

# FORM NO. PAS-4

## Private Placement of Debentures

### Offer Letter

[Pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

#### Offer by way of Private Placement

25,00,000 (twenty five lakhs) Optionally Convertible Debentures at an Issue Price of INR 100/- (Indian Rupees One Hundred only) each ("Debentures" or "OCDs")

The offer stands open on 28<sup>th</sup> December, 2020 and closes on 28<sup>th</sup> January, 2021

#### Details of the Offer

The Board of the Directors of the Company at their meeting held on 25<sup>th</sup> day of December, 2020 approved the proposal for private placement of 25,00,000 (twenty five lakhs) Optionally Convertible Debentures each having a Nominal Value of INR 100/- (Indian Rupees One Hundred only) each in accordance with the provisions of the Companies Act 2013 and applicable rules and regulations.

#### 1. GENERAL INFORMATION

	Name	RAMANI ICECREAM COMPANY LIMITED
	Address	61-B Kasturba Nagar Bhopal – 462011, Madhya Pradesh
	Website/Email ID	Website : <a href="http://www.topntown.com">www.topntown.com</a> Email: <a href="mailto:accountstopntown@gmail.com">accountstopntown@gmail.com</a>
	Contact details:	+91 0755 4286106
	Registered office	61-B Kasturba Nagar Bhopal – 462011, Madhya Pradesh
	Corporate office	61-B Kasturba Nagar Bhopal – 462011, Madhya Pradesh
	Date of incorporation of the company and CIN	20/08/1991 CIN: U15544MP1991PLC006612
	Business carried on by the company	The company is engaged in the business of manufacturing and distribution of ice cream and frozen desserts under the brand "TOP 'N TOWN".
	subsidiaries with the details of branches or units, if any	No subsidiary
	Brief particulars of the management of the company	The Company is being managed by the following directors:  Mr. Vijay Hariramani, Mr. Prakash Hariramani and Arun Hariramani. They have rich experience of the industry and has best knowledge of company affairs and management.
	Names, addresses, DIN and occupations of the directors;	1. Mr. Vijay Hariramani Address: E - 1 /96, Arera Colony, Bhopal DIN: 00405752 Occupation: Business

		<p>2. Mr. Prakash Hariramani Address: E - 1 /96, Arera Colony, Bhopal DIN: 00405921 Occupation: Business</p> <p>3. Mr. Arun Hariramani Address: E - 1 /96, Arera Colony, Bhopal DIN: 02423000 Occupation: Business</p> <p>4. Mr. Harish Hariramani Address: E - 1 /96, Arera Colony, Bhopal DIN: 00421967 Occupation: Business</p> <p>5. Ms. Ritika Hariramani Address: E - 1 /96, Arera Colony, Bhopal DIN: 00497548 Occupation: Business</p> <p>6. Ms. Kritika Hariramani Address: E - 1 /96, Arera Colony, Bhopal DIN: 00421879 Occupation: Business</p> <p>7. Mr. Ayush Hariramani Address: E - 1 /96, Arera Colony, Bhopal DIN: 08765341 Occupation: Business</p> <p>8. Mr. Yashwant Gore Address: 100 A Sector A Shahpura, Sterling Enclave / Manisha Market, Huzur, Trilanga, BHOPAL (M. P.) - 462039 DIN: 08191965 Occupation: Retired from MP Govt.</p>
	Management's perception of risk factors;	There are many risk factors to the company's business. The company's business is seriously impacted due to Covid-19, and the nation-wide lock-down has had a material impact on the company's sales. In addition to this, there are other risk factors faced by the company including, but without limitation, failure in the execution of business plan, cash flow management, pending liabilities, talent retention and ability to attract talent, litigation and regulatory risks, intellectual property claims, environmental laws, change in government policies, competition, loss or shutdown of operations due to any reason, ability to raise the finance for future expansion, product liability issues, labour disruptions, political, economic and social developments and other force majeure factors, etc.

