

MINISTRY OF CORPORATE AFFAIRS
RECEIPT
G.A.R.7

SRN : H4-9993801

Service Request Date : 06/04/2019

Payment made into : ICICI Bank

Received From :

Name : Hero Motors
Address : 2A -1001, 10th Floor, Two Horizon Centre,
Sector-43, Phase-V
Gurgaon, Haryana
IN - 122002

Entity on whose behalf money is paid

CIN: U55204PB2007PTC039380
Name : MUNJAL HOSPITALITY PRIVATE LIMITED
Address : Hero Nagar
GT Road
Ludhiana, Punjab
India - 141003

Full Particulars of Remittance

Service Type: eFiling

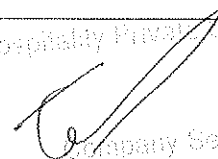
Service Description	Type of Fee	Amount(Rs.)
Fee For Form PAS-3	Normal	600.00
Total		600.00

Mode of Payment: Credit Card- ICICI Bank

Received Payment Rupees: Six Hundred Only

Note -The Registrar may examine this eForm any time after the same is processed by the system under Straight Through Process (STP). In case any defects or incompleteness in any respect is noticed by the Registrar , then this eForm shall be treated and labeled as defective and the eForm shall have to be filed afresh with the fee and additional fee, as applicable. (Please refer Rule 10 of the Companies (Registration offices offices and Fees) Rules, 2014)

For Munjal Hospitality Private Limited


Company Secretary

MINISTRY OF CORPORATE AFFAIRS

e-CHALLAN FOR PAYING LATER

ONLY FOR PAY LATER PAYMENT. NOT FOR PAYMENT AT BRANCH
COUNTER

SRN : 1149993801

Expiry Date : 13/04/2019

SRN date : 06/04/2019

By Whom tendered

Name : Hero Motors
Address : 2A -1001, 10th Floor, Two Horizon Centre,
Sector-43, Phase-V
Gurgaon, Haryana
IN - 122002

Entity on whose behalf money is paid

CIN: U55204PB2007PTC039380
Name : MUNJAL HOSPITALITY PRIVATE LIMITED
Address : Hero Nagar
GT Road
Ludhiana, Punjab
India - 141003

Full Particulars of Remittance

Service Type: eFiling

Service Description	Type of Fee	Amount(Rs.)
Fee For Form PAS-3	Normal	600.00
Total		600.00

Head of Account: 1475001050000

Accounts Officer by whom adjustable : Pay & Accounts Officer, Ministry of Corporate Affairs, New Delhi

Rupees(In words): Six Hundred Only

**Important Note :
Process w.r.t.
payment through
Pay Later mode**

1. By Pay Later payment option, you can create e-challan and get SRN for any Service.
2. You shall be required to pay for the corresponding SRN using Pay Later functionality on the MCA21 portal (under the Services tab after login on MCA21 portal)
3. You can pay via internet banking facility or credit card offered by the bank in which you hold an account.
4. Service charges, if any, will be borne by the user.
5. Payment shall be allowed only before e-challan expiry date of SRN. Once this time period is over, no payment will be allowed and the corresponding service request shall not be accepted. However user should do the payment as early as possible, so that last day issues are not there.
6. In case of successful payment, the payment details shall be updated in respect of the SRN in the MCA21 system.

**ONLY FOR PAY LATER PAYMENT. NOT FOR PAYMENT AT BRANCH
COUNTER**

FORM NO. PAS-3



Return of Allotment

[Pursuant to section 39(4) and 42 (9) of the Companies Act, 2013 and rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

Form language English Hindi

Refer the instruction kit for filing the form.

1.(a) *Corporate Identity Number (CIN) of company

U55204PB2007PTC039380

Pre-fill

(b) Global Location Number (GLN) of Company

2.(a) Name of the company

MUNJAL HOSPITALITY PRIVATE LIMITED

(b) Address of the Registered office of the company

Hero Nagar
GT Road
Ludhiana
Ludhiana
Punjab
141003

(c) *Email ID of the company

legal@heromotors.com

3. Securities allotted payable in cash

*Number of allotments

1 (i)* Date of allotment

(DD/MM/YYYY)

(ii)(a) Date of passing shareholders' resolution

(DD/MM/YYYY)

(b) SRN of Form No. MGT-14

Particulars	<input type="checkbox"/> Preference shares	<input type="checkbox"/> Equity shares without Differential rights	<input type="checkbox"/> Equity Shares with differential rights	<input type="checkbox"/> Debentures
Brief particulars of terms and conditions				
Number of securities allotted				
Nominal amount per security (in Rs.)				
Total nominal amount (in Rs.)				
Amount paid per security on application (excluding premium) (in Rs.)				
Total amount paid on application (excluding premium) (in Rs.)				
Amount due and payable on allotment per security (excluding premium) (in Rs.)				
Total Amount payable on allotment (excluding premium) (in Rs.)				
Premium amount per security due and payable (if any) (in Rs.)				
Total premium amount due and payable (if any) (in Rs.)				
Premium amount paid per security (if any)				
Total premium amount paid (if any) (in Rs.)				
Amount of discount per security (if any) (in Rs.)				
Total discount amount (if any) (in Rs.)				
Amount to be paid on calls per security (if any) (excluding premium) (in Rs.)				
Total amount to be paid on calls (if any) (excluding premium) (in Rs.)				

For Munjal Hospitality Private Limited

Company Secretary

4. Securities allotted for consideration other than cash

* Number of allotments

(i)* Date of allotment (DD/MM/YYYY)
 (ii)(a) Date of passing shareholders' resolution (DD/MM/YYYY)
 (b) SRN of Form No. MGT-14

Particulars	<input type="checkbox"/> Preference shares	<input type="checkbox"/> Equity shares without Differential rights	<input type="checkbox"/> Equity Shares with differential rights	<input checked="" type="checkbox"/> Debentures
Number of securities allotted				3,395,000
Nominal amount per security (in Rs.)				100.00
Total nominal amount (in Rs.)				339,500,000.00
Amount to be treated as paid up on each security (in Rs.)				100.00
Premium amount per security (if any) (in Rs.)				0.00
Total premium amount (if any) (in Rs.)				0.00
Amount of discount per security (if any) (in Rs.)				0.00
Total discount amount (if any) (in Rs.)				0.00

(iv)* Details of consideration

Consideration for which such securities have been allotted	Description of the consideration	Value (amount in Rs.)
(a) Property and assets acquired		
(b) Goodwill		
(c) Services (give nature of services)		
(d) Conversion of Debentures		
(e) Conversion of Loans	Conversion of Unsecured loan into OCD	339,500,000.00
(f) Other items (to be specified)		

(v)* Whether an agreement or contract is executed in writing for allotting securities for consideration other than cash (if yes, attach a copy of such agreement or contract). Yes No

(vi) Whether valuation report of the Valuated person has been obtained. Yes No

(i)* Date of allotment

31/03/2019

(DD/MM/YYYY)

(ii)(a) Date of passing shareholders' resolution

30/03/2019

(DD/MM/YYYY)

(b) SRN of Form No. MGT-14

H49979990

Particulars	<input type="checkbox"/> Preference shares	<input type="checkbox"/> Equity shares without Differential rights	<input type="checkbox"/> Equity Shares with differential rights	<input checked="" type="checkbox"/> Debentures
Number of securities allotted				1,455,000
Nominal amount per security (in Rs.)				100.00
Total nominal amount (in Rs.)				145,500,000.00
Amount to be treated as paid up on each security (in Rs.)				100.00
Premium amount per security (if any) (in Rs.)				0.00
Total premium amount (if any) (in Rs.)				0.00
Amount of discount per security (if any) (in Rs.)				0.00
Total discount amount (if any) (in Rs.)				0.00

(iv)* Details of consideration

Consideration for which such securities have been allotted	Description of the consideration	Value (amount in Rs.)
(a) Property and assets acquired		
(b) Goodwill		
(c) Services (give nature of services)		
(d) Conversion of Debentures		
(e) Conversion of Loans	Conversion of unsecured loan into CCD	145,500,000.00
(f) Other items (to be specified)		

(v)* Whether an agreement or contract is executed in writing for allotting securities for consideration other than cash (if yes, attach a copy of such agreement or contract). Yes No

(vi) Whether valuation report of the Valuated person has been obtained.

Yes No

5. Bonus shares issued

(a) Date of allotment	<input type="text"/>	(DD/MM/YYYY)
(b) Number of bonus shares	<input type="text"/>	
(c) Nominal amount per share (in Rs.)	<input type="text"/>	
(d) Amount to be treated as paid up per share (in Rs.)	<input type="text"/>	
(e) * Date of passing shareholders' resolution	<input type="text"/>	(DD/MM/YYYY)
(f) * SRN of Form No MGT-14	<input type="text"/>	

6. In respect of private placement

(a) Category to whom allotment is made:

- Existing shareholders
 Employee
 Directors
 Qualified Institutional Buyers
 Others

(b) Declaration that in respect of preferential allotment or private placement the company has:

- allotted securities to less than two hundred persons in aggregate in a financial year excluding exempted categories;
 offered such securities through private placement offer letter and no prospectus or any other public advertisement has been issued for the same;
 completed allotment in respect of earlier private placement offers;
 received money payable on subscription of such securities through cheque or demand draft or other banking channels but not in cash;
 made such offers only to the persons whose names were recorded by the company prior to such invitation and such persons have received such offer by name;
 Maintained a complete record of such offers and acceptances in Form No. PAS-5.

7.* Capital structure of the company after taking into consideration the above allotment(s) of shares:

Particulars	Authorized capital of the company	Issued capital of the company	Subscribed capital	Paid up capital
Number of equity shares	650,000,000	508,010,000	508,010,000	508,010,000
Nominal amount per equity share	10	10	10	10
Total amount of equity shares	6,500,000,000.00	5,080,100,000.00	5,080,100,000.00	5,080,100,000.00
Number of preference shares	100,000,000	0	0	0
Nominal value per preference share	10			
Total amount of preference shares	1,000,000,000.00			
Unclassified shares				
Total amount of unclassified shares (in Rs.)				
Total	7,500,000,000.00	5,080,100,000.00	5,080,100,000.00	5,080,100,000.00

8.* Debt Structure of the company after taking into consideration the above allotment(s) of debentures/ other security:

Particulars	Total number of securities	Nominal value per unit of security	Total amount
Debentures	4,850,000	100	485,000,000
Secured loans			0
Others, specify	0	0	0

9.* Whether complete list of allottees has been enclosed as an attachment.

Yes No

In case No, then submit the details of all the allottees in a CD separately.

Attachments

- 1.*List of allottees. Attach separate list for each allotment (refer instruction kit for format).If not attached, then it shall be submitted separately in a CD.
- 2.*Copy of Board or shareholders' resolution.
3. Valuation Report from the valuer, if any;

List of attachments

Attach

Attach

Attach

MHPL CTC.pdf
Valuation Report.pdf
PAS 5.pdf
MHPL ROA.pdf

6. Complete record of private placement offers and acceptances in Form PAS-5.

Attach

Remove attachment

7. Optional attachment(s), if any.

Attach

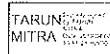
Declaration

I am authorized by the Board of Directors of the Company vide resolution no * 10 dated * 23/06/2017 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.

