

# LOMA CO-DEVELOPERS 1 PRIVATE LIMITED

FORM NO PAS-4

## PRIVATE PLACEMENT OFFER LETTER

[Pursuant to Section 42 of the Companies Act and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules 2014]

### 1. GENERAL INFORMATION

NO	DESCRIPTION	DETAILS
(A)	Name, address, website and other contact details of the Company indicating both registered office and corporate office	<u>Name:</u> LOMA CO-DEVELOPERS 1 PRIVATE LIMITED ("Company") <u>Registered office:</u> Plot No G-4/1, TTC Industrial Area, Thane Belapur Road, Ghansoli, Navi Mumbai, Thane 400 701, India <u>Website:</u> NA <u>Contact details:</u> shreerang@aurumventures.in
(B)	Date of incorporation of the Company	20 April 2017
(C)	Business carried on by the Company and its subsidiaries with the details of branches or units, if any	Engaged in the business as contractors, builders, developers of Special Economic Zones (SEZ), including joining as a co-developer for existing SEZ under construction
(D)	Brief particulars of the management of the Company	Directors – Mr Srirang Athalye and Mr Saurabh Sangekar
(E)	Names, addresses, DIN and occupations of the directors	Please refer to <b>Annexure 1</b>
(F)	Management's perception of risk factors	NIL
(G)	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of: i) statutory dues ii) debentures and interest thereon iii) deposits and interest thereon iv) loan from any bank or financial	Please refer to <b>Annexure 2</b>

Plot No. – Gen 4/1, TTC Industrial Area, Thane Belapur Road, Ghansoli, Navi Mumbai – 400 710  
Tel. No. – 022-30001700 Fax No. 022 3001796 Email id: [corporate@aurumventures.in](mailto:corporate@aurumventures.in)  
CIN: U45309MH2017PTC294082



NO	DESCRIPTION	DETAILS
	institution and interest thereon.	
(H)	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Company, if any, for the private placement offer process	<p>Sonia Jain Compliance Officer Contact no: 022-30001735 Address: Plot no. Gen 4/1, TTC Industrial Area, Thane Belapur Road, Ghansoli, Navi Mumbai 400 710 Email id: sonia@aurumventures.in</p>

## 2. PARTICULARS OF THE OFFER

NO	DESCRIPTION	DETAIL
(A)	Date of passing of board resolution	14 May 2018
(B)	Date of passing of resolution in the general meeting, authorising the offer of securities	14 May 2018
(C)	Kinds of securities offered (i.e. whether share or debenture) and class of security	Non-convertible debentures (redeemable, unlisted, secured and fully paid-up)
(D)	Price at which the security is being offered including the premium, if any, along with justification of the price	<p>Non-convertible debentures Face Value – INR 1,00,000 each Issue Price – INR 1,00,000 each Justification – Valuation report dated 5 May 2018 issued by VKGN &amp; Associates</p>
(E)	Name and address of the valuer who performed valuation of the security offered	<p>VKGN &amp; Associates 311, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi-110001</p>
(F)	Amount which the Company intends to	INR 214,75,00,000 (Indian Rupees Two hundred

NO	DESCRIPTION	DETAIL
	raise by way of securities	fourteen crores seventy five lakhs)
(G)	Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	<ol style="list-style-type: none"> <li>1. Tenor of the debentures – 30 (thirty) years;</li> <li>2. Mode of payment and repayment - RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) or by cheque or by SWIFT;</li> <li>3. If the allotment is not made within 60 days of receipt of application money, then the application money will be refunded within 15 days from the expiry of 60<sup>th</sup> day along with such interest as prescribed under the Companies Act 2013.</li> <li>4. Other terms shall be those set out in the debenture subscription agreement dated 12.05.2018 entered into amongst inter alia the Company, Loma IT Park Developers Private Limited, Ascendas Property Fund (FDI) Pte Ltd and VITP Private Limited ("Loma 1 Debenture Subscription Agreement") and more particularly as set out in Annexure 3</li> </ol>
(H)	Repayment	Redeemable at the end of the term (that is, 30 years) or in case of an event of default as set out in the Loma 1 Debenture Subscription Agreement
(I)	Proposed time schedule for which the offer letter is valid	12 (twelve) months from the date of this offer letter
(J)	Purposes and objects of the offer	To raise additional capital for the completion of construction and development of IT Building 1, being developed on the SEZ Project on a portion of the 30 acres land
(K)	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	NIL
(L)	Principle terms of assets charged as security, if applicable	<ol style="list-style-type: none"> <li>1. First and exclusive charge on the Buildings (as defined under the Loma 1 Debenture Subscription Agreement), the Building Land (as defined under the Loma 1 Debenture</li> </ol>