	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –	
	i) statutory dues;	There has been delays in paying various statutory dues due to business impact, Covid-19 etc. The Company is going to follow relevant laws to pay such dues or regularize them.
	ii) debentures and interest thereon;	NIL
	iii) deposits and interest thereon;	NIL
	iv) loan from any bank or financial institution and interest thereon.	There has been instances of delay in payment to bank or financial institutions due to business impact, Covid-19 etc. and the Company is taking required steps.
	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process;	Ms.Vasundhara Thakur Company Secretary Ramani Icecream Company Limited 61-B Kasturba Nagar Bhopal – 462011, Madhya Pradesh Email: <a href="http://www.topntown.com">www.topntown.com</a> Mobile : +91 0755 4286106
	Any default in annual filing of the company under the Companies Act, 2013 or the rules made thereunder	Nil

## 2. PARTICULARS OF THE OFFER

	Financial position of the Company for the last 3 financial year	Given under below points of this Offer Letter.
	Date of passing of board resolution	25 <sup>th</sup> December, 2020
	Date of passing of resolution in the general meeting, authorizing the offer of securities;	25 <sup>th</sup> December, 2020
	Kinds of securities offered (i.e. whether share or debenture) and class of security;	25,00,000 (twenty five lakh) Optionally Convertible Debentures
	Price at which the security is being offered including the premium, if any, along with justification of the price;	Optionally Convertible Debentures each having a Nominal Value of INR 100/- (Indian Rupees One Hundred only).
	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with the report of the registered valuer;	The issue of OCDs is happening at a Nominal Value of INR 100/- (Indian Rupees One Hundred only) and the Company is going to follow the relevant valuation guidelines as per the Optionally Convertible Debenture Subscription Agreement.
	Relevant date with reference to which the price has been arrived at	As above.
	Amount which the company intends to raise by way of securities;	INR 25,00,00,000/- (Indian Rupees Twenty Five Crores only)
	The class or classes of persons to whom the allotment is proposed to be made;	Mr. Nitan Chhatwal in his capacity as the Trustee of Krisharya Trust ("Investor")

	Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)	Not Applicable
	The proposed time within which the allotment shall be completed	30 days
	The names of the proposed allottees and the percentage of post private placement capital that may be held by them	Refer to <b>Annexure- 1</b>
	Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;	Optionally Convertible Debentures – terms are more detailed out in the Optionally Convertible Debenture Subscription Agreement entered on 25 <sup>th</sup> December, 2020 with the proposed allottee. The term of shall be a maximum of 15 years and these OCDs shall bear interest @ 0.1% per annum which shall accrue and be paid monthly. Each of the OCDs shall stand converted into Shares, as per the valuation mechanism set out in the Optionally Convertible Debenture Subscription Agreement and mentioned herein as <b>Annexure -2</b> (“OCD Agreement”).  Mode of payment & repayment, if any: Banking Channel
	The change in control, if any, in the company that would occur consequent to the private placement	No
	The number of persons to whom allotment on preferential issue/private placement/right issue has already been made during the year, in terms of number of securities as well as price	Nil
	The justification for the allotment proposed to be made for consideration other than cash together with the valuation report of the registered valuer	Not Applicable
	Proposed time schedule for which the offer letter is valid;	The offer stands open on 28 <sup>th</sup> December, 2020 and closes on 28 <sup>th</sup> January, 2021.
	Purposes and objects of the offer;	To raise funds for payment of: i) repayment of principal and interest in relation to its existing Financial Indebtedness; and ii) general corporate purposes.
	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	Nil
	Principle terms of assets charged as security, if applicable;	None

	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations	Nil
	The pre-issue and post-issue shareholding pattern of the company	Refer to Annexure- 1

### 3. MODE OF PAYMENT FOR SUBSCRIPTION

- o Banking Channels

### 4. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

- i. None of the Directors/promoters or key managerial personnel has any financial or other material interest in the offer and the effect of such interest in so far as it is different from the interests of other persons.
- ii. No litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter except an income tax matter u/s 245C of the Income Tax Act, 1961 wherein Shri Vijay Hariramani has offered income for settlement and paid interest thereon and the order is expected soon.
- iii. Remuneration of directors (during the last three financial years)

(Amount in INR)

Name of Director	FY 2019-20	FY 2018-19	FY 2017-18
Mr. Prakash Hariramani	14, 00,000.00	9, 00,000.00	4, 80,000.00
Mr. Vijay Hariramani	18, 00,000.00	18, 00,000.00	9, 00,000.00
Mr. Arun Hariramani	18, 00,000.00	13, 00,000.00	5, 00,000.00
Mr. Harish Hariramani	5, 00,000.00	5, 00,000.00	13, 00,000.00
Mrs. Kritika Hariramani	5, 00,000.00	4, 80,000.00	4, 80,000.00
Mrs. Ritika Hariramani	5, 00,000.00	4, 80,000.00	18, 00,000.00
Diksha Khadwalia	00.00	10, 05,000.00	5, 00,000.00

- iv. Related party transactions (RPTs) entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.