It is further declared and verified that:

- 1. All the required attachments have been completely, correctly and legibly attached to this form.
- 2. The list of allottees is correct and complete as per records of the company.
- 3. Where the securities are issued other than cash, the contract as well as list of allottees and any other contract of sale, or a contract for services or other consideration in respect of which that allotment is made is attached herewith. If not, then an attachment has been attached by the company mentioning all the particulars of the contract in writing.

* To be digitally signed by



* Designation Company Secretary

* Director identification number of the director; or DIN or PAN of the manager or CEO or CFO; or Membership number of the Company Secretary

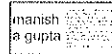
27224

Certificate by practicing professional

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that;

- i. The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order;
- ii. All the required attachments have been completely and legibly attached to this form.

* To be digitally signed by



* Chartered accountant (in whole-time practice) or Cost accountant (in whole-time practice) or Company secretary (in whole-time practice)

* Whether associate or fellow Associate Fellow

* Membership number 6378

* Certificate of practice number 6808

Note: Attention is also drawn to provisions of Section 448 of the Act which provide for punishment for false statement and certification.

Modify

Check Form

Prescrubing

Submit

This eForm has been taken on file maintained by the registrar of companies through electronic mode and on the basis of statement of correctness given by the filing company.

For Munjal Hospitality Private Limited



Return of Allotment

Table A

Name of the Company	Munjal Hospitality Private Limited
Date of Allotment	March 31, 2019
Type of Securities Allotted	12% Unsecured Optionally Convertible Debentures, Series 1
Nominal Amount per Security (in Rs.)	100/-
Premium / (Discount) amount per security (in Rs.)	Nil
Total No. of Allotees	1 (One)
Brief Particulars in respect of terms and condition, voting rights etc.	The Debentures do not carry any voting right. Terms & Conditions are attached below.

Table B

(List of allottees, applicable in case of allotment of securities payable in cash)

S. No.	Name & occupation of Allottee	Address of Allottee	Nationality of the Allottee	Number Shares /Debentures Allotted	Total amount paid (including premium) (in Rs.)	Total amount to be paid on calls (including premium) outstanding (in Rs.)
1	2	3	4	5	6	7

Table C

(List of allottees, applicable in case of allotment of securities for consideration otherwise than in cash)

S. No.	Name & occupation of Allottee	Address of Allottee	Nationality of the Allottee	Number Securities Allotted	Whether securities allotted as fully or partly paid up.	If partly paid up amount outstanding (in Rs.)
1	2	3	4	5	6	7
1.	Hero Cycles Limited Occupation: Business	Hero Nagar, G.T. Road, Ludhiana 141003, Punjab	Indian	33,95,000	fully paid up	Nil

Regd. Office: Hero Nagar, G.T. Road, Ludhiana-141003,
 Phone: 0161-5026969, 5029448-9452, Fax-0161-2529478,79
 Corporate Office: 2A 1001, 10th Floor, Two Horizon Centre, Sector 43 DLF City 5, Gurugram
 122002, Haryana
 Phone: 0124 - 6726700
 CIN- U55204PB2007PTC039380

For Munjal Hospitality Private Limited

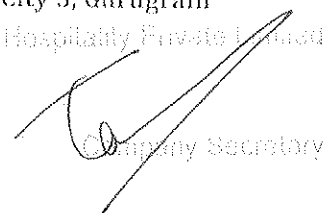

 Company Secretary

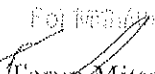


Table D

(List of allottees, applicable in case of allotment of bonus shares)

S. No.	Name & Occupation of Allottee	Address of Allottee	Nationality of the Allottee	Number of shares allotted
1	2	3	4	5

For and on behalf of
Munjali Hospitality Private Limited

For ~~Signature~~ and ~~Stamp~~

Taranu Mitra
Company Secretary
Membership No. A27224
Address:
146-C DG II, Vikaspuri,
New Delhi 110018

Regd. Office: Hero Nagar, G.T. Road, Ludhiana-141003,
Phone: 0161-5026969, 5029448-9452, Fax-0161-2529478,79
Corporate Office: 2A 1001, 10TH Floor, Two Horizon Centre, Sector 43 DLF City 5, Gurugram
122002, Haryana
Phone: 0124 - 6726700
CIN- U55204PB2007PTC039380



TERMS AND CONDITIONS OF
12% UNSECURED OPTIONALLY CONVERTIBLE DEBENTURES
ISIN INE00IP08023

1. Face Value

The face value of each of the OCDs shall be INR 100 (Rupees One Hundred only).

2. Status of OCDs

The OCDs shall constitute unconditional, unsubordinated and unsecured obligations of the Company and will at all times rank *pari passu* with the CCDs and without any preference or priority among themselves.

3. Non-marketable

The OCDs shall be Indian Rupee denominated optionally convertible debentures and shall be non-marketable i.e. they are not capable of being sold on a recognized stock exchange in or outside India. The Company does not intend to, and shall not list the OCDs on any recognized stock exchange in or outside India.

4. Interest Rate

There will be no coupon payable on the OCDs till the completion of 3 months from date of issuance.

Subsequent to the abovementioned 3 months from issuance, throughout the term of the OCDs until conversion, the OCDs will have a fixed coupon of 12% (twelve percent) per annum or higher rates as the Board may decide, which shall be accrued and become due on a quarterly basis. The interest shall be payable subject to and to the extent distributable cash flows are available in the Company and in accordance with the Agreement. After conversion, no additional interest will be payable.

Interest payment dates shall be reckoned in following manner:

26/09/2019

25/12/2019

30/03/2020

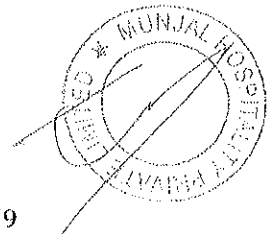
28/06/2020

And forth

It is hereby clarified that the accrued interest/ coupon shall not carry any interest/ coupon.

5. Term

Munjali Hospitality Private Limited
Regd. Office: Hero Nagar, G.T. Road, Ludhiana-141003,
Phone: 0161-5026969, 5029448-9452, Fax-0161-2529478,79
Corporate Office: 2A - 1001, 10th Floor, Two Horizon Centre, Sector - 43, DLF Phase V,
Gurugram 122002, Haryana
CIN- U55204PB2007PTC039380





Each OCD, if not already redeemed (as per paragraph 13 below) or converted, shall convert into Equity Shares on the date occurring [15 (fifteen)] years from the date of allotment thereof ("Term").

6. Conversion

The OCDs shall be converted into equity shares as and when required to give effect to the distributions as per Schedule 17.

Notwithstanding the above, in the event any CCDs are converted into Equity Shares (in accordance with Schedule 13), the same number of OCDs shall at the same time be compulsorily converted into Equity Shares provided that prior written consent of each of the Shareholders is obtained in the event any OCDs are converted into Equity Shares.

7. Conversion Price

The OCDs will be converted at fair value of equity per share of Rs. 13.44/-. Therefore, at conversion ratio 7.44:1, the issue price of OCDs at Rs. 100/- each is fair.

8. Acknowledgment of liability

The Company hereby acknowledges its liability to the OCDs holder in respect of the OCDs and covenants with OCDs holder that, as and when the OCDs are due to be converted in accordance with the provisions of the Agreement, the Company will effect such conversion in accordance with the terms of the Agreement.

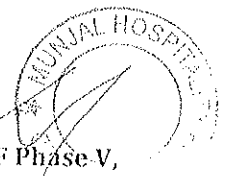
10. No Impairment

The Company will not, by amendment hereof or through any reorganization, transfer of assets, consolidation, merger, amalgamation, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, and will at all times in good faith assist in the carrying out of all the provisions of this paragraph 9 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of OCDs holder in relation to the OCDs against impairment. Without limiting the generality of the foregoing, the Company will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid Equity Shares on the conversion of the OCDs.

11. Status of Converted OCDs

The Company covenants that (i) all Equity Shares issuable upon the conversion of any OCDs will, upon issuance and delivery, be duly and validly issued, fully paid and free from all liens and charges with respect to the issuances thereof and that all pre-emptive rights of Shareholders with respect to the issuances thereof, if any, will have been duly waived; (ii) it will take all such actions necessary to provide for the issuance of the Equity Shares upon conversion of any OCDs in accordance with the terms and provisions of the Agreement and the Restated Articles.

Munjial Hospitality Private Limited
Regd. Office: Hero Nagar, G.T. Road, Ludhiana-141003,
Phone: 0161-5026969, 5029448-9452, Fax-0161-2529478,79
Corporate Office: 2A – 100th Floor, Two Horizon Centre, Sector – 43, DLF Phase V,
Gurugram 122002, Haryana
CIN- U55204PB2007PTC039380





No fractional Equity Shares shall be issued upon the conversion of any OCDs and the number of Equity Shares to be issued shall be rounded to the next highest whole share.

12. Taxes

Each holder of OCDs shall be responsible for its own Taxes (present or future) on any coupon paid or accrued. The Company shall deduct withholding Taxes, as per Applicable Law, on coupon paid to the holders of OCDs.

13. Transferability

Any Transfer of the OCDs shall be subject to the provisions of Clause [15] (*Share Transfer Restrictions and Exit*) of the Agreement.

14. Redemption Right

If OCDs are held by an Indian resident, subject to Applicable Laws, the Company shall have the right to redeem such OCDs and/ or the OCD holder shall have the right to require the Company to redeem such OCDs, in accordance with paragraph 5 above, subject to CCD holder's prior consent.

15. Voting rights

The OCDs shall not carry any voting rights until converted into the Equity Shares.

16. Compliance with Laws

The Company will ensure that the issue, allotment and conversion of the OCDs will be done in accordance with Law. The Company will obtain and/or file all relevant authorizations that may be required for conversion of the OCDs into Equity Shares.

For and on behalf of
Munjat Hospitality Private Limited

For Munjal Hospitality Private Limited

Tarun Mitra
Company Secretary

Membership No. A27224

Address:

146-C DG II, Vikaspuri,
New Delhi 110018

Munjat Hospitality Private Limited

Regd. Office: Hero Nagar, G.T. Road, Ludhiana-141003,

Phone: 0161-5026969, 5029448-9452, Fax-0161-2529478,79

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Gurugram 122002, Haryana

CIN- U55204PB2007PTC039380



Return of Allotment

Table A

Name of the Company	Munjali Hospitality Private Limited
Date of Allotment	March 31, 2019
Type of Securities Allotted	12% Unsecured Compulsorily Convertible Debentures, Series I
Nominal Amount per Security (in Rs.)	100/-
Premium / (Discount) amount per security (in Rs.)	Nil
Total No. of Allotees	1 (One)
Brief Particulars in respect of terms and condition, voting rights etc.	The Debentures do not carry any voting right. Terms & Conditions are attached below.