NO	DESCRIPTION	DETAIL
		<p>Subscription Agreement), land in relation to IT Building 2 (as defined under the Loma 1 Debenture Subscription Agreement), and the Security Land (as defined under the Loma 1 Debenture Subscription Agreement)</p> <p>2. Pledge on all the shares of the Company</p> <p>3. Corporate guarantee from Aurum Platz Private Limited</p>

**3. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**

NO	DESCRIPTION	DETAIL
(A)	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons	No financial or material interest of directors, promoters or key managerial personnel in the offer save and except in their capacity as directors, promoters or key managerial personnel, as the case may be
(B)	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	No litigations or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately preceding the year of the circulation of the offer letter
(C)	Remuneration of directors (during the current year and last three financial years)	NIL
(D)	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided	The Company has availed an unsecured loan of 1) INR 1,00,00,000 (Indian Rupees One crore) from Loma IT Park Developers Private Limited on 17 April 2018 and 2) INR 50,00,000 (Indian Rupees Fifty lakhs) from Loma IT Park Developers Private Limited on 7 May 2018.



NO	DESCRIPTION	DETAIL
(E)	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	No reservations or qualifications or adverse remarks have been made by the auditors in the last five financial years immediately preceding the year of circulation of offer letter
(F)	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous Company law in the last three years immediately preceding the year of circulation of offer letter in the case of Company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the Company and all of its subsidiaries	No inquiry, inspections or investigations has been initiated or conducted under the Companies Act or any previous Company law in the last three years immediately preceding the year of circulation of offer letter in the case of Company and all of its subsidiaries. As such, no prosecutions were filed or any fines were imposed against the Company
(G)	Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company	No material frauds were committed against the Company in the last three years



#### 4. FINANCIAL POSITION OF THE COMPANY

NO	DESCRIPTION	DETAIL
(A)	<p>The capital structure of the Company in the following manner in a tabular form-</p> <p>(a) authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)</p> <p>(b) size of the present offer</p> <p>(c) paid up capital:</p> <p>(i) after the offer</p> <p>(ii) after conversion of convertible instruments (if applicable)</p> <p>(iii) share premium account (before and after the offer)</p>	Please refer to Annexure 4
	<p>The details of the existing share capital of the Company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration</p> <p>Provided that the Company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case</p>	Please refer to Annexure 5
(B)	Profits of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter	NIL
(C)	Dividends declared by the Company in respect of the said three financial years;	NIL





NO	DESCRIPTION	DETAIL
	interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	
(D)	A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of circulation of offer letter	Please refer to Annexure 6
(E)	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter	Please refer to Annexure 7
(F)	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company	No change in accounting policies of the Company and the same does not effect on the profits and reserves of the Company



**5. A DECLARATION BY THE DIRECTORS THAT**

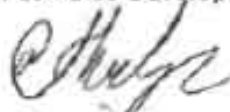
I, Mr. Srirang Athalye, director of Loma Co-Developers 1 Private Limited, hereby declare that:

- a. The Company has complied with the provisions of the Companies Act 2013 and the rules made thereunder;
- b. The compliance with the Companies Act 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c. The monies received under the offer shall be used only for the purposes and objects indicated in this letter; and

I am authorised by the board of directors of the Company *vide* resolution dated 14 May 2018 to sign this form and declare that all the requirements of Companies Act 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the memorandum of association and articles of association of the Company.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For Loma Co-Developers 1 Private Limited



Mr Srirang Athalye  
Director  
DIN: 02546964



Date: 14 May 2018

Place: Mumbai

Attachments:-

Copy of board resolution dated 14 May 2018

Copy of shareholders' resolution dated 14 May 2018



# LOMA CO-DEVELOPERS 1 PRIVATE LIMITED

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS ("BOARD") OF LOMA CO-DEVELOPERS 1 PRIVATE LIMITED ("COMPANY") HELD ON MONDAY 14<sup>th</sup> MAY, 2018 AT 9.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO. GEN 4/1, TTC INDUSTRIAL ESTATE, THANE BELAPUR ROAD, GHANSOLI, NAVI MUMBAI 400 710.**

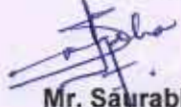
**"RESOLVED THAT** pursuant to the provisions of section 23, 42 and 62 and other applicable provisions of Companies Act, 2013 (including amendments thereto or re-enactment thereof) (the Act) read with rules of Companies (Prospectus and Allotment of securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 and subject to the provisions of Memorandum and Articles of Association of the Company and subject to the approval of the Members, consent of the Board be and is hereby accorded to create offer, issue and allot, 21,475 secured, redeemable, non-convertible debentures having face value of Rs. 1,00,000 each aggregating upto Rs. 214,75,00,000 in one or more tranches, on such terms and conditions as the Board may deem fit from time to time through private placement to Ascendas Property Fund (FDI) Pte Ltd and VITP Private Limited.

