dsouza

ii. Felix Shridhar Kadam

63. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other exp expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.
- (c) Director other than the Managing/ Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees as may be decided by the Board, however, not exceeding a sum prescribed in the Act for attending meetings of the Board of directors or meetings of the Committees of the Board of Directors thereof;
64. The Board may pay all expenses incurred in getting up and registering the company.
65. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
66. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
67. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
68. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

**Proceedings of the Board**

69. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
70. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

71. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
72. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
73. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
76. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
78. A provision of the Act or these regulations 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 director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **Dividends and Reserve**

79. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
80. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
82. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
83. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- (iv) That there shall be no forfeiture of unclaimed dividend before the claim becomes barred by the law.
84. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
85. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
86. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
87. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88. No dividend shall bear interest against the company.

#### **Further Issue of Capital**

89. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –
- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
  - (b) Employees under any scheme of employees' stock option; or
  - (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
90. (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules and SEBI guidelines.

#### **Dematerialization of Securities**

91. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and rematerialize its shares, debentures or other securities held in the depositories and/or offer its securities in dematerialised form.
92. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.

#### **Register's**

93. The Company shall keep and maintain at its registered office or such other place as may be permitted under the Act and approved by the Board, all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

The registers and their indices (except when they are closed under the provisions of the Act) and copies of annual return shall be open for inspection during business hours at such reasonable time on every working day other than Saturdays, at the registered office of the Company by the persons entitled thereto in accordance with the provisions of the Act and applicable laws, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign register

Subject to the provisions of the Act, the foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members

#### **Secrecy Clause**

94. Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.

#### **Accounts**



95. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

#### **Winding up**

96. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Indemnity**

97. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

**SECTION XIV: OTHER INFORMATION**  
**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Prospectus until the Issue Closing Date.

**Material Contracts**

1. Agreement dated February 20, 2020 executed between our Company and Lead Manager to the Issue and the addendum thereto
2. Agreement dated February 20, 2020 executed between our Company and the Registrar to the Issue (Bigshare Service Pvt. Ltd.)
3. Banker to the Issue Agreement dated March 02, 2020 among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated February 20, 2020 between our Company, Lead Manager and Market Maker and the addendum thereto
5. Underwriting Agreement dated February 20, 2020 between our Company, Lead Manager and Underwriters and the addendum thereto
6. Tripartite Agreement dated February 28, 2020 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated February 27, 2020 among NDSL, the Company and the Registrar to the Issue.

**Material Documents**

8. Certified copies of the Memorandum and Articles of Association of the Company as amended.
9. Certificate of Incorporation dated September 22, 2010 issued by the Registrar of Companies, Mumbai.
10. Fresh Certificate of Incorporation dated February 19, 2020 issued by the Registrar of Companies, Mumbai consequent upon Conversion of the Company to Public Company.
11. Copy of the Board Resolution dated February 19, 2020 authorizing the Issue and other related matters.
12. Copy of Shareholder's Resolution dated February 20, 2020 authorizing the Issue and other related matters.
13. Copy of Audited Financial Statements of our Company for the period of December 31, 2019 and for the years ended March 31, 2019, 2018 & 2017.
14. Peer Review Auditors Report dated February 20, 2020 on Restated Financial Statements of our Company for the period of December 31, 2019 and for the years ended March 31, 2019, 2018 & 2017.
15. Copy of the Statement of Tax Benefits dated February 20, 2020 from the Statutory Auditor.
16. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company as referred to, in their respective capacities.
17. Board Resolution dated February 20, 2020 for approval of Draft Prospectus, dated March 11, 2020 for approval of Prospectus
18. Due Diligence Certificate from Lead Manager dated February 20, 2020.
19. Approval from BSE vide letter dated March 09, 2020 to use the name of BSE in the Prospectus for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

### DECLARATION

We 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 regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
<b>Mr. Oswald Rosario Dsouza</b> <i>Managing Director</i> DIN:02711251	Sd/-
<b>Mr. Felix Shridhar Kadam</b> <i>Whole Time Director</i> DIN:02880294	Sd/-
<b>Mrs. Janet O D'Souza</b> <i>Non-Executive Director</i> DIN: 08676037	Sd/-
<b>Mrs. Christbell F Kadam</b> <i>Non-Executive Director</i> DIN: 08676062	Sd/-
<b>Mr. Anil Vasudev Kamath</b> <i>Independent Director</i> DIN: 07940476	Sd/-
<b>Mr. Edwin E R Cotta</b> <i>Chairman and Independent Director</i> DIN: 02691199	Sd/-

#### SIGNED BY CHIEF FINANCIAL OFFICER:

Sd/-

**Mr. Hiren Solanki**  
*Chief Financial Officer*

#### SIGNED BY COMPANY SECRETARY AND COMPLIANCE OFFICER:

Sd/-

**Ms. Garima Garg**  
*Company Secretary and Compliance Officer*

**Date:** March 11, 2020  
**Place:** Mumbai, Maharashtra