Table B

(List of allottees, applicable in case of allotment of securities payable in cash)

S. No.	Name & occupation of Allottee	Address of Allottee	Nationality of the Allottee	Number Shares / Debentures Allotted	Total amount paid (including premium) (in Rs.)	Total amount to be paid on calls (including premium) outstanding (in Rs.)
1	2	3	4	5	6	7

Table C

(List of allottees, applicable in case of allotment of securities for consideration otherwise than in cash)

S. No.	Name & occupation of Allottee	Address of Allottee	Nationality of the Allottee	Number Securities Allotted	Whether securities allotted as fully or partly paid up.	If partly paid up amount outstanding (in Rs.)
1	2	3	4	5	6	7
1.	Hero Cycles Limited Occupation: Business	Hero Nagar, G.T. Road, Ludhiana 141003, Punjab	Indian	14,55,000	Fully paid up	Nil

Regd. Office: Hero Nagar, G.T. Road, Ludhiana-141003,
 Phone: 0161-5026969, 5029448-9452, Fax-0161-2529478,79
 Corporate Office: 2A 1001, 10th Floor, Two Horizon Centre, Sector 43 DLF City 5, Gurugram
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Table D

(List of allottees, applicable in case of allotment of bonus shares)

S. No.	Name & Occupation of Allottee	Address of Allottee	Nationality of the Allottee	Number of shares allotted
1	2	3	4	5

For and on behalf of
Munjali Hospitality Private Limited

Tarun Mitra
Company Secretary
Membership No. A27224
Address:
146-C DG II, Vikaspuri,
New Delhi 110018

Regd. Office: Hero Nagar, G.T. Road, Ludhiana-141003,
Phone: 0161-5026969, 5029448-9452, Fax-0161-2529478,79
Corporate Office: 2A 1001, 10TH Floor, Two Horizon Centre, Sector 43 DLF City 5, Gurugram
122002, Haryana
Phone: 0124 - 6726700
CIN- U55204PB2007PTC039380



TERMS AND CONDITIONS OF
12% UNSECURED COMPULSORILY CONVERTIBLE DEBENTURES
ISIN INE001P08015

1. Face Value

The face value of each of the CCDs shall be INR 100 (Rupees One Hundred only).

2. Status of CCDs

The CCDs shall constitute unconditional, unsubordinated and unsecured obligations of the Company and will at all times rank *pari passu* with the CCDs and without any preference or priority among themselves.

3. Non-marketable

The CCDs shall be Indian Rupee denominated compulsorily convertible debentures and shall be non-marketable i.e. they are not capable of being sold on a recognized stock exchange in or outside India. The Company does not intend to, and shall not list the CCDs on any recognized stock exchange in or outside India.

4. Interest Rate

There will no coupon accrued or payable on the CCDs till the completion of 3 months from date of issuance.

Subsequent to the abovementioned 3 months from issuance, throughout the term of the CCDs until conversion, the CCDs will have a fixed coupon 12% (twelve percent) per annum or higher rates as the Board may decide, which shall be accrued and become due on a quarterly basis. The interest shall be payable subject to and to the extent Distributable Cash Flows are available in the Company and in accordance with the Agreement. After conversion, no additional interest will be payable. It is hereby clarified that the accrued interest/ coupon shall not carry any interest/ coupon.

Interest payment dates shall be reckoned in following manner:

26/09/2019

25/12/2019

30/03/2020

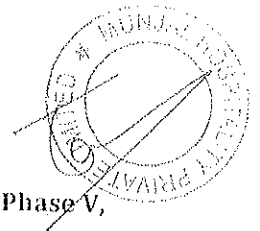
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And forth

5. Term

Each CCD, if not already converted, shall be compulsorily convertible into Equity Shares on the date occurring 15 (fifteen) years from the date of allotment.

Munjal Hospitality Private Limited
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Phone: 0161-5026969, 5029448-9452, Fax-0161-2529478,79
Corporate Office: 2A – 1001, 10th Floor, Two Horizon Centre, Sector – 43, DLF Phase V,
Gurugram 122002, Haryana
CIN- U55204PB2007PTC039380





6. Conversion

The CCDs shall be converted into equity shares as and when required to give effect to the distributions as per Schedule 17.

Notwithstanding the above, in the event any CCDs are converted into Equity Shares (in accordance with Schedule 14), the same number of CCDs shall at the same time be compulsorily converted into Equity Shares, provided that prior written consent of each of the Shareholders is obtained in the event any CCDs are converted into Equity Shares.

7. Conversion Price

The CCDs will be converted at fair value of equity per share of Rs. 13.44/-. Therefore, at conversion ratio 7.44:1, the issue price of CCDs at Rs. 100/- each is fair.

8. Acknowledgment of liability

The Company hereby acknowledges its liability to the CCD holder in respect of the CCDs and covenants with CCD holder that, as and when the CCDs are due to be converted in accordance with the provisions of the Agreement, the Company will effect such conversion in accordance with the terms of the Agreement.

9. No Impairment

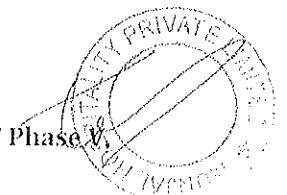
The Company will not, by amendment hereof or through any reorganization, transfer of assets, consolidation, merger, amalgamation, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, and will at all times in good faith assist in the carrying out of all the provisions of this paragraph 9 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of CCD holder in relation to the CCDs against impairment. Without limiting the generality of the foregoing, the Company will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid Equity Shares on the conversion of the CCDs.

10. Status of Converted CCDs

The Company covenants that (i) all Equity Shares issuable upon the conversion of any CCD will, upon issuance and delivery, be duly and validly issued, fully paid and free from all liens and charges with respect to the issuances thereof and that all pre-emptive rights of Shareholders with respect to the issuances thereof, if any, will have been duly waived; (ii) it will take all such actions necessary to provide for the issuance of the Equity Shares upon conversion of any CCD in accordance with the terms and provisions of the Agreement and the Restated Articles.

No fractional Equity Shares shall be issued upon the conversion of any CCDs and the number of Equity Shares to be issued shall be rounded to the next highest whole share.

Munjat Hospitality Private Limited
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Gurugram 122002, Haryana
CIN- U55204PB2007PTC039380





11. Taxes

Each holder of CCDs shall be responsible for its own Taxes (present or future) on any coupon paid or accrued. The Company shall deduct withholding Taxes, as per Applicable Law, on coupon paid to the holders of CCDs.

12. Transferability

Any Transfer of the CCDs shall be subject to the provisions of Clause 15 (*Share Transfer Restrictions and Exits*) of the Agreement.

13. Voting rights

The CCDs shall not carry any voting rights until converted into the Equity Shares.

14. Compliance with Laws

The Company will ensure that the issue, allotment and conversion of the CCDs will be done in accordance with Law. The Company will obtain and/or file all relevant authorizations that may be required for conversion of the CCDs into Equity Shares.

For and on behalf of
Munjali Hospitality Private Limited

For Munjal Hospitality Private Limited

Tarun Mitra
Company Secretary

Membership No. A27224

Address:

146-C DG II, Vikaspuri,
New Delhi 110018

Munjali Hospitality Private Limited

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For Munjal Hospitality Private Limited

Company Secretary



CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF THE COMPANY IN THEIR EXTRA-ORDINARY GENERAL MEETING HELD ON SATURDAY, MARCH 30, 2019

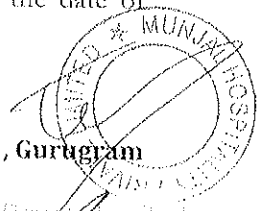

Item No. 3

“RESOLVED THAT pursuant to the provisions of Section 42, Section 71 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder (the “Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Memorandum and Articles of Association of the Company, Investment Agreement dated November 18, 2018 and subject to approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required and subject to such conditions as may be prescribed by them, while granting such approval(s), consent(s), permission(s) and/or sanction(s) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) the consent, authority and approval of the Members be and is hereby accorded to create, issue, offer and allot (“Proposed Issuance”) 33,95,000 (Thirty Three Lacs and Ninety Five Thousand Only) 12% Unsecured Optionally Convertible Debentures of Rs. 100/- each (“OCDs”) of the Company at par aggregating Rs. 33,95,00,000/- (Rupees Thirty Three Crore and Ninety Five Lacs Only) to the Hero Cycles Limited, the Holding Company on Private Placement Basis.

RESOLVED FURTHER THAT following draft terms and conditions of OCDs be and is hereby approved:

- The OCDs shall constitute unconditional, unsubordinated and unsecured obligations of Company and will at all times rank *pari passu* with the Compulsorily Convertible Debentures (“CCDs”) and without any preference or priority among themselves.
- The OCDs shall be Indian Rupee denominated optionally convertible debentures and shall be non-marketable i.e. they are not capable of being sold on a recognized stock exchange in or outside India. Company does not intend to, and shall not list the OCDs on any recognized stock exchange in or outside India.
- There will be no coupon payable on the OCDs till the completion of 3 months from date of issuance. Subsequent to the abovementioned 3 months from issuance, throughout the term of the OCDs until conversion, the OCDs will have a fixed coupon of 12% (twelve percent) per annum or higher rates as the Board may decide, which shall be accrued and become due on a quarterly basis. The interest shall be payable subject to and to the extent distributable cash flows are available with Company and in accordance with the Investment Agreement. After conversion, no additional interest will be payable. It is hereby clarified that the accrued interest/coupon shall not carry any interest/coupon.
- Each OCD, if not already redeemed (as per paragraph 13 below) or converted, shall convert into Equity Shares on the date occurring 15 (fifteen) years from the date of allotment thereof.

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122002, Haryana
Phone: 0124 - 6726700 For Munjal Hospitality Private Limited
CIN- U55204PB2007PTC039380



Company Secretary

- The OCDs shall be converted into equity shares as and when required to give effect to the distributions as per Schedule 17 of the Investment Agreement.
- Notwithstanding the above, in the event any OCDs are converted into Equity Shares (in accordance with Schedule 1), the same number of OCDs shall at the same time be compulsorily converted into Equity Shares provided that prior written consent of each of the Shareholders is obtained in the event any OCDs are converted into Equity Shares.
- The OCDs will be converted at fair value of equity per share of Rs. 13.44/-. Therefore, at conversion ratio 7.44:1, the issue price of OCDs at Rs. 100/- each is fair.
- Company hereby acknowledges its liability to the OCDs holder in respect of the OCDs and covenants with OCDs holder that, as and when the OCDs are due to be converted in accordance with the provisions of the Investment Agreement, Company will effect such conversion in accordance with the terms of the Investment Agreement.
- Company will not, by amendment hereof or through any reorganization, transfer of assets, consolidation, merger, amalgamation, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by Company, and will at all times in good faith assist in the carrying out of all the provisions of this paragraph and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of OCDs holder in relation to the OCDs against impairment. Without limiting the generality of the foregoing, Company will take all such action as may be necessary or appropriate in order that Company may validly and legally issue fully paid Equity Shares on the conversion of the OCDs.
- Company covenants that (i) all Equity Shares issuable upon the conversion of any OCDs will, upon issuance and delivery, be duly and validly issued, fully paid and free from all liens and charges with respect to the issuances thereof and that all pre-emptive rights of Shareholders of Company (as detailed in the Investment Agreement) with respect to the issuances thereof, if any, will have been duly waived; (ii) it will take all such actions necessary to provide for the issuance of the Equity Shares upon conversion of any OCDs in accordance with the terms and provisions of this the Investment Agreement and Articles.
- No fractional Equity Shares shall be issued upon the conversion of any OCDs and the number of Equity Shares to be issued shall be rounded to the next highest whole share.
- Each holder of OCDs shall be responsible for its own Taxes (present or future) on any coupon paid or accrued. Company shall deduct withholding Taxes, as per Applicable Law, on coupon paid to the holders of OCDs.
- Any Transfer of the OCDs shall be subject to the provisions of clause 15 (*Share Transfer Restrictions and Exit*) of the Investment Agreement.