**RESOLVED FURTHER THAT** Mr. Srirang Athalye and Mr. Saurabh Sangekar, Directors of the Company be and are hereby severally authorised for and on behalf of the Company to deal, negotiate, accept, modify etc. the terms and conditions in relation to the said Issue and to sign, issue and circulate the Private Placement Offer Letter (the "PPOL") in Form PAS-4 prescribed under the Act and such other ancillary documents and to submit the said PPOL along with Record of Private Placement prescribed under Form PAS-5 prescribed under the Act, to submit the Return of allotment and such other necessary E-Forms with Ministry of Corporate Affairs/Registrar of Companies by affixing digital signature thereto and to do all such acts, deeds, matters and things which may deem necessary in this regard.

**RESOLVED FURTHER THAT** a certified true copy of this resolution issued under the signature of any of the Directors of the Company be submitted to whomsoever it may concern."

***Certified True Copy***

**For LOMA CO-DEVELOPERS 1 PRIVATE LIMITED**

  
**Mr. Saurabh Sangekar**  
**Chairperson**  
DIN: 01582753  
Date : 14.05.2018  
Place: Navi Mumbai





# LOMA CO-DEVELOPERS 1 PRIVATE LIMITED

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE EXTRA ORDINARY GENERAL MEETING OF THE MEMBERS OF LOMA CO-DEVELOPERS 1 PRIVATE LIMITED ("COMPANY") HELD ON MONDAY 14<sup>th</sup> MAY, 2018 AT 12.00 NOON AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO. GEN 4/1, TTC INDUSTRIAL ESTATE, THANE BELAPUR ROAD, GHANSOLI, NAVI MUMBAI 400 710.**

## **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of section 23, 42 and 62 and other applicable provisions of Companies Act, 2013 (including amendments thereto or re-enactment thereof) (the Act) read with rules of Companies (Prospectus and Allotment of securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 and subject to the provisions of Memorandum and Articles of Association of the Company consent of the Board be and is hereby accorded to create offer, issue and allot, 21,475 secured, redeemable, non-convertible debentures having face value of Rs. 1,00,000 each aggregating upto Rs. 214,75,00,000 in one or more tranches, on such terms and conditions as the Board may deem fit from time to time through private placement to Ascendas Property Fund (FDI) Pte Ltd and VITP Private Limited.

**RESOLVED FURTHER THAT** Mr. Srirang Athalye and Mr. Saurabh Sangekar, Directors of the Company be and are hereby severally authorised for and on behalf of the Company to deal, negotiate, accept, modify etc. the terms and conditions in relation to the said Issue and to sign, issue and circulate the Private Placement Offer Letter (the "PPOL") in Form PAS-4 prescribed under the Act and such other ancillary documents and to submit the said PPOL along with Record of Private Placement prescribed under Form PAS-5 prescribed under the Act, to submit the Return of allotment and such other necessary E-Forms with Ministry of Corporate Affairs/Registrar of Companies by affixing digital signature thereto and to do all such acts, deeds, matters and things which may deem necessary in this regard.

**RESOLVED FURTHER THAT** a certified true copy of this resolution issued under the signature of any of the Directors of the Company be submitted to whomsoever it may concern."

***Certified True Copy***

**For LOMA CO-DEVELOPERS 1 PRIVATE LIMITED**



**Mr. Saurabh Sangekar**

**Chairperson**

**DIN: 01582753**

**Date : 14.05.2018**

**Place: Navi Mumbai**



## **ANNEXURE 1**

### **Names, addresses, DIN and occupations of the directors**

The Company is managed by its directors. The below table provides the details of the directors of the Company.

NO	NAME	ADDRESS	DIN	OCCUPATION
1	Mr Srirang Athalye	81, Indrayani, A Wing, J.K. Sawant Road, Dadar, Mumbai 400 028	02546964	Service
2	Mr Saurabh Sangekar	Sunder Sadan, 5th Floor, 63-A, Proctor Road, Vadilal Patel Marg, Mumbai 400004	01582753	Service





## ANNEXURE 2

### Details of default, if any, including therein the amount involved, duration of default and present status, in repayment

The details of default, if any, including therein the amount involved, duration of default and present status, in repayment, is as follows:

PARTICULARS	PERIOD	AMOUNT (INR)	TOTAL AMOUNT (INR)	APPROXIMATE SETTLEMENT VALUE
STATUTORY DUES	NIL	NIL	NIL	NIL
BORROWINGS – NIL				



### ANNEXURE 3

#### Terms of Debentures

The debentures proposed to be issued by the Company *vide* this offer letter will be subject to the terms as set out below. The terms referred to but not defined in this Annexure shall unless defined otherwise or inconsistent with the context or meaning thereof shall have the meaning as defined under the Loma 1 Debenture Subscription Agreement.