Related Party	Nature of Transactions	Year	(Amount in INR) Year-end outstanding
Aditya Food Products	Purchase	2017-18	110319.99dr
Aditya Food Products	Purchase	2018-19	336159.01cr
Aditya Food Products	Purchase	2019-20	718745.45dr

Note: RPTs relating to the Director's remuneration are disclosed in point iii) above.

- v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the

financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark: No material qualification having any adverse impact on the Company.

- vi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries: NIL
- vii. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company : NIL

## 5. FINANCIAL POSITION OF THE COMPANY

### A. Capital Structure

<b>Pre-Issue</b>	
Authorised Share Capital	INR 11,00,00,000 divided into 11,00,000 equity shares of INR 100 each.
Issued Share Capital	INR 6,70,34,400 divided into 6,70,344 equity shares of INR 100 each.
Subscribed Share Capital	INR 6,70,34,400 divided into 6,70,344 equity shares of INR 100 each.
Paid Up Share Capital	INR 6,70,34,400 divided into 6,70,344 equity shares of INR 100 each.
Securities Premium	INR 6,39,98,900/- as at 31-03-2020
Size of the Present offer	INR 25,00,00,000/- divided into 25,00,000 OCDs at an Issue Price of INR 100/- each.
<b>Post Issue Equity Capital</b>	
Authorised Share Capital	INR 11,00,00,000 divided into 11,00,000 equity shares of INR 100 each.
Issued Share Capital	INR 6,70,34,400 divided into 6,70,344 equity shares of INR 100 each.
Subscribed Share Capital	INR 6,70,34,400 divided into 6,70,344 equity shares of INR 100 each.
Paid Up Share Capital	INR 6,70,34,400 divided into 6,70,344 equity shares of INR 100 each.
Securities Premium	INR 6,39,98,900/- as at 31-03-2020
<b>Post Issue OCDs</b>	
OCDs	INR 25,00,00,000/- divided into 25,00,000 OCDs at an Issue Price of INR 100/- each.

### B. Capital Evolution of the Company

Sl No.	Issue Through Private Placement/ Right/Bonus/ Preferential	Date (s) of Allotment	Whether Issued at Par or Premium	No. of Equity Share (Face Value INR 100)	Cumulative Share Capital (Nos)	Detail of Consideration

	<b>or Otherwise Issued</b>					
1.	Subscription shares	20.08.1991	At Par	30	30	Cheque/ Bank
2.	Allotment to Relatives/ Third Parties	31.03.1996	At Par	11320	11350	Cheque/ Bank
3.	Allotment to Relatives/ Third Parties	31.03.1997	At Par	6550	17900	Cheque/ Bank
4.	Allotment to Relatives/ Third Parties	31.03.2001	At Par	7030	24930	Cheque/ Bank
5.	Allotment to Relatives/ Third Parties	10.12.2001	At Par	50	24980	Cheque/ Bank
6.	Allotment to Relatives/ Third Parties	19.12.2001	At Par	10	24990	Cheque/ Bank
7.	Allotment to Relatives/ Third Parties	08.01.2002	At Par	20	25010	Cheque/ Bank
8.	Allotment to Relatives/ Third Parties	30.03.2002	At Par	23720	48730	Cheque/ Bank
9.	Allotment to Relatives/ Third Parties	01.04.2002	At Par	20	48750	Cheque/ Bank
10.	Allotment to Relatives/ Third Parties	09.07.2002	At Par	20780	69530	Cheque/ Bank
11.	Allotment to Relatives/ Third Parties	31.03.2005	At Par	25720	95250	Cheque/ Bank
12.	Allotment to Relatives/ Third Parties	01.10.2008	At Par	5	95255	Cheque/ Bank
13.	Allotment to Third Parties	20.08.2010	At Par	3	95258	Cheque/ Bank
14.	Bonus Share issued and Allotted to Existing Shareholders	16.01.2012	-	562025	657283	Cheque/ Bank
15.	Allotment to Third Parties	25.01.2012	At Premium	5061	662344	Cheque/ Bank
16.	Allotment to Third Parties	15.03.2012	At Premium	8000	670344	Cheque/ Bank