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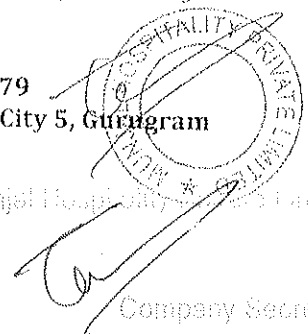
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122002, Haryana**

Phone: 0124 - 6726700

CIN- U55204PB2007PTC039380

For Munjal Hospitality Private Limited


Company Secretary



- If OCDs are held by an Indian resident, subject to Applicable Laws, Company shall have the right to redeem such OCDs and/or the OCD holder shall have the right to require Company to redeem such OCDs, in accordance with point 5 above, subject to OCD holder's prior consent.
- The OCDs shall not carry any voting rights until converted into the Equity Shares.
- Company will ensure that the issue, allotment and conversion of the OCDs will be done in accordance with law. Company will obtain and/or file all relevant authorizations that may be required for conversion of the OCDs into Equity Shares.

RESOLVED FURTHER THAT the subscription money in respect of OCDs offered to Hero Cycles Limited has already been paid due to conversion of loan into debentures.

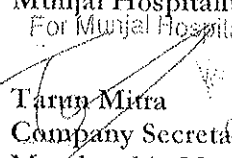
RESOLVED FURTHER THAT draft private placement offer letter, duly approved by the Board of Directors be and is hereby taken on record.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby to discuss, finalize, and amend etc. such aforesaid terms and conditions of OCDs and to do all acts, deeds, things, as deem necessary, proper and desirable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized for the purpose to giving effect to this resolution is hereby authorized to do all such acts deeds things as it may in its absolute discretion, deem necessary and desirable including without limitation, issuing clarifications on the issue and allotment of OCDs, resolving difficulties, effecting modifications to the foregoing (including any modifications to the terms of issue), seek requisite approval from appropriate authorities, appointment of consultants, advisors and other such agencies and to do all such acts, deeds and things as may be necessary and expedient for the purpose of issue and allotment of OCDs.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred in this resolution to any Director or Directors or Company Secretary of the company, if any, to give effect to this resolution."

For and on behalf of
Munjal Hospitality Private Limited
For Munjal Hospitality Private Limited


Tarun Mitra
Company Secretary
Membership No. : A27224
Address: 146 – C, DG II
Vikasपुरi, New Delhi 110018

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CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF THE COMPANY IN THEIR EXTRA-ORDINARY GENERAL MEETING HELD ON SATURDAY, MARCH 30, 2019

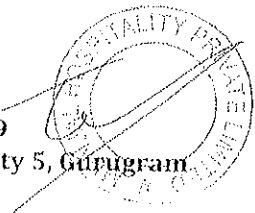
Item No. 4

“RESOLVED THAT pursuant to the provisions of Section 42, Section 71 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder (the “Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Memorandum and Articles of Association of the Company, Investment Agreement dated November 18, 2018 and subject to approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required and subject to such conditions as may be prescribed by them, while granting such approval(s), consent(s), permission(s) and/or sanction(s) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) the consent, authority and approval of the Members be and is hereby accorded to create, issue, offer and allot (“**Proposed Issuance**”) 14,55,000 (Fourteen Crore and Fifty Five Lacs Only) 12% Unsecured Compulsorily Convertible Debentures of Rs. 100/- each (“**CCDs**”) of the Company at par aggregating Rs. 14,55,00,000/- (Rupees Fourteen Crore and Fifty Five Lacs Only) to the Hero Cycles Limited, the Holding Company on Private Placement Basis.

RESOLVED FURTHER THAT following draft terms and conditions of CCDs be and is hereby approved:

- The CCDs shall constitute unconditional, unsubordinated and unsecured obligations of Company and will at all times rank *pari passu* with the Optionally Convertible Debentures (“**OCDs**”) and without any preference or priority among themselves.
- The CCDs shall be Indian Rupee denominated compulsorily convertible debentures and shall be non-marketable i.e. they are not capable of being sold on a recognized stock exchange in or outside India. Company does not intend to and shall not list the CCDs on any recognized stock exchange in or outside India.
- There will no coupon accrued or payable on the CCDs till the completion of 3 months from date of issuance. Subsequent to the abovementioned 3 months from issuance, throughout the term of the CCDs until conversion, the CCDs will have a fixed coupon 12% (twelve percent) per annum or higher rates as the board of directors of Company may decide, which shall be accrued and become due on a quarterly basis. The interest shall be payable subject to and to the extent Distributable Cash Flows (as provided in the Investment Agreement) are available with Company and in accordance with the Investment Agreement. After conversion, no additional interest will be payable. It is hereby clarified that the accrued interest/coupon shall not carry any interest/coupon.
- Each CCD, if not already converted, shall be compulsorily convertible into Equity Shares on the date occurring 15 (fifteen) years from the date of allotment.

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- The CCDs shall be converted into equity shares as and when required to give effect to the distributions as per Schedule 17 of the Investment Agreement. Notwithstanding the above, in the event any CCDs are converted into Equity Shares, the same number of CCDs shall at the same time be compulsorily converted into Equity Shares, provided that prior written consent of each of the Shareholders is obtained in the event any CCDs are converted into Equity Shares.
- The CCDs will be converted at fair value of equity per share of Rs. 13.44/-. Therefore, at conversion ratio 7.44:1, the issue price of CCDs at Rs. 100/- each is fair.
- Company hereby acknowledges its liability to the CCD holder in respect of the CCDs and covenants with CCD holder that, as and when the CCDs are due to be converted in accordance with the provisions of the Investment Agreement, Company will effect such conversion in accordance with the terms of the Investment Agreement.
- Company will not, by amendment hereof or through any reorganization, transfer of assets, consolidation, merger, amalgamation, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by Company, and will at all times in good faith assist in the carrying out of all the provisions of this paragraph 9 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of CCD holder in relation to the CCDs against impairment. Without limiting the generality of the foregoing, Company will take all such action as may be necessary or appropriate in order that Company may validly and legally issue fully paid Equity Shares on the conversion of the CCDs.
- Company covenants that (i) all Equity Shares issuable upon the conversion of any CCD will, upon issuance and delivery, be duly and validly issued, fully paid and free from all liens and charges with respect to the issuances thereof and that all pre-emptive rights of Shareholders of Company (as detailed in the Investment Agreement) with respect to the issuances thereof, if any, will have been duly waived; (ii) it will take all such actions necessary to provide for the issuance of the Equity Shares upon conversion of any CCD in accordance with the terms and provisions of the Investment Agreement and the Articles. No fractional Equity Shares shall be issued upon the conversion of any CCDs and the number of Equity Shares to be issued shall be rounded to the next highest whole share.
- Each holder of CCDs shall be responsible for its own Taxes (present or future) on any coupon paid or accrued. Company shall deduct withholding Taxes, as per Applicable Law, on coupon paid to the holders of CCDs.
- Any Transfer of the CCDs shall be subject to the provisions of clause 15 (*Share Transfer Restrictions and Esit*) of the Investment Agreement.
- The CCDs shall not carry any voting rights until converted into the Equity Shares.

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- Company will ensure that the issue, allotment and conversion of the CCDs will be done in accordance with law. Company will obtain and/or file all relevant authorizations that may be required for conversion of the CCDs into Equity Shares.

RESOLVED FURTHER THAT the subscription money in respect of CCDs offered to Hero Cycles Limited has already been paid due to conversion of loan into debentures.

RESOLVED FURTHER THAT draft private placement offer letter, duly approved by the Board of Directors be and is hereby taken on record.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby to discuss, finalize, and amend etc. such aforesaid terms and conditions of CCDs and to do all acts, deeds, things, as deem necessary, proper and desirable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized for the purpose to giving effect to this resolution is hereby authorized to do all such acts deeds things as it may in its absolute discretion, deem necessary and desirable including without limitation, issuing clarifications on the issue and allotment of CCDs, resolving difficulties, effecting modifications to the foregoing (including any modifications to the terms of issue), seek requisite approval from appropriate authorities, appointment of consultants, advisors and other such agencies and to do all such acts, deeds and things as may be necessary and expedient for the purpose of issue and allotment of CCDs.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred in this resolution to any Director or Directors or Company Secretary of the company, if any, to give effect to this resolution.”

For and on behalf of
Munjal Hospitality Private Limited

For Munjal Hospitality Private Limited

Tarun Mitra
Company Secretary
Membership No. : A27224
Address: 146 - C, DG II
Vikasपुरi, New Delhi 110018

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CERTIFIED TRUE COPY OF THE STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF THE COMPANY IN THEIR EXTRA-ORDINARY GENERAL MEETING HELD ON MARCH 30, 2019

Item No. 3 & Item No. 4

In terms of the Investment Agreement dated November 18, 2018 executed by and between the Company, Hero Cycles Limited, Godrej Projects Development Limited, GBTC I (Master) Pte. Ltd. and Godrej Properties Ltd. The Company shall allot Convertible Debentures (both optional and compulsory) equivalent to the outstanding unsecured loan, as appearing on Investment Agreement amounting to Rs. 48,50,00,000/- (Rupees Forty Eight Crore Fifty Lacs Only) provided by Hero Cycles Limited.

In terms of the said agreement Hero Cycles Limited is converting its existing loan into 33,95,000 (Thirty Three Lacs and Ninety Five Thousand Only) 12% Unsecured Optionally Convertible Debentures of Rs. 100/- each and 14,55,000 (Fourteen Crore and Fifty Five Lacs Only) 12% Unsecured Compulsorily Convertible Debentures of Rs. 100/- each of the Company.

In terms of the Section 71 read with Section 42 of the Companies Act, read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) any issue of Debentures with an option to convert the same into shares must be approved by the members by a **Special Resolution** in their General Meeting.