1. **Face Value**

The Debentures shall have a face value of INR 1,00,000 (Indian Rupees One lakh) ("Face Value").

2. **Term**

Subject to the redemption of the Debentures prior to the Redemption Date by the Investors in accordance with the terms of the Loma 1 Debenture Subscription Agreement, the term of the Debentures shall be 30 (thirty) years from the respective Closing Date ("Redemption Date"), which date may be extended by the board of the Company with the prior written consent of the Investors, in which case the term "Redemption Date" shall be construed accordingly. It being clarified that the Company shall not have a right to pre-pay / redeem the Debentures prior to the Redemption Date, except as may be specifically provided under the Loma 1 Debenture Subscription Agreement.

3. **Interest / Coupon**

- 3.1 Subject to Paragraph 3.3, Paragraph 3.8 and Paragraph 4 below, the Investors shall be entitled to receive interest / coupon ("Coupon Amount"), remitted through designated banking channels, on the part of the Subscription Amount tendered as on date in relation to the Debentures, at the rate of 11.25% (eleven point two five percent) per annum (gross of taxes, including any tax withholding) on the part of the Subscription Amount tendered as on date in relation to the Debentures.
- 3.2 The payment of the Coupon Amount shall be made within 5 (five) days of the end of each financial quarter ("Interest Due Date"). In case any Interest Due Date is not a Business Day, the amount shall be payable on the immediately succeeding Business Day provided that in case the Interest Due Date on which the last Coupon Amount is to be paid is not a Business Day, the amount shall be payable on the immediately preceding Business Day.
- 3.3 Subject to the maximum of the Subscription Amount, the Investors shall be responsible for funding the Coupon Amount until 30 June 2019. The Company shall make such payments to the Investors as required, towards the Coupon Amount. The Company shall not remit the Coupon Amount to the Investors due and payable during the period 1 September 2018 to 30 June 2019 (including both the dates), and such Coupon Amount shall accrue to the Investors during this time period ("Accrued Coupon"). Withholding tax, if any, payable by the



Company on the Accrued Coupon shall be funded by the Investors.

- 3.4 Notwithstanding anything contained in the Loma 1 Debenture Subscription Agreement, Aurum shall be responsible for infusing such amount of monies into the Company for payment of the Coupon Amount after 30 June 2019.
- 3.5 It is hereby agreed that an amount equal to the Coupon Amount at the rate of 11.25% (eleven point two five percent) per annum (gross of taxes, including any tax withholding) for 2 (two) financial quarters shall be withheld by the Investors from the Subscription Amount ("Withheld Interest"). The Company shall pay an interest of 3.5% (three point five percent) per annum (gross of taxes, including any tax withholding) on the Withheld Interest.
- 3.6 In the event the Company does not make payments of the Coupon Amount in accordance with this Paragraph 3, without prejudice to other rights of the Investors under Clause 18 (Event of Default) of the Loma 1 Debenture Subscription Agreement, the Investors shall utilise the Withheld Interest to set-off the Coupon Amount at the interest rate of 18% (eighteen percent) per annum (gross of taxes, including any tax withholding). It being clarified that the Investors shall be under no obligation to maintain Withheld Interest upon the Withheld Interest being utilised in full to set-off Coupon Amount payable by the Company in the event the Company does not make payment of the Coupon Amount per this Paragraph 3.
- 3.7 If the Company does not make the payment of the Coupon Amount on the Interest Due Date, the Coupon Amount payable to the Investors on the Debentures shall be calculated at the rate of 18% (eighteen percent) per annum (gross of taxes, including any tax withholding) on the part of the Subscription Amount tendered as on date in relation to the Debentures, from the Interest Due Date or the date of the termination of the Loma 1 Debenture Subscription Agreement under Clause 4.6, Clause 5.9, Clause 7.1 or Clause 7.7 or under clause 5.4, clause 5.5 or clause 6.4 or clause 8.10 of the Loma 1 Share Purchase Agreement (as the case may be) and till the date the Coupon Amount set out in this Paragraph 3.7 is paid in full ("Default Interest").
- 3.8 Upon the occurrence of an Investor Event of Default, the Coupon Amount payable to the Investors on the Debentures shall be calculated at the rate of 9.25% (nine point two five percent) per annum (gross of taxes, including any tax withholding) on the part of the Subscription Amount tendered as on date in relation to the Debentures. In the event that the Company is unable to procure additional debt in accordance with Clause 18.7.1 within 12 (twelve) months of the Enforcement Date, the Coupon Amount applicable on the part of the Subscription Amount tendered as on date of expiry of such 12 (twelve) months' period in relation to the Debentures shall be at the rate of 7.25% (seven point two five percent) per annum (gross of taxes, including any tax withholding) from the expiry of 12 (twelve) months' period from the Enforcement Date, until the date of the full repayment of the Debenture Repayment.