**C. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter;**

	<b>2017-18 (Amount in INR)</b>	<b>2018-19 (Amount in INR)</b>	<b>2019-20 (Amount in INR)</b>
Profit Before Tax	90146452.40	98835026.22	12567563.00
Tax Expenses	31615309.00	85631603.00	5044568.00
Profit After Tax	58531143.40	13203423.22	7522995.00

i. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)

	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Dividend Declared	Nil	Nil	Nil

ii. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter;

<b>Particulars</b>	<b>As on 31.03.2018 (Audited) (Amount in INR)</b>	<b>As on 31.03.2019 (Audited) (Amount in INR)</b>	<b>As on 31.03.2020 (Audited) (Amount in INR)</b>
<b>SOURCES OF FUNDS</b>			
Paid up Share Capital	67034400.00	67034400.00	67034400.00
Reserves & Surplus	470553107.96	483756531.18	491279526.18
Share Application Money Pending Allotment	0.00	0.00	0.00
<b>TOTAL</b>	<b>537587507.96</b>	<b>550790931.18</b>	<b>558313926.18</b>
<b>Non-Current Liabilities</b>			
Long Term borrowings	428771089.25	566922511.89	502661519.14
Deferred Tax Liabilities (net)	65921002.00	79613301.00	84657869.00
Long Term provisions	462484896.86	537145872.24	583983965.73
<b>TOTAL</b>	<b>957176988.11</b>	<b>1183681685.13</b>	<b>1171303353.87</b>

<b>Current Liabilities:</b>			
(a) Short Term borrowing	270062414.78	292224519.73	330367678.75
(b) Trade Payables	357005561.49	304996430.90	340286749.29
(c) Short Term Provisions	13978784.23	6712911.00	0.00
(d) Other Current Liabilities		21912760.76	53938399.61
<b>TOTAL</b>	<b>641046760.50</b>	<b>625846622.48</b>	<b>724592827.65</b>
<b>GROSS TOTAL</b>	<b>2135811256.57</b>	<b>2360319238.79</b>	<b>2454210107.70</b>
<b>Non-Current Assets:</b>			
(a) Fixed Assets	1112976954.6	1162507381.4	1126788290.7
(b) Non Current Investment	0.00	0.00	0.00
(c) Deferred Tax Asses	0.00	0.00	0.00
(d) Long Term Loans & Advances	8812735.00	7962763..	6472853.00
<b>Total</b>	<b>1121789689.60</b>	<b>1170470144.42</b>	<b>1133261143.76</b>
<b>Current Assets:</b>			
(a) Current Investments	0.00	0.00	0.00
(b) Inventories	577984925.00	692242261.00	924808914.36
(c) Trade Receivables	264111523.61	294554988.10	185747418.31
(d) Cash & Cash Equivalents	8890984.14	10136555.72	8011189.23
(e) Other current assets	163034134.22	192915289.55	202381442.04
<b>Total</b>	<b>1014021566.97</b>	<b>1189849094.37</b>	<b>1320948963.94</b>
<b>GROSS TOTAL</b>	<b>2135811256.57</b>	<b>2360319238.79</b>	<b>2454210107.70</b>
Earning Per Share	87.32	19.70	11.22

iii. Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement.