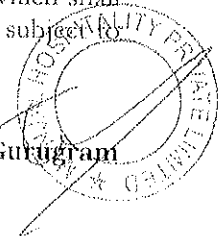
In accordance with Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 following disclosures are being made pertaining to the Debentures:

Particulars of the Offer

Terms & Conditions of Optionally Convertible Debentures

- The OCDs shall constitute unconditional, unsubordinated and unsecured obligations of Company and will at all times rank *pari passu* with the Compulsorily Convertible Debentures ("CCDs") and without any preference or priority among themselves.
- The OCDs shall be Indian Rupee denominated optionally convertible debentures and shall be non-marketable i.e. they are not capable of being sold on a recognized stock exchange in or outside India. Company does not intend to, and shall not list the OCDs on any recognized stock exchange in or outside India.
- There will be no coupon payable on the OCDs till the completion of 3 months from date of issuance. Subsequent to the abovementioned 3 months from issuance, throughout the term of the OCDs until conversion, the OCDs will have a fixed coupon of 12% (twelve percent) per annum or higher rates as the Board may decide, which shall be accrued and become due on a quarterly basis. The interest shall be payable subject to

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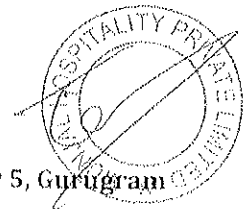




and to the extent distributable cash flows are available with Company and in accordance with the Investment Agreement. After conversion, no additional interest will be payable. It is hereby clarified that the accrued interest/coupon shall not carry any interest/coupon.

- Each OCD, if not already redeemed (as per paragraph 13 below) or converted, shall convert into Equity Shares on the date occurring 15 (fifteen) years from the date of allotment thereof.
- The OCDs shall be converted into equity shares as and when required to give effect to the distributions as per Schedule 17 of the Investment Agreement.
- Notwithstanding the above, in the event any CCDs are converted into Equity Shares (in accordance with Schedule 1), the same number of OCDs shall at the same time be compulsorily converted into Equity Shares provided that prior written consent of each of the Shareholders is obtained in the event any OCDs are converted into Equity Shares.
- The OCDs will be converted at fair value of equity per share of Rs. 13.44/-. Therefore, at conversion ratio 7.44:1, the issue price of OCDs at Rs. 100/- each is fair.
- Company hereby acknowledges its liability to the OCDs holder in respect of the OCDs and covenants with OCDs holder that, as and when the OCDs are due to be converted in accordance with the provisions of the Investment Agreement, Company will effect such conversion in accordance with the terms of the Investment Agreement.
- Company will not, by amendment hereof or through any reorganization, transfer of assets, consolidation, merger, amalgamation, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by Company, and will at all times in good faith assist in the carrying out of all the provisions of this paragraph and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of OCDs holder in relation to the OCDs against impairment. Without limiting the generality of the foregoing, Company will take all such action as may be necessary or appropriate in order that Company may validly and legally issue fully paid Equity Shares on the conversion of the OCDs.
- Company covenants that (i) all Equity Shares issuable upon the conversion of any OCDs will, upon issuance and delivery, be duly and validly issued, fully paid and free from all liens and charges with respect to the issuances thereof and that all pre-emptive rights of Shareholders of Company (as detailed in the Investment Agreement) with respect to the issuances thereof, if any, will have been duly waived; (ii) it will take all such actions necessary to provide for the issuance of the Equity Shares upon conversion of any OCDs in accordance with the terms and provisions of this the Investment Agreement and Articles.

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- No fractional Equity Shares shall be issued upon the conversion of any OCDs and the number of Equity Shares to be issued shall be rounded to the next highest whole share.
- Each holder of OCDs shall be responsible for its own Taxes (present or future) on any coupon paid or accrued. Company shall deduct withholding Taxes, as per Applicable Law, on coupon paid to the holders of OCDs.
- Any Transfer of the OCDs shall be subject to the provisions of clause 15ⁱ (*Share Transfer Restrictions and Exit*) of the Investment Agreement.
- If OCDs are held by an Indian resident, subject to Applicable Laws, Company shall have the right to redeem such OCDs and/or the OCD holder shall have the right to require Company to redeem such OCDs, in accordance with point 5 above, subject to CCD holder's prior consent.
- The OCDs shall not carry any voting rights until converted into the Equity Shares.
- Company will ensure that the issue, allotment and conversion of the OCDs will be done in accordance with law. Company will obtain and/or file all relevant authorizations that may be required for conversion of the OCDs into Equity Shares.

Terms & Conditions of Compulsorily Convertible Debentures

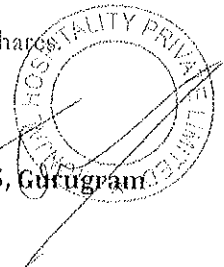
- The CCDs shall constitute unconditional, unsubordinated and unsecured obligations of Company and will at all times rank *pari passu* with the Optionally Convertible Debentures ("OCDs") and without any preference or priority among themselves.
- The CCDs shall be Indian Rupee denominated compulsorily convertible debentures and shall be non-marketable i.e. they are not capable of being sold on a recognized stock exchange in or outside India. Company does not intend to and shall not list the CCDs on any recognized stock exchange in or outside India.
- There will no coupon accrued or payable on the CCDs till the completion of 3 months from date of issuance. Subsequent to the abovementioned 3 months from issuance, throughout the term of the CCDs until conversion, the CCDs will have a fixed coupon 12% (twelve percent) per annum or higher rates as the board of directors of Company may decide, which shall be accrued and become due on a quarterly basis. The interest shall be payable subject to and to the extent Distributable Cash Flows (as provided in the Investment Agreement) are available with Company and in accordance with the Investment Agreement. After conversion, no additional interest will be payable. It is hereby clarified that the accrued interest/coupon shall not carry any interest/coupon.
- Each CCD, if not already converted, shall be compulsorily convertible into Equity Shares on the date occurring 15 (fifteen) years from the date of allotment.

Regd. Office: Hero Nagar, G.T. Road, Ludhiana-141003,
Phone: 0161-5026969, 5029448-9452, Fax-0161-2529478,79
Corporate Office: 2A 1001, 10th Floor, Two Horizon Centre, Sector 43 DLF City 5, Gurugram
122002, Haryana
Phone: 0124 - 6726700
CIN- U55204PB2007PTC039380



- The CCDs shall be converted into equity shares as and when required to give effect to the distributions as per Schedule 17 of the Investment Agreement. Notwithstanding the above, in the event any CCDs are converted into Equity Shares, the same number of CCDs shall at the same time be compulsorily converted into Equity Shares, provided that prior written consent of each of the Shareholders is obtained in the event any CCDs are converted into Equity Shares.
- The CCDs will be converted at fair value of equity per share of Rs. 13.44/-. Therefore, at conversion ratio 7.44:1, the issue price of CCDs at Rs. 100/- each is fair.
- Company hereby acknowledges its liability to the CCD holder in respect of the CCDs and covenants with CCD holder that, as and when the CCDs are due to be converted in accordance with the provisions of the Investment Agreement, Company will effect such conversion in accordance with the terms of the Investment Agreement.
- Company will not, by amendment hereof or through any reorganization, transfer of assets, consolidation, merger, amalgamation, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by Company, and will at all times in good faith assist in the carrying out of all the provisions of this paragraph 9 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of CCD holder in relation to the CCDs against impairment. Without limiting the generality of the foregoing, Company will take all such action as may be necessary or appropriate in order that Company may validly and legally issue fully paid Equity Shares on the conversion of the CCDs.
- Company covenants that (i) all Equity Shares issuable upon the conversion of any CCD will, upon issuance and delivery, be duly and validly issued, fully paid and free from all liens and charges with respect to the issuances thereof and that all pre-emptive rights of Shareholders of Company (as detailed in the Investment Agreement) with respect to the issuances thereof, if any, will have been duly waived; (ii) it will take all such actions necessary to provide for the issuance of the Equity Shares upon conversion of any CCD in accordance with the terms and provisions of the Investment Agreement and the Articles. No fractional Equity Shares shall be issued upon the conversion of any CCDs and the number of Equity Shares to be issued shall be rounded to the next highest whole share.
- Each holder of CCDs shall be responsible for its own Taxes (present or future) on any coupon paid or accrued. Company shall deduct withholding Taxes, as per Applicable Law, on coupon paid to the holders of CCDs.
- Any Transfer of the CCDs shall be subject to the provisions of clause 15 (*Share Transfer Restrictions and Exit*) of the Investment Agreement.
- The CCDs shall not carry any voting rights until converted into the Equity Shares.

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- Company will ensure that the issue, allotment and conversion of the CCDs will be done in accordance with law. Company will obtain and/or file all relevant authorizations that may be required for conversion of the CCDs into Equity Shares.

Date of Board Meeting approving such offer

Board Meeting held on March 30, 2019

Kinds of Securities offered and the price at which security is being offered

Optionally Convertible Debentures

33,95,000 (Thirty Three Lacs and Ninety Five Thousand Only) 12% Unsecured Optionally Convertible Debentures of Rs. 100/- each at par

Compulsorily Convertible Debentures

14,55,000 (Fourteen Crore and Fifty Five Lacs Only) 12% Unsecured Compulsorily Convertible Debentures of Rs. 100/- each at par

Justification for the price at which the offer or invitation is being made

Valuation Certificate dated March 30, 2019 issued by Capitalsquare Advisors Private Limited

Name and Address of Valuer

208, Aarpee Centre, CTS 70, MIDC Road no. 11, Andheri (East), Mumbai 400093

Amount which the Company intends to raise by way of such securities

The Company intends to convert unsecured loan amounting to Rs. 48,50,00,000/- (Rupees Forty Eight Crore Fifty Lacs Only), as per the Investment Agreement, into 33,95,000 (Thirty Three Lacs and Ninety Five Thousand Only) 12% Unsecured Optionally Convertible Debentures of Rs. 100/- each and 14,55,000 (Fourteen Crore and Fifty Five Lacs Only) 12% Unsecured Compulsorily Convertible Debentures of Rs. 100/- each of the Company.

Material Terms of raising such securities

Terms and Conditions of OCDs and CCDs are already mentioned above.

Purposes or Objects of Offer

Realignment of Capital Structure

Principle terms of Assets being Charged

The Debentures (both OCDs and CCDs) are unsecured.

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Promoters Contribution

Hero Cycles Limited is converting its unsecured loan amounting to Rs. 48,50,00,000/- (Rupees Forty Eight Crore Fifty Lacs Only), as per the Investment Agreement, into 33,95,000 (Thirty Three Lacs and Ninety Five Thousand Only) 12% Unsecured Optionally Convertible Debentures of Rs. 100/- each and 14,55,000 (Fourteen Crore and Fifty Five Lacs Only) 12% Unsecured Compulsorily Convertible Debentures of Rs. 100/- each of the Company.

The Board of Directors, in their meeting held on March 30, 2019 subject to approval by the Shareholders by way of Special Resolution and other necessary approvals, if any, has approved such offer in terms and conditions are mentioned in the resolution.

Since the meeting is being called in shorter notice after receiving prior consent of all the members of the Company, relevant documents are available for inspection by the Members at the place of the Meeting during the continuation of the Meeting.

The Board of Directors recommends passing of resolution set out as **Special Resolution**.

None of the Directors, any other Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution. Except, Mr. Pankaj Munjal who is Director of the Company and Chairman of Hero Cycles Limited and Mrs. Charu Munjal, who is Whole-time Director of the Company and wife of Mr. Pankaj Munjal.