4. **Redemption**





#### 4.1 Mandatory Redemption

The Company shall compulsorily redeem the outstanding Debentures on the Redemption Date, or the EOD Redemption, whichever is earlier, and pay Debenture Repayment to the Investors.

#### 4.2 Specific Enforcement Events

- (a) In addition to Clause 18.6, in case of occurrence of an Enforcement Event due to Clause 18.1.11 or Clause 18.1.12 or Clause 18.1.13 of the Loma 1 Debenture Subscription Agreement, on and from such Enforcement Event ("Specific Enforcement Events"), any further transactions contemplated under the Loma 1 Transaction Documents shall not be given effect to (other than as required to give effect to Clause 18.6) and the Company shall within 1 (one) month from a Specific Enforcement Event, repay the entire outstanding principal amount of the Debentures issued along with Trigger Coupon Amount on the part of the Subscription Amount tendered as on date in relation to the Debentures with effect from the Specific Enforcement Event until the date of Debenture Repayment.
- (b) The coupon amount payable on the Debentures in case of Specific Enforcement Event: (i) under Clause 18.1.11 shall be 15% (fifteen percent) per annum from 31 October 2018; (ii) under Clause 18.1.12 shall be 13.25% (thirteen point two five percent) per annum from the date of detection of the deviation / defect / non-compliance; and (iii) under Clause 18.1.13 shall be 13.25% (thirteen point two five percent) per annum from 31 October 2018; in each case, gross of taxes (including any tax withholding) ("Trigger Coupon Amount").
- (c) The Trigger Coupon Amount shall be paid monthly in advance from the date on which the Specific Enforcement Event has occurred to the date of Debenture Repayment.

#### 4.3 Redemption Mechanism

- (a) The Company shall take all such steps as may be necessary and redeem all the Debentures as mentioned above, on the Redemption Date or EOD Redemption, as the case may be, or within such other time as may be mutually agreed to between the Company and the Investors in writing.
- (b) The Company shall take all actions required to implement such repayment / redemption of the Debentures, including without limitation making all applications necessary and obtaining all required approvals to effect the aforesaid repayment / redemption on the dates as mentioned in this Annexure (each "Repayment Date"). On each Repayment Date, the amount paid to the Investors shall be adjusted as follows: first, towards, the Default Interest, if any; second, towards the Coupon Amount or Trigger Coupon Amount, as the case may be; and third, towards, the repayment of the respective face value of Debentures.



5. **Voting Rights**

The Debentures shall not carry any voting rights save and except to the extent of any matters affecting the rights of any holders of the Debentures.

6. **Security**

The Debenture Repayment shall be secured by the following:

- (a) creating a first and exclusive charge on the Mortgaged Properties;
- (b) pledge on the Pledged Shares;
- (c) the Loma 1 Corporate Guarantee; and
- (d) withheld Coupon Amount for a period 2 (two) quarters.

7. **End-Use**

- (a) The Subscription Amount shall be utilised by the Company for the: (i) reimbursement / assignment of costs incurred by Loma IT, in accordance with the Loma 1 Deed of Assignment, whereby Loma IT shall *inter alia* utilise such assigned costs for the full repayment of the IFCI Construction Loan, excluding prepayment charges if any; (ii) towards payment of the Lease Consideration under clause 4.1 of the Loma 1 Sub-Lease Agreement for Terms and Conditions; (iii) meeting the Cost of Development, to such extent not covered under Paragraph 7(a)(i); and (iv) subject to Paragraph 3.4 above, payment of Coupon Amount.
- (b) Except in accordance with the terms of Loma 1 Transaction Documents, the Subscription Amount shall not be utilised by the Company for: (i) investment in real estate business; (ii) capital market; (iii) undertaking any related party transaction, except as specifically agreed in the Loma 1 Transaction Documents; (iv) purchase of land; and (v) any other restricted purposes as specified under guidelines, notifications or circulars issued by the Reserve Bank of India and/or Securities Exchange Board of India from time to time.