	Particulars	Year ended 31st Mar'2020	Year ended 31st Mar'2019	Year ended 31st Mar'2018
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Profit before tax and Exceptional Items from continuing operations	12567563.00	98835026.22	90146452.40
	<b>Non-cash adjustments to reconcile profit before tax to net cash flows</b>			
	Depreciation and amortisation expense	132672135.00	120784290.00	104934552.00
	Loss / (Profit) on sale of Assets	0.00	(5375530.00)	32142.00
	Finance expenses	85587598.22	90523549.73	61782811.04
	Interest Income	(311836.00)	(776919.00)	(519661.00)
	<b>Operating Profit before working capital changes</b>	<b>230515460.22</b>	<b>303990416.95</b>	<b>256376296.44</b>
	<b>Movements in working capital :</b>			
	Increase/(decrease) in trade payables	35290318.30	(52009130.50)	136190371.28
	Increase/(decrease) in long term liabilities	2587612.00	499469.00	4687952.00
	Increase/(decrease) in other current liabilities	32025638.85	7933976.53	(18238640.89)
	Decrease/(increase) in trade receivable	108807569.79	(30443464.49)	(57616856.72)
	Decrease/(increase) in inventories	(232566653.36)	(114257336.00)	(220393478.40)

	Decrease / (increase) in long term loans and advances	1489910.00		849972.00		(1310111.00)	
	Decrease/(increase) in short term loans and advances	(9466152.49)		(29881155.33)		(27772100.25)	
	<b>Cash Generated from / (used in) Operations</b>	<b>168683703.31</b>		<b>86682748.16</b>		<b>71923432.46</b>	
	Direct taxes paid	(6712911.00)		(65226393.00)		(15287927.00)	
	<b>Net Cash from / (used in) Operating Activities</b>	<b>161970792.31</b>		<b>21456355.16</b>		<b>56635505.46</b>	
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	Purchase of fixed assets	(115392134.51)		(166189611.89)		(266165071.49)	
	Sale of fixed assets	0.00		15002473.00		1200000.00	
	Interest received	311836.00		776919.00		519661.00	
	<b>Net Cash flow from / (used in) investing Activities</b>	<b>(115080298.51)</b>		<b>(150410219.89)</b>		<b>(264445410.49)</b>	
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
	Proceeds from Long Term borrowings (Net)	(1571421.09)		198560881.09		202666728.71	
	Proceeds/(Repayment) of Short Term borrowings(Net)	38143159.02		22162104.95		61347961.79	
	Interest paid	(85587598.22)		(90523549.73)		(61782811.04)	
	<b>Net Cash used in Financing Activities</b>	<b>(49015860.29)</b>		<b>130199436.31</b>		<b>202231879.46</b>	
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(2125366.49)</b>		<b>1245571.58</b>		<b>(5578025.57)</b>	
	Cash and cash equivalent at Beginning of the year	10136555.72		8890984.14		14469009.71	
	<b>Cash and cash equivalent at end of the year</b>	<b>8011189.23</b>		<b>10136555.72</b>		<b>8890984.14</b>	
	<b>Notes:-</b>						
	<b>Components of Cash Equivalents:</b>						
	Cash In Hand	4939134.87		3830575.49		2667104.49	
	Balance with Schedules banks:	3072054.36		6305980.23		6223879.65	
	In Current account	8011189.23		10136555.72		8890984.14	
	<b>Cash and cash equivalent at end of the year</b>	<b>8011189.23</b>					

iv. Changes in Accounting Policies during the last three years.

Except as disclosed in the financial statements of the company, there are no changes in the accounting policies of the company during the last three years.

**Part – B**

(To be filed by the Applicant)

1.	Name	
2.	Father's Name	
3.	Complete Address including Flat/House Number, Street, Locality, Pin Code	
4.	Phone number, if any	
5.	email ID, if any	
6.	PAN Number	

7.	Bank Account Details:	
8.	Demat Account Details	
9.	Signature	
10.	Initial of the officer of the company designated to keep the record	

#### 6. A DECLARATION BY THE DIRECTORS THAT:-

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

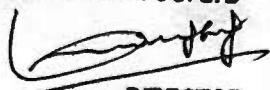
I am authorized by the Board of Directors of the Company dated 25<sup>th</sup> December, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with. 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 all the required attachments have been completely, correctly and legibly attached to this form.