For and on behalf of
Munjali Hospitality Private Limited

For Munjal Hospitality Private Limited

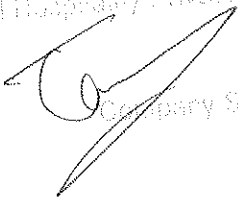
Tarun Mitra
Company Secretary

Membership No. : A27224

Address: 146 - C, DG II

Vikasputri, New Delhi 110018

For Munjal Hospitality Private Limited


Company Secretary

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122002, Haryana
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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY IN THEIR MEETING HELD ON SUNDAY, MARCH 31, 2019

“RESOLVED THAT pursuant to the provisions of Section 42, Section 71 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder (the “Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Memorandum and Articles of Association of the Company, Investment Agreement dated November 18, 2018 and subject to approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required and subject to such conditions as may be prescribed by them, while granting such approval(s), consent(s), permission(s) and/or sanction(s) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) the consent, authority and approval of the Board be and is hereby accorded to allot 33,95,000 (Thirty Three Lacs and Ninety Five Thousand Only) 12% Unsecured Optionally Convertible Debentures of Rs. 100/- (“OCDs”) each at par amounting to Rs. 33,95,00,000/- (Rupees Thirty Three Crore and Ninety Five Lacs Only) to Hero Cycles Limited, the holding Company.


RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 2013, the Certificates in respect of the OCDs allotted may be issued under the signatures of two Directors of the Company and countersigned by the Company Secretary of the Company as Authorized Signatory of the Company or the same may be issued in dematerialized manner.

RESOLVED FURTHER THAT the common seal of the Company, if required, may be affixed in terms of the provisions of Articles of Association of the Company and necessary entry be made in the Statutory Registers of the Company.

RESOLVED FURTHER THAT Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in connection with the allotment and issuance of the OCDs, to sign and submit the e-form with the Registrar of Companies, and to update the statutory registers and to comply with all the legal requirements of the Companies Act, 2013, Foreign Exchange Management Act, 1999 (including filing of Form FC-GPR), Indian Stamp Act, 1899 and other regulatory provisions in this regard, and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto including engagement of Practicing Company Secretary (ies), Chartered Accountant(s), Cost and Management Accountant(s), Advocate(s) or their firm(s) thereof to give effect to the foregoing resolutions.”

For and on behalf of
Munjal Hospitality Private Limited

For Munjal Hospitality Private Limited


Tarun Mitra
Company Secretary

Membership No. : A27224

Address: 146 – C, DG II

Vikaspuri, New Delhi 110018

For Munjal Hospitality Private Limited


Company Secretary

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY IN THEIR MEETING HELD ON SUNDAY, MARCH 31, 2019

“RESOLVED THAT pursuant to the provisions of Section 42, Section 71 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder (the “Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Memorandum and Articles of Association of the Company, Investment Agreement dated November 18, 2018, Foreign Exchange Management Act, 1999 (read with Rules and Regulations made thereunder, directions and subject to approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required and subject to such conditions as may be prescribed by them, while granting such approval(s), consent(s), permission(s) and/or sanction(s) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) the consent, authority and approval of the Board be and is hereby accorded to allot 14,55,000 (Fourteen Lacs and Fifty Five Thousand Only) 12% Unsecured Compulsorily Convertible Debentures of Rs. 100/- (“CCDs”) each at par amounting to Rs. 14,55,00,000/- (Rupees Fourteen Crore and Fifty Five Lacs Only) to Hero Cycles Limited, the Holding Company.

RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 2013, the Certificates in respect of the CCDs allotted may be issued under the signatures of two Directors of the Company and countersigned by the Company Secretary of the Company as Authorized Signatory of the Company or the same may be issued in dematerialized manner.

RESOLVED FURTHER THAT the common seal of the Company, if required, may be affixed in terms of the provisions of Articles of Association of the Company and necessary entry be made in the Statutory Registers of the Company.

RESOLVED FURTHER THAT Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in connection with the allotment and issuance of the CCDs, to sign and submit the e-form with the Registrar of Companies, and to update the statutory registers and to comply with all the legal requirements of the Companies Act, 2013, Foreign Exchange Management Act, 1999 (including filing of Form FC-GPR), Indian Stamp Act, 1899 and other regulatory provisions in this regard, and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto including engagement of Practicing Company Secretary (ies), Chartered Accountant(s), Cost and Management Accountant(s), Advocate(s) or their firm(s) thereof to give effect to the foregoing resolutions.”

For and on behalf of
Munjal Hospitality Private Limited

For Munjal Hospitality Private Limited

Tarun Mitra
Company Secretary
Membership No. : A27224
Address: 146 – C, DG II
Vikasपुरi, New Delhi 110018

For Munjal Hospitality Private Limited

Company Secretary

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FORM PAS-5

(See Rule 14(4))

Record of a private placement offer to be kept by the company

Name of the Company	Munjat Hospitality Private Limited
Registered office	Hero Nagar, G.F. Road, Ludhiana 141003, Punjab
CIN	U55204PB2007PTC039380

DETAILS OF PRIVATE PLACEMENT OFFER:

Date when approval of shareholders obtained for the current Private Placement Offer Letter: 30th March, 2019


Amount of the offer: Rs. 33,95,00,000/- (Rupees Thirty Three Crore and Ninety Five Laes Only) consisting 33,95,000 12% Unsecured Optionally Convertible Debentures of Rs. 100/- each.

Date of circulation of Private Placement Offer Letter: 30th March, 2019

Details of the persons to whom Private Placement Offer Letter has been circulated

S.No.	Name	Father's Name	Address	Phone No.	Email ID
1.	Hero Cycles Limited	Not Applicable	Hero Nagar, GT Road, Ludhiana 141003 Punjab	0161 - 2539448	legal@hmcgroup.in

For MUNJAL HOSPITALITY PRIVATE LIMITED


TAREN MITRA
COMPANY SECRETARY
MEMBERSHIP: A27224

For Munjal Hospitality Private Limited


Company Secretary

FORM PAS-5

(See Rule 14(4))

Record of a private placement offer to be kept by the company

Name of the Company	Munjal Hospitality Private Limited
Registered office	Hero Nagar, G.T. Road, Ludhiana 141003, Punjab
CIN	U55204PB2007PTC039380

DETAILS OF PRIVATE PLACEMENT OFFER:

Date when approval of shareholders obtained for the current Private Placement Offer Letter: 30th March, 2019

Amount of the offer: Rs. 14,55,00,000/- (Rupees Fourteen Crore and Fifty Five Lacs Only) consisting 14,55,000 12% Unsecured Compulsorily Convertible Debentures of Rs. 100/- each.

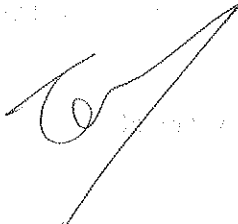
Date of circulation of Private Placement Offer Letter: 30th March, 2019

Details of the persons to whom Private Placement Offer Letter has been circulated

S.No.	Name	Father's Name	Address	Phone No.	Email ID
1.	Hero Cycles Limited	Not Applicable	Hero Nagar, GT Road, Ludhiana 141003 Punjab	0161 -- 2539448	legal@hmcgroup.in

For MUNJAL HOSPITALITY PRIVATE LIMITED


TARUN MITRA
COMPANY SECRETARY
MEMBERSHIP: A27224


TARUN MITRA
COMPANY SECRETARY
MEMBERSHIP: A27224

VALUATION REPORT (OCD)
OF
MUNJAL HOSPITALITY PRIVATE LIMITED

PREPARED BY

CAPITALSQUARE
Teaming together to create value

CAPITALSQUARE ADVISORS PRIVATE LIMITED
(Category – I Merchant Banker)

(Reg. off: 208, Aarpee Centre, CTS 70, MIDC Road no. 11,
Andheri (East), Mumbai 400093, India)

March 2019



For Munjal Hospitality Private Limited


Company Secretary

DISCLAIMER:

This valuation exercise of Munjal Hospitality Private Limited ("MHPL" / "The Company") is being undertaken by CapitalSquare Advisors Private Limited ("CSAPL") at the request of Munjal Hospitality Private Limited ("MHPL"). 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.

This report has been based on the information provided by MHPL and from other sources believed to be reliable.

While the information contained herein is believed to be accurate, no representation or warranty, expressed or implied, is or will be made and no responsibility or liability will be accepted by CSAPL as to, or in relation to the accuracy or adequacy of information contained in this report. The opinions and recommendations in this report are provided in good faith.

MHPL accepts full responsibility for all the data and information pertaining to the valuation report and confirms that no material information that is vital for arriving at a decision for valuation has been suppressed or misstated while providing data / information to CSAPL.

This report has been prepared for with a limited purpose / scope, as identified / stated in the report and will be confidential and for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.



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1. INTRODUCTION AND SCOPE OF ASSIGNMENT

Company Information	
CIN	U55204PB2007PTC039380
Company Name	Munjal Hospitality Private Limited
Date of Incorporation	08/01/2007
ROC Code	RoC-Chandigarh
Registration Number	039380
Company Category	Company limited by Shares
Company Sub-Category	Non-govt company
Whether Listed or not	Unlisted
Class of Company	Private
Registered Address	Hero Nagar, G.T. Road, Ludhiana 141003, Punjab.
Company Status(for e-filing)	Active

Munjal Hospitality Private Limited ("MHPL") has appointed CSAPI to derive the value of Optionally Convertible Debentures proposed to be issued by MHPL.

2. PURPOSE OF VALUATION

- 2.1. MHPL wants to ascertain the value of Optionally Convertible Debentures, for the same it has appointed Capital Square Advisors Private Limited, Category - I Merchant Banker registered with SEBI to undertake the valuation exercise and determine fair value.
- 2.2. This report has been prepared for the management of MHPL solely for the purpose as mentioned in above para and should not be used for any other purpose. The equity valuation mentioned herein reflects our independent opinion which is arrived at based on future projections of MHPL for the period April 01, 2019 till October 31, 2025 as provided by the management of MHPL.
- 2.3. MHPL has engaged CapitalSquare Advisors Pvt. Ltd. a registered Category I Merchant Banker (Registration no: INM000012219) vide the letter dated January 15, 2019 to conduct a Fair Valuation of "MHPL" and issue Valuation report.

3. SOURCES OF INFORMATIONS

All information related to MHPL, including but not limited to past and future profit & loss accounts and Balance sheet of MHPL, and qualitative information's were sourced from management of MHPL, either in the written hard copy or digital form. All information,



explanation, data has been provided which includes:

- Corporate profile of MHPL
- Financial projections till October 31, 2025
- Information, documents, data, reports, explanations, Discussion etc. provided by MHPL

4. ABOUT THE COMPANY

The Company is currently engaged in the business of building and development of commercial colony. The company currently holds land with approved licenses to develop commercial colony in Gurugram.