8. **Other Miscellaneous Terms**

- (a) Day count convention for computing the interest on the Debentures: actual / actual.
- (b) On every Closing Date, the Debentures shall be issued in dematerialised form and shall be credited to the Demat Account of the Investors by the Company promptly (and on the same day) upon receipt of the amount specified in the relevant Drawdown Notice.
- (c) The Debentures issued by the Company on each Closing Date shall be deemed to be



allotted to the Investors on the relevant Closing Date itself.

- (d) The rights and interests of the Investors with respect to the Debentures shall not be varied, save and except, in accordance with and pursuant to the terms of the Loma 1 Debenture Subscription Agreement.





#### ANNEXURE 4

##### Capital structure of the Company

(A) The existing authorised, issued, subscribed and paid up capital:

NO	TYPE OF SHARE CAPITAL	NUMBER OF SHARES	NOMINAL VALUE (IN INR)	TOTAL
1	Equity Shares- authorised, issued, subscribed and paid up capital	10,000	10	1,00,000

(B) Size of the present offer:

TYPE OF SECURITY	NUMBER OF SECURITIES
Non-convertible debentures	21,475

(C) Paid up capital:

(i) After the offer

TYPE OF SECURITY	SUBSCRIBED AND PAID UP CAPITAL	
	NUMBER OF SHARES	VALUE (IN INR)
Equity Shares- authorised, issued, subscribed and paid up capital	10,000	1,00,000
Non-convertible debentures	21,475	214,75,00,000

(ii) After conversion of convertible instruments (if applicable): Not Applicable

(iii) Share Premium Account (before and after the offer)

Share premium account before the offer	NIL
----------------------------------------	-----



Share premium account after the offer	NIL
---------------------------------------	-----



## ANNEXURE 5

### Details of the share capital of the Company

Details of the existing share capital of the Company in a tabular form indicating therein with regard to each acquisition, the date of acquisition, the number of shares acquired, the face value of the shares acquired, the price and the form of consideration, is as follows:

#### Equity Share Acquisition details:

NO	DATE OF ACQUISITION	NUMBER OF SHARES ACQUIRED	NAME OF SHAREHOLDER	PRICE
1	9 October 2017	9999	Aurum Platz Private Limited	INR 99,990
2	28 April 2017	1	Srirang Athalye	INR 10
		10,000		INR 1,00,000






# ANNEXURE - 6

Loma Co-Developers 1 Private Limited  
Statement of Profit and Loss for the year ended 31 March, 2018

		For the year ended 31st March, 2018
		Rs.
Revenue from operations		-
Other income		-
<b>Total Revenue</b>		-
<b>Expenses</b>		
(a) Cost of land and Project development		-
(b) (Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade		-
(c) Employee benefit expense		-
(d) Finance costs		-
(e) Depreciation and amortisation expense		-
(f) Impairment expenses/losses		-
(g) Other expenses	8	47,091
<b>Total Expenses</b>		47,091
<b>Profit/(loss) before exceptional items and tax</b>		(47,091)
Exceptional items		-
<b>Profit/(loss) before tax</b>		(47,091)
<b>Tax Expense:</b>		
(1) Current tax		-
(2) Deferred tax		-
<b>Total tax expenses</b>		-
<b>Profit/(loss) after tax from continuing operations (VII - VIII)</b>		(47,091)
<b>Profit/(Loss) from continuing operations for the period attributable to:</b>		
Owners of the Company		(47,091)
Non controlling interests		-
		(47,091)
<b>Other comprehensive Income</b>		-
A (i) Items that will not be recycled to profit or loss		-
(a) Remeasurements of the defined benefit liabilities/(asset)		-
<b>Total comprehensive income for the period</b>		(47,091)
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the Company		-
Non controlling interests		-
		-
<b>Earnings per equity share (for continuing operation):</b>		
(1) Basic	9	(4.71)

See accompanying notes forming part of the financial statements  
In terms of our report attached

For Desai Associates  
Chartered Accountants  
FRN: 102286W

  
Shree Gopal Didwaniya  
Partner  
Membership No.: 139202



Place : Mumbai  
Date : - 8 MAY 2018

For and on behalf of the Board of Directors of :  
Loma Co-Developers 1 Private Limited

   
Srirang Athalye Saurabh Sangekar  
Director Director  
DIN: 02546964 DIN : 01582753

Place : Mumbai Place : Mumbai  
Date : - 8 MAY 2018

# ANNEXURE - 7

Loma Co-Developers 1 Private Limited  
Cash Flow Statement For The Period Ended 31st March, 2018