BY ORDER OF THE BOARD OF DIRECTOR  
(RAMANI ICECREAM COMPANYLIMITED)

For RAMANI ICE CREAM CO. LTD

Date- 25-12-2020

Place- Bhopal

  
 (VIJAY HARI RAMANI)  
 (DIRECTOR)  
 DIN - 00405752  
 E-1 /96, Arera Colony, Bhopal

#### Attachments:-

- Copy of board resolution
- Copy of shareholders resolution
- Copy of Share Application Form

**Annexure – 1**

The pre issue and post issue shareholding pattern of the Company:-

S No.	Category	Pre Issue		Post Issue	
		No. of Shares held	% of share holding	No. of Shares held	% of share holding
<b>A</b>	<b>Promoters' holding:</b>				
1	Indian				
	Individual	657283	98.05%	657283	98.05%
	HUF				
	Bodies Corporate				
	Sub Total	657283	98.05%	657283	98.05%
2	Foreign Promoters				
	Sub Total(A)	657283	98.05%	657283	98.05%
<b>B</b>	<b>Non- Promoters' holding:</b>				
1.	Institutional Investors				
2.	Non-Institutional :				
	Private Corporate Bodies (LLP)				
	Directors and Relatives				
	Indian Public				
	Others(Including NRIs) – Alternative Investment Fund	13061	1.95%	13061	1.95%
	Sub Total (B)	13061	1.95%	13061	1.95%
	Grand Total	670344	100.00%	670344	100.00%

In addition to above, post issue of securities as per this offer letter, Krisharya Trust will also hold 25,00,000 OCDs which may be converted into Equity Shares as per the valuation mechanism agreed herein.

**Annexure – 2**

**Conversion of OCDS**

**TERMS OF CONVERSION OF THE DEBENTURES**

**1. Right of Conversion**

If the Debentures are not redeemed on the Final Maturity Date by the Issuer or on the occurrence of an Event of Default or the Investor at its sole discretion decides to convert the Debentures into Shares on the Final Maturity Date, in accordance with the provisions of the OCD Agreement, then the Investor may at its discretion issue a notice of conversion (“Conversion Notice”) to the Issuer, requesting the conversion of the Debentures into Shares at a Conversion Price, which conversion shall lead to the Debentures being converting into not less than 30% (thirty percent) of the share capital of the Issuer on a Fully Diluted Basis (“Conversion”).

**2. Time of Conversion**

The Issuer shall convert the Debentures in accordance with the remaining provisions of this Annexure within 7 (seven) Business Days after the date of the receipt of the Conversion Notice (“Conversion Date”).

**3. Conversion Price**

The conversion of the Debentures into the Shares, pursuant to the terms of the OCD Agreement, shall be carried out at a price per Share which is required to ensure that upon conversion of all the Debentures into Shares, the Conversion Shares so issued to the Investor shall constitute not less than 30% (thirty percent) of the share capital of the Issuer on a Fully Diluted Basis. The determination of price shall be taking into account the Agreed IRR payable on the Debentures.

**4. Issuer Actions upon Conversion**

- (a) Upon the Investor exercising its right of Conversion, the Issuer shall enter the name of the Investor in the Register of Beneficial Owners or any other relevant record or depository of the Issuer, for the Shares allotted on Conversion. The Investor shall be deemed to have also applied for the allotment of Shares on the terms referred to above. It is clarified that upon conversion of the Debentures into Shares in accordance with the provisions hereof, such Shares shall rank pari passu in all respects with the other Shares of the Issuer.
- (b) On the Conversion Date, the Issuer shall, and the Existing Shareholders shall cause the Issuer to:
  - (i) issue and allot the number of Shares determined in accordance with paragraph 3 (Conversion Price) above to the holders of the Debentures, free from any Encumbrance and together with all rights and advantages attached to them as at the date of their issue;

- (ii) credit the Shares to the demat account of the Investor, within the timelines specified in the Conversion Notice along with a certified true copy of the Register of Beneficial Owner or such other record of the depository (as appropriate) evidencing the entry of the holders of the Debentures as the holder of the Shares so allotted.
- (c) Upon Conversion of all Debentures, all Debentures shall stand cancelled and extinguished forthwith.
- (d) All the Shares to be issued to the Investor pursuant to the Conversion shall be deemed to be fully paid up, of the same face value and with the same rights as, and shall be *pari passu* in every respect with, other Shares of the Issuer.
- (e) If at any time on or after the issuance of the Conversion Notice, the authorized share capital of the Issuer to effect the Conversion of the then outstanding Debentures is not sufficient, the Issuer and Existing Shareholders shall take such corporate actions as may be necessary to increase the Issuer's authorized share capital as shall be sufficient for such purposes, including obtaining the requisite shareholder approvals or any necessary amendment to the Constitutional Documents, so that the Issuer can issue the Shares to the Investor upon Conversion, on the Conversion Date at the Conversion Price (determined in terms of paragraph 3 (Conversion Price) above).