Shareholding Pattern:

Shareholding pattern on MHPL as on February 28, 2019 is given below:

Name of Shareholders	No. of shares	
UCL	50,80,05,000	99.99%
Mr. Pankaj Munjal	4,995	0.00%
Mrs. Charu Munjal	1	0.00%
Mr. Aditya Munjal	1	0.00%
Mr. Abhishek Munjal	1	0.00%
Mr. Bharat Goel	1	0.00%
Mr. Shashi Kant Rai	1	0.00%
Total	50,80,10,000	100.00%

Board of Directors of the Company:

Director's PAN No.	Full Name	Designation
00005330	Pankaj Munjal	Director
00005811	Charu Munjal	Director
00182187	Rakesh Jinsi	Director
02231570	Pawan Puri	Director



5. TERMS OF ISSUE OF OCD

Company is proposing to issue OCD having Face Value of Rs. 100

Conversion Ratio: OCDs will be converted to equity shares at the conversion ratio decided upon the Face Value of Equity Shares at the time of issuance.

6. VALUATION: METHODOLOGY AND FAIR MARKET VALUE

6.1 Methods of Valuation

There are number of methodologies to value the companies/business using historical and forecast financials of the company.

i) Discounted Cash Flow ("DCF"):

DCF method uses future free cash flow projections and discounts them to arrive at a present value. It is widely used in investment finance, real estate development, corporate financial management and patent valuation.

Under DCF, Free Cash Flow to Firm or Free Cash Flow to Equity approach is used to arrive at a Valuation of Company:

• Free cash flow to firm (FCFF):

This indicates the Fair value of the firm based on the value of the cash flows that the business is expected to generate in the future. All future cash flows are estimated and discounted using cost of capital to give their present values. This is a measurement of a company's profitability after all expenses and reinvestments. It's one of the benchmarks used to compare and analyse financial health.

• Free Cash flow to equity (FCFE):

This indicates the Fair value of the equity based on the value of the cash flows that the business is expected to generate in the future. The method involves the estimation of post-tax cash flows to equity for a projection period, after consideration of reinvestment in terms of capital expenditure, incremental working capital, and debt repayment. These cash flows are then discounted at a cost of equity that reflects the risks of business.

ii) Asset based methods

Asset based methods are normally based on the Net Asset Value (NAV) of the unit as on the valuation date and could be on current replacement cost basis or on the basis of book values. On a going concern basis, normally the book value of the assets is considered.



iii) For Relative Valuation Method

In relative valuation, the value of an asset is compared to the values assessed by the market for similar or comparable assets. Comparable assets values are derived either using trading multiples of comparable companies or transaction (Merger, Acquisition, Private Equity Investments etc.) based multiples. Steps involved in Relative valuation:

- Identify comparable assets and obtain market values for these assets
- Convert these market values into standardized values, as the absolute prices cannot be compared
- The standardizing process creates price multiples
- Compare the standardized value or multiple for the asset being analyzed to the standardized values for comparable asset, controlling for any differences between the firms that might affect the multiple, to judge whether the asset is under or over valued

Standardize price multiples are arrived by using below mentioned variables such as Earning, Cash flow, Book Value and Revenues. Below are various multiples:

- Revenues
- Earnings Multiples
- Book Value Multiples
- Industry Specific Variable (Price/kwh, Price per ton of steel etc.)

6.2 Valuation methodology used:

MHPI is issuing Optionally Convertible Debentures ("OCD") having Face Value of Rs. 100. These OCDs will be converted to equity shares at the conversion ratio decided upon the Face Value of Equity Shares at the time of issuance.

MHPI is in growth phase therefore Discounted Free Cash Flow Method of Valuation is appropriate method. Discounted Free Cash Flow Method is an internationally accepted methodology.

Our estimated valuation of the company was on the basic assumption of going concern entity and is based on the following methodologies.

DCF Methodology

- We have considered cash flows for period starting from April 01, 2019 till October 31, 2025 as provided by the management of MHPI.
- FCFE are calculated for period from April 01, 2019 till October 31, 2025 as:
 - o Booking Advance received from customers
 - o Less, Development Cost
 - o Less, Other Expenses



- Discount factor consider at 18.99%, calculated as, (Refer Annexure 2 for details)
 - o Cost of Equity: 14.49%
 - o Cost of Debt (post tax): 8.51%
 - o Premium of 6% is added to cost of capital as it is an unlisted company

The total Equity value based on DCF is Rs. 682.80 crores and value per share of MHIPL is Rs. 13.44 (Refer Annexure 1 for details).

A. FAIR VALUATION

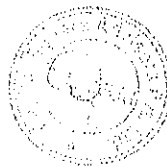
As on March 30, 2019, total equity value of the Company is Rs. 682.80 crores. The fair value per share of MHIPL is Rs. 13.44.

The company proposes to issue Optionally Convertible Debentures ("OCD") at Face value of Rs. 100.

The OCD will be converted into equity shares at fair value. Therefore, as per the fair value per share of MHIPL as on March 30, 2019, the conversion ratio will be as follows:

Face Value of OCD (A)	Rs. 100
Fair Value of Equity (B)	Rs. 13.44
Conversion Ratio (A/B)	7.44

The OCDs will be converted at fair value of equity per share of Rs. 13.44. Therefore, at conversion ratio of 7.44:1, the issue price of OCD at Rs. 100 is fair.

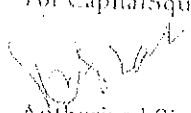


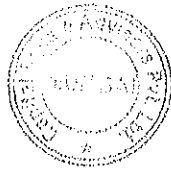
7. EXCLUSIONS/DISCLAIMER/LIMITATION/WARRANTIES & CAVETS
- 7.1 This confidential report is prepared by CSAPI, solely for the purpose set out in the report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued, and the purpose mentioned herein. For the purpose of clarity, MHIPL may share this report with its auditors, advisors and investment bankers in the normal course of its business. We will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report, without our written permission in each instance. The material is true only as of the date of this letter. We assuming no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- 7.2 We have prepared this report based on the information provided, explanation given, and representations made by management of MHIPL. We have neither checked nor independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which the MHIPL take in future. We have solely relied on explanations, information, paper, reports, documents & Statements provided by the Management of MHIPL only and accepted all that information provided to us as consistent and accurate on an "as is" basis and taken in good faith and in the belief that such information is neither false nor misleading.
- 7.3 Our work did not include either an audit of the financial statements of the MHIPL or validating the financial performance of the company.
- 7.4 We have prepared this report with assumption that financial statement of MHIPL captures all the contingent liabilities and there are no other contingent liabilities of the Company.
- 7.5 This Report is issued on the understanding that Management of MHIPL has drawn our attention to all matters of which they are aware concerning the financial position of the business of the MHIPL, which may have an impact on our report up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We have no responsibility to update this report for events and circumstances occurring after the date of this Report. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.
- 7.6 Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice.



- 7.7 The scope of our work has been limited in terms of the purpose of valuation mentioned in Article 1 and 2 of this report. There may be matters, other than those noted in this report, which might be relevant in the context of any other purpose and which a wider scope might uncover. It may be noted that Valuation, is not an exact science and ultimately depends upon what the business is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. The valuation exercise is carried out using generally accepted valuation methodology, principles, and the relative emphasis of each often varying, based on several specific factors. The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concern, certain valuation techniques have evolved over time and are commonly in use, which we have applied in.
- 7.8 We have no present or planned future interest in MHPL and the fees for this report is not contingent upon the value reported herein. Our Valuation Analysis should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with MHPL. Further CSAPL nor the members of the team working on the independent valuation have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- 7.9 We have not considered any law, regulation, and taxation or accounting principle as related or applicable to Target Company's country. We have prepared this report as per Indian law, regulation, or accounting principle in India on the data provided to us.
- 7.10 CSAPL does not accept any liability to any third party in relation to the issue to this valuation report. Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent. We retain the right to deny permission for the same.

For CapitalSquare Advisors Pvt. Ltd.


Authorized Signatory
Date: March 30, 2019



Valuation Working of MHPL

Annexure I

(Rs. in Crores)

	FY2020	FY2021	FY2022	FY2023	FY2024	Q1 FY25
CASH INFLOWS						
RENT RECEIVED				131.95	178.95	93.29
CAM RECEIVED				28.05	38.11	20.49
Loan	110.70	206.12	242.73	210.98	(42.75)	(981.10)
SECURITY DEPOSIT			20.70	60.79	10.16	
TOTAL INFLOWS (A)	110.70	206.12	263.43	434.77	184.47	(867.33)
CASH OUTFLOW						
DEVELOPMENT COST	146.20	274.83	530.51			
OTHER EXPENSES	1.10	-	13.80	41.09	19.56	
INCOME TAX						
TOTAL OUTFLOWS (B)	147.60	274.83	344.34	41.09	19.56	
NET OPERATING CASH FLOW	(36.90)	(68.71)	(80.91)	393.69	164.91	(867.33)
TERMINAL CASH FLOW						2,425.91
TOTAL CASH FLOW	(36.90)	(68.71)	(80.91)	393.69	164.91	1,558.58



DISCOUNT FACTOR	0.8404	0.7063	0.5936	0.4988	0.4192	0.38
DISCOUNTED CASH FLOW	(31.01)	(48.53)	(48.02)	196.38	69.13	598.98

Working of Fair Value:

(Rs. In Crores)

WORKING OF FAIR VALUE PER EQUITY SHARE	
Present Value Of Cash Flows	736.94
Less: Non-Current Liabilities	1.11
Less: Outstanding Debt and Liabilities	54.14
Add: Current Financial Assets	1.20
Equity Value	682.80
Total no. of potential equity shares presently issued	50,80,10,300
FAIR VALUE PER EQUITY SHARE (Rs.)	13.44

Working of Discounting Factor

Annexure 2

WACC Working	
Cost of Equity	14.49%
Cost of Debt (post tax)	8.51%
Equity Weightage	75.00%
Debt Weightage	25.00%
Premium	6.00%
Discounting factor	18.99%

Cost of Equity:

Cost of Equity for the Company is assumed to be equal to market return (i.e. S&P BSE 500 index is considered).



VALUATION REPORT (CCD)
OF
MUNJAL HOSPITALITY PRIVATE LIMITED

PREPARED BY

CAPITALSQUARE
Teaming together to create value

CAPITALSQUARE ADVISORS PRIVATE LIMITED
(Category - I Merchant Banker)

(Reg. off: 208, Aarpee Centre, CTS 70, MIDC Road no. 11,
Andheri (East), Mumbai 400093, India)

March 2019



DISCLAIMER:

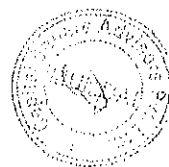
This valuation exercise of Munjal Hospitality Private Limited ("MHPL" / "The Company") is being undertaken by CapitalSquare Advisors Private Limited ("CSAPL") at the request of Munjal Hospitality Private Limited ("MHPL"). Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality and not in parts.

This report has been based on the information provided by MHPL and from other sources believed to be reliable.

While the information contained herein is believed to be accurate, no representation or warranty, expressed or implied, is or will be made and no responsibility or liability will be accepted by CSAPL as to, or in relation to the accuracy or adequacy of information contained in this report. The opinions and recommendations in this report are provided in good faith.