Particulars	For the Year ended 31st March, 2018
	Rs.
<b>Cash flow from operating activities</b>	
Profit before tax for the year	(47,091)
Non-cash adjustment to reconcile profit before tax to net cash flows	
Finance costs recognised in profit or loss	-
Interest Income	-
Investment income recognised in profit or loss	-
Loss/(Gain) on disposal of property, plant and equipment	-
Gain/(Loss) on Actuarial Valuation Adjustment in OCI	-
Depreciation and amortisation of non-current assets	-
Operating Profit/(Losses) before working capital changes	(47,091)
Movements in working capital:	
(Increase)/Decrease in trade and other receivables	-
(Increase)/Decrease in inventories	-
(Increase)/Decrease other Non Current and current assets	-
(Increase)/Decrease Financial Assets - Loans	-
Increase/(Decrease) in trade and other payables	17,091
Increase/(Decrease) in financial liabilities	-
Increase/(Decrease) in other liabilities	3,750
Increase/(Decrease) in Provision	-
Cash generated from operations	(26,250)
Income taxes paid	-
Net cash generated by operating activities	(26,250)
<b>Cash flow from investing activities</b>	
Payments for property, plant and equipment	-
Purchase of current investments	-
Redemption of current investments	-
Interest Income received	-
Investment in fixed deposit for more than 3 months	-
Payments for investment property	-
(Investment)/Redemption of Earmarked Fixed Deposits	-
Net cash (used in)/generated by investing activities	-
<b>Cash flow from financing activities</b>	
Proceeds from borrowings	-
Repayment of borrowings	-
Issue of share capital	100,000
Interest Paid	-
Net cash used in financing activities	100,000
Net increase in cash and cash equivalents	73,750
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	73,750
Components of cash and cash equivalents	
Cash on hand	-
With banks	-
- on current account	73,750
- on deposit account	-
Total cash and cash equivalents (note 3)	73,750

See accompanying notes forming part of the financial statements

In terms of our report attached

For Desai Associates

Chartered Accountants

FRN: 102289W

  
Shree Gopal Didwania  
Partner

Membership No.: 139202



For and on behalf of the Board of Directors of :  
Loma Co-Developers 1 Private Limited

   
Srirang Athalye Saurabh Sangekar  
Director Director  
DIN: 02546064 DIN: 01582753

Place : Mumbai  
Date : - 8 MAY 2018

Place : Mumbai Place : Mumbai  
Date : - 8 MAY 2018



**VKGN & Associates**  
Chartered Accountants

***Strictly Private & Confidential***

May 05, 2018

To,

The Board of Directors  
Loma Co-Developers 1 Private Limited  
CIN: U45309MH2017PTC294082  
Plot No. G-4/1, TTC Industrial Area,  
Thane Belapur Road, Ghansoli Navi Mumbai  
Thane Mumbai City MH 400 710

Dear Sir(s),

**Sub: Fair Valuation of Redeemable Secured Non-Convertible Debentures of Loma Co-Developers 1 Private Limited**

We, VKGN and Associates, Chartered Accountants ("we" or "our" or "us"), have been approached by Loma Co-Developers 1 Private Limited ("Loma 1" or "Company"), in relation to determining the fair value of Redeemable Secured Non-Convertible Debentures ("NCDs") of Loma 1.

**1. PURPOSE OF VALUATION**

- 1.1 We have been informed that the Company is considering the issuance of NCDs to identified investors, on a preferential basis through private placement.
- 1.2 For this purpose, we have been appointed by Loma 1, with a view to determine the fair value of NCDs of Loma 1.
- 1.3 The information contained herein and our report is absolutely confidential. This certificate is being issued at the request of Loma 1 and is intended only for the sole use and information of Loma 1. We are not responsible to any other person/ party for any decision of such person or party based on this report. It is hereby notified that reproduction, copying or otherwise quoting of this report or any part thereof, other than for the purpose set out herein, can be done only with our prior permission in writing. This report and the information contained herein are absolutely confidential.

**2. SOURCES OF INFORMATION**

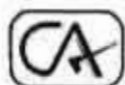
For the purposes of the valuation exercise, we have relied upon the following sources of information:

- (a) Terms of NCDs by Loma 1;
- (b) Brief overview of Loma 1 and its past and current operations;

Page 1 of 4







- (c) Discussions with the management; and
- (d) Published and secondary sources of data whether or not made available by Loma 1.