#### **5. Approvals**

If any approvals are required for the Conversion of Debentures into Shares, the Issuer and the Existing Shareholders shall in a timely manner make, or cause to be made, an application therefor in a form and manner satisfactory to the Investor and shall take in good faith such action as may be necessary or desirable to obtain such consent including diligently pursuing such application for seeking such approvals. If required by the Investor, the Issuer shall authorise, and the Existing Shareholders shall cause the Issuer to authorise, the Investor, by executing such documents (including powers of attorney (such as Power of Attorney)), in such form and content as may be required by the Investor, for the purpose of applying for and obtaining any such approvals. In case of any difference of opinion between the Issuer, the Existing Shareholders and the Investor regarding the requirement of obtaining any such approval, the opinion of the Investor shall prevail in this regard.

#### **6. Cost of Conversion**

The Issuer shall bear all the expenses arising on the issue of Shares pursuant to any conversion of the Debentures including any stamp duty or other Taxes and levies.

## **1. OTHER TERMS AND CONDITIONS OF DEBENTURES**

### **1.1 RANKING**

The Debentures shall rank at least in *pari passu* with all other unsecured and subordinated indebtedness of the Company. The Debentures shall be unsecured, unlisted, redeemable optionally convertible debentures.

### **1.2 REDEMPTION**

Unless Mr. Nitan Chhatwal in his capacity as the Trustee of Krisharya Trust (the "Investor") exercises its right of Conversion, on Final Maturity Date, the Company shall compulsorily redeem in whole (and not in part) the Debentures by paying to the Investor, the Redemption Amount as mentioned in the Optionally Convertible Debenture Subscription Agreement (the "Agreement" or "OCD Agreement"). Notwithstanding anything to the contrary, the Company and the Existing Shareholders agree that the Company shall not be entitled to redeem the Debentures prior to the Final Maturity Date.

### **1.3 INVESTOR NOT ENTITLED TO MEMBERS' RIGHTS**

Without prejudice to the rights of the Investor in relation to the Reserved Matters agreed in the Agreement, the Investor will not be entitled to any of the rights and privileges available to the members of the Company including the right to receive notices of or to attend and vote at general meetings, save and except on (i) the occurrence of an Event of Default; or (ii) on the Conversion as detailed out in the Agreement. If, however, any resolution affecting the rights attached to the Debentures is placed before the members of the Company, such resolution will first be placed before the Investor for its consideration and approval.

### **1.4 COUPON**

1.4.1 Coupon shall be paid at the rate of 0.01% (zero decimal zero one percent) per annum on the outstanding Principal Amount by the Company to the Investor ("Coupon").

1.4.2 Coupon shall accrue on a daily basis and shall be computed on the basis of a 365 (three hundred and sixty five) days' year or where the year is a leap year, a 366 (three hundred and sixty six) days' year, and the actual number of days elapsed on the outstanding Principal Amount at the rate of Coupon.

### **1.5 DEFAULT INTEREST**

1.5.1 Upon the occurrence of an Event of Default, an additional default interest (over and above the Coupon and any other costs, if applicable) will be charged at the rate of 18% (eighteen percent) per annum on the Outstandings ("Default Interest") from the date of Default until the date that such Default is cured. If the Event of Default continues for more than 30 (thirty) days from its occurrence, the Default Interest shall be increased by another 1% (one percent) per annum.

1.5.2 In the event of occurrence of any Event of Default, in addition to Outstandings, the Company shall pay Default Interest as mentioned hereinabove and any other costs and expenses incurred by the Investor for enforcement of its rights, if applicable.

1.5.3 It is clarified that on the occurrence of an Event of Default, the definition of "Outstandings" shall be read as "Outstandings" shall include, after the adjustment of payments already made until such date, (a) total investment (being Principal Amount plus interest accrued at Agreed IRR); (b) in the event of occurrence of any Event of Default, in addition to (a) above, the Default Interest; and (c) any costs and expenses incurred by the Investor for enforcement of its rights, if applicable.