MHPL accepts full responsibility for all the data and information pertaining to the valuation report and confirms that no material information that is vital for arriving at a decision for valuation has been suppressed or misstated while providing data / information to CSAPL.

This report has been prepared for with a limited purpose / scope, as identified / stated in the report and will be confidential and for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.



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1. INTRODUCTION AND SCOPE OF ASSIGNMENT

Corporate Information	
CIN	U55204PB32007PTC039380
Company Name	Munjai Hospitality Private Limited
Date of Incorporation	08/01/2007
ROC Code	RoC-Chandigarh
Registration Number	039380
Company Category	Company limited by Shares
Company Sub-Category	Non-govt company
Whether Listed or not	Unlisted
Class of Company	Private
Registered Address	Hero Nagar, G.T. Road, Ludhiana 141003, Punjab.
Company Status(for e-filing)	Active

Munjai Hospitality Private Limited ("MHPL") has appointed CSAPL to derive the value of Compulsorily Convertible Debentures proposed to be issued by MHPL.

2. PURPOSE OF VALUATION

- 2.1. MHPL wants to ascertain the value of Compulsorily Convertible Debentures, for the same it has appointed Capital Square Advisors Private Limited, Category - I Merchant Banker registered with SEBI to undertake the valuation exercise and determine fair value.
- 2.2. This report has been prepared for the management of MHPL, solely for the purpose as mentioned in above para and should not be used for any other purpose. The equity valuation mentioned herein reflects our independent opinion which is arrived at based on future projections of MHPL, for the period April 01, 2019 till October 31, 2025 as provided by the management of MHPL.
- 2.3. MHPL has engaged CapitalSquare Advisors Pvt. Ltd. a registered Category I Merchant Banker (Registration no: INM000012219) vide the letter dated January 15, 2019 to conduct a Fair Valuation of "MHPL" and issue Valuation report.

3. SOURCES OF INFORMATIONS

All information related to MHPL, including but not limited to past and future profit & loss accounts and Balance sheet of MHPL, and qualitative information's were sourced from management of MHPL either in the written hard copy or digital form. All information,



explanation, data has been provided which includes:

- Corporate profile of MIPL
- Financial projections till October 31, 2025
- Information, documents, data, reports, explanations, Discussion etc. provided by MIPL

4. ABOUT THE COMPANY

The Company is currently engaged in the business of building and development of commercial colony. The company currently holds land with approved licenses to develop commercial colony in Gurugram.

Shareholding Pattern:

Shareholding pattern on MIPL as on February 28, 2019 is given below:

Name of Shareholders	No. of Shares	
HCL	50,80,05,000	99.99%
Mr. Pankaj Munjal	4,995	0.00%
Mrs. Charu Munjal	1	0.00%
Mr. Aditya Munjal	1	0.00%
Mr. Abhishek Munjal	1	0.00%
Mr. Bharat Goel	1	0.00%
Mr. Shashi Kant Rai	1	0.00%
Total	50,80,10,000	100.00%

Board of Directors of the Company:

Director's Identification Number	Director's Name	Designation
00005330	Pankaj Munjal	Director
00005811	Charu Munjal	Director
00182187	Rakesh Jinsi	Director
02231570	Pawan Puri	Director



5. TERMS OF ISSUE OF CCD

Company is proposing to issue CCD having Face Value of Rs. 100

Conversion Ratio: CCDs will be converted to equity shares at the conversion ratio decided upon the Face Value of Equity Shares at the time of issuance.

6. VALUATION: METHODOLOGY AND FAIR MARKET VALUE

6.1 Methods of Valuation

There are number of methodologies to value the companies/business using historical and forecast financials of the company.

i) Discounted Cash Flow ("DCF"):

DCF method uses future free cash flow projections and discounts them to arrive at a present value. It is widely used in investment finance, real estate development, corporate financial management and patent valuation.

Under DCF, Free Cash Flow to Firm or Free Cash Flow to Equity approach is used to arrive at a Valuation of Company:

• Free cash flow to firm (FCFF):

This indicates the Fair value of the firm based on the value of the cash flows that the business is expected to generate in the future. All future cash flows are estimated and discounted using cost of capital to give their present values. This is a measurement of a company's profitability after all expenses and reinvestments. It's one of the benchmarks used to compare and analyse financial health.

• Free Cash flow to equity (FCFE):

This indicates the Fair value of the equity based on the value of the cash flows that the business is expected to generate in the future. The method involves the estimation of post-tax cash flows to equity for a projection period, after consideration of reinvestment in terms of capital expenditure, incremental working capital, and debt repayment. These cash flows are then discounted at a cost of equity that reflects the risks of business.

ii) Asset based methods

Asset based methods are normally based on the Net Asset Value (NAV) of the unit as on the valuation date and could be on current replacement cost basis or on the basis of book values. On a going concern basis, normally the book value of the assets is considered.



iii) For Relative Valuation Method

In relative valuation, the value of an asset is compared to the values assessed by the market for similar or comparable assets. Comparable assets values are derived either using trading multiples of comparable companies or transaction (Merger, Acquisition, Private Equity Investments etc.) based multiples. Steps involved in Relative valuation:

- Identify comparable assets and obtain market values for these assets
- Convert these market values into standardized values, as the absolute prices cannot be compared
- The standardizing process creates price multiples
- Compare the standardized value or multiple for the asset being analyzed to the standardized values for comparable asset, controlling for any differences between the firms that might affect the multiple, to judge whether the asset is under or over valued

Standardize price multiples are arrived by using below mentioned variables such as Earning, Cash flow, Book Value and Revenues. Below are various multiples:

- Revenues
- Earnings Multiples
- Book Value Multiples
- Industry Specific Variable (Price/kwh, Price per ton of steel etc.)

6.2 Valuation methodology used:

MHPL is issuing Compulsorily Convertible Debentures ("CCD") having Face Value of Rs. 100. These CCDs will be converted to equity shares at the conversion ratio decided upon the Face Value of Equity Shares at the time of issuance.

MHPL is in growth phase therefore Discounted Free Cash Flow Method of Valuation is appropriate method. Discounted Free Cash Flow Method is an internationally accepted methodology.

Our estimated valuation of the company was on the basic assumption of going concern entity and is based on the following methodologies.

DCF Methodology

- We have considered cash flows for period starting from April 01, 2019 till October 31, 2025 as provided by the management of MHPL.
- FCFF are calculated for period from April 01, 2019 till October 31, 2025 as:
 - o Booking Advance received from customers
 - o Less, Development Cost
 - o Less, Other Expenses



- Discount factor consider at 18.99%, calculated as, (Refer Annexure 2 for details)
 - Cost of Equity: 14.49%
 - Cost of Debt (post tax): 8.51%
 - Premium of 6% is added to cost of capital as it is an unlisted company

The total Equity value based on DCF is Rs. 682.80 crores and value per share of MHIPL is Rs. 13.44 (Refer Annexure 1 for details).

A. FAIR VALUATION

As on March 30, 2019, total equity value of the Company is Rs. 682.80 crores. The fair value per share of MHIPL is Rs. 13.44

The company proposes to issue Compulsorily Convertible Debentures ("CCD") at Face value of Rs. 100.

The CCD will be converted into equity shares at fair value. Therefore, as per the fair value per share of MHIPL, as on March 30, 2019, the conversion ratio will be as follows:

Face Value of CCD (A)	Rs. 100
Fair Value of Equity (B)	Rs. 13.44
Conversion Ratio (A/B)	7.44

The CCDs will be converted at fair value of equity per share of Rs. 13.44. Therefore, at conversion ratio of 7.44:1, the issue price of CCD at Rs. 100 is fair.



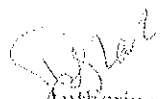
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- 7.6 Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice.



- 7.7 The scope of our work has been limited in terms of the purpose of valuation mentioned in Article 1 and 2 of this report. There may be matters, other than those noted in this report, which might be relevant in the context of any other purpose and which a wider scope might uncover. It may be noted that Valuation, is not an exact science and ultimately depends upon what the business is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. The valuation exercise is carried out using generally accepted valuation methodology, principles, and the relative emphasis of each often varying, based on several specific factors. The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concern, certain valuation techniques have evolved over time and are commonly in use, which we have applied in.
- 7.8 We have no present or planned future interest in MIIPL and the fees for this report is not contingent upon the value reported herein. Our Valuation Analysis should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with MIIPL. Further CSAPI team the members of the team working on the independent valuation have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influential or undertaken advocating a management position in determining the value.
- 7.9 We have not considered any law, regulation, and taxation or accounting principle as related or applicable to Target Company's country. We have prepared this report as per Indian law, regulation, or accounting principle in India on the data provided to us.
- 7.10 CSAPI does not accept any liability to any third party in relation to the issue to this valuation report. Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent. We retain the right to deny permission for the same.

For CapitalSquare Advisors Pvt. Ltd.


Authorized Signatory
Date: March 30, 2019



Valuation Working of MHPIL

Annexure I

(Rs. in Crores)

	BY 2021	BY 2021	BY 2022	BY 2023	BY 2024	BY 2025
CASH INFLOWS						
RENT RECEIVED				134.95	178.95	93.29
CAM RECEIVED				28.05	38.11	20.49
Loan	110.70	206.12	242.73	210.98	(12.75)	(981.10)
SECURITY DEPOSIT			20.70	60.79	10.16	
TOTAL INFLOWS (A)	110.70	206.12	263.43	434.77	184.47	(867.33)
CASH OUTFLOW						
DEVELOPMENT COST	146.20	274.83	330.54			
OTHER EXPENSES	1.40		13.80	41.09	19.56	
INCOME TAX						
TOTAL OUTFLOWS (B)	147.60	274.83	344.34	41.09	19.56	
NET OPERATING CASH FLOW	(36.90)	(68.71)	(80.91)	393.69	164.91	(867.33)
TERMINAL CASH FLOW						2,125.91
TOTAL CASH FLOW	(36.90)	(68.71)	(80.91)	393.69	164.91	1,558.58



DISCOUNT FACTOR	0.8404	0.7063	0.5936	0.4988	0.4192	0.38
DISCOUNTED CASH FLOW	(31.01)	(48.53)	(48.02)	196.38	69.13	598.98

Working of Fair Value:

(Rs. In Crores)

EQUITY VALUE PER POTENTIAL EQUITY SHARE	
Present Value Of Cash Flows	736.94
Less: Non-Current Liabilities	111
Less: Outstanding Debt and Liabilities	54.14
Add: Current Financial Assets	1.20
Equity Value	682.80
Total no. of potential equity shares presently issued	50,80,10,000
FAIR VALUE PER EQUITY SHARE (Rs.)	13.44

Annexure 2

Working of Discounting Factor

WACC WEIGHTS	
Cost of Equity	14.49%
Cost of Debt (post tax)	8.51%
Equity Weightage	78.03%
Debt Weightage	21.00%
Premium	6.00%
Discounting Factor	18.99%

Cost of Equity:

Cost of Equity for the Company is assumed to be equal to market return (i.e. S&P BSE 500 index is considered).