### **3. SCOPE AND LIMITATIONS**

- 3.1 Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts.
- 3.2 Our work did not constitute an audit, a due diligence, an independent validation of the financial statements and accordingly, we do not express any opinion on the same.
- 3.3 Valuation analysis and results are also specific to the date of this report. A valuation of this nature involves consideration of various factors and industry trends in particular. This report is issued on the understanding that Loma 1 has drawn our attention to the relevant material information, which they are aware of concerning the financial position and any other matter, which may have an impact on the valuation.
- 3.4 During the course of our work, we have relied upon information, assumptions and representations made by the management. Further, the assumptions require the exercise of judgment and are subject to uncertainties.
- 3.5 In the course of the valuation, we were provided with verbal information. The terms of our engagement were such that we were entitled to rely upon the information provided by Loma 1 without detailed inquiry. Our conclusions are based on the information given by/on behalf of Loma 1. The management of Loma 1 has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the above information furnished by Loma 1 and their impact on the present exercise.
- 3.6 The determination of valuation, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgment and decisions, which have to be made. There can therefore be no standard formulae to arrive at an undisputable fair value of NCDs. The final responsibility for the determination of the fair value of NCDs will be with the management of Loma 1.
- 3.7 This report is prepared for Loma 1 and must be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any person. The report is confidential and it is given on the express undertaking that it is not communicated, in whole or in part, to any third party without our prior written consent. Neither this report nor its contents may be used for any other purpose without our prior written consent.





- 3.8 Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities which may arise based upon the information used in this report. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of Loma 1, their management, directors, employees or agents.
- 3.9 Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including company law, exchange control regulations and taxation law or as regards any legal implications or issues arising in relation thereto.
- 3.10 For the present exercise, we have also relied on information available in public domain; however the accuracy and timeliness of the same has not been independently verified by us.
- 3.11 We have no obligation to update this report because of events or transactions occurring subsequent to the date of this report.

**4. BRIEF BACKGROUND OF LOMA 1**

- 4.1 Loma 1 was incorporated on April 20, 2017 under the provisions of the Companies Act, 2013. The registered office of the Company is situated at Plot No. G-4/1, TTC Industrial Area, Thane Belapur Road, Ghansoli Navi Mumbai, Thane, Mumbai City, Maharashtra.
- 4.2 Loma 1 is primarily engaged in the business as contractors, builders, developers of Special Economic Zones (SEZ), including joining as a co-developer for existing SEZ under construction.

**5. VALUATION**

- 5.1 The face value of the NCD is Rs. 1,00,000/- (Rupees One Lakh Only) each. Based on discussion with the management, we understand that the coupon interest rate would be 11.25% per annum. The NCDs are secured and do not carry any voting rights.
- 5.2 The cost of borrowing from banks in India is currently in the range of 10% p.a. to 13% p.a.
- 5.3 The borrowings from bank are generally secured in nature. Given that the NCDs to be issued are also secured in nature. Therefore, the effective coupon rate of NCDs shall be in the same range as the cost of borrowing from the banks.
- 5.4 From equity shareholders perspective, the equity shares do not carry any charge on the assets of the company and they rank below NCD holders in the event of liquidation. Further, the dividend on equity shares is payable only on declaration by the board and does not create any legally enforceable






obligation on the part of the company to pay dividend in the absence of profits, etc. Therefore, the return expected by the equity shareholders will be higher than NCD holders.

- 5.5 Ungeared cost of equity of companies in India, engaged in similar business as that of Loma 1 is in the range of 18% to 20%.
- 5.6 The details of interest on NCDs issued by private limited companies are not easily accessible in the public domain. Given this, we have collated the details of debentures (convertible/ non-convertible, redeemable/ non-redeemable and cumulative/ non-cumulative) available on the National Securities Depository Limited, India (NSDL) portal.
- 5.7 From the available data on debentures, companies that have allotted convertible/ non-redeemable debentures have been excluded. Further, NCDs having a coupon rate below 10% and above 20% have been excluded. The rationale for such exclusion is that the secured NCDs should at least yield a return equivalent to the interest on bank loan but below equity return.
- 5.8 The coupon rate on debentures on the identified companies varies from 10% to 20%. Based on our review of the interest payouts by various other companies and the fact that the NCDs are secured and redeemable, in our view, 10% p.a. - 13% p.a. is an appropriate coupon rate on NCDs of Loma 1.
- 5.9 Accordingly, considering the above factors, in our view, the fair value of the NCDs would be equal to the face value of NCDs (i.e. Rs. 1,00,000 per NCD).

This report is based on the information provided to us by the management. This report has been prepared solely for the aforesaid purpose and should not be used for any other purpose.

Thanking you,

For VKGN and Associates  
Chartered Accountants  
ICAI Firm Registration No. 012897N

  
Vijay Gupta  
Partner  
Membership No.: 081986

