

FORM NO PAS-4
PRIVATE PLACEMENT OFFER LETTER

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

The Private Placement Offer Letter shall contain the following:

1. GENERAL INFORMATION

a. Name: MSONA AUTOMOTIVE COMPONENTS PRIVATE LIMITED
Address: 31/3rd Floor, Maker Chamber VI, Jamnalal Bajaj Marg, Nariman point, Mumbai Mumbai City MH 400021 IN

CIN: U35999MH2016PTC286881

Website: NA

Registered office: 31/3rd Floor, Maker Chamber VI, Jamnalal Bajaj Marg, Nariman point, Mumbai Mumbai City MH 400021 IN

Tel. No.: 022-67432888

Fax: -

Email id:

Corporate office: N.A.

Contact Person: Mr. Gaurav Motwane

b. Date of incorporation of the company: 18/10/2016

c. Business carried on by the company and its subsidiaries with the details of branches or units, if any;

The Company is incorporated to carry on following business activities: To design, develop, manufacture, assemble, test, buy, sell, import, export, exchange, hire, alter, distribute, service, repair and deal in components and systems of all types for all kinds of machinery, equipment or appliances including all types of motor vehicles, tractors, locomotive carriages, aircraft, ships and other vessels including oil rigs and to assemble, buy, sell, distribute, lease, hire, import, deal and trade in plant, machinery, equipment, apparatus, materials, articles, commodities in relation to designing, developing, manufacturing, testing, assembling, installing, repairing all types of such components.

d. Brief particulars of the management of the company:

Name	Designation
MR. GAURAV GIRDHAR MOTWANE	Director
MRS. SUPERNA MOTWANE	Director

e. Names, addresses, DIN and occupations of the directors:

Sr. No.	Name of Directors	Address	DIN	Occupation
1.	MR. GAURAV GIRDHAR MOTWANE	Apartment No.1N, 1st floor, "Ghia Mansion" 18, M L Dahanukar Marg, Mumbai 400-026	00746165	Business
2.	MRS. SUPERNA MOTWANE	Apartment No.1N, 1st floor, "Ghia Mansion" 18, M L Dahanukar Marg, Mumbai 400-026	01343282	Business

f. Management's perception of risk factors;

An investment in Non Convertible Secured Debentures involves a high degree of risk. You should carefully consider all the information in this offer letter before making an investment in our Non Convertible Secured Debentures. The risks could have a material adverse effect on our business, financial condition and results of operations and could cause the prices of our Non Convertible Secured Debentures to decline which could result in the loss of all or part of your investment. We are not in a position to specify or quantify the financial or other implications of any risk.

The risks that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events.

g. Details of default, There is no default in repayment of -

- Statutory dues: NA
- Debentures and interest thereon: NA

- iii. Deposits and interest thereon: NA
- iv. Loan from any bank or financial institution and interest thereon: NA

- h. Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process

Name: **Mr. Gaurav Motwane**

Address: **Apartment No.1N, 1st floor, "Ghia Mansion" 18, M L Dahanukar Marg, Mumbai 400-026**

Email Id: **msona.auto@gmail.com**

Phone Number: **022 67432886**

2. PARTICULARS OF THE OFFER

- a. Date of passing of board resolution: **08th December 2016**
- b. Date of passing of resolution in the general meeting, authorizing the offer of securities: **07th December 2016**
- c. Kinds of securities offered (i.e. whether share or debenture) and class of security: **Unlisted Non convertible Secured Debentures**
- d. Price at which the security is being offered including the premium, if any, alongwith justification of the price:

For cash i.e. Rs. 100,000 /- per Debenture (including Premium of Rs. Nil per Share) as per valuation certificate dated 07th December 2016

- e. Name and address of the valuer who performed valuation of the security offered:

S.V. Nene and Company, Chartered Accountants, 001, Shree Solitaire CHS, Sejal Park , Off Link Road, Goregaon (W), Mumbai - 400104
- f. Amount which the company intends to raise by way of securities :
The Company intends to raise funds amounting to Rs. 550,000,000/- (Rupees Fifty Five Crores Only).
- g. Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;

Tenor	A period commencing on the Allotment Date and ending on a date falling on the fifth anniversary of the Allotment Date
Repayment	Rs 300 Mn at the end of 3rd year Rs 300 Mn at the end of 4th year Rs 550 Mn at the end of 5th year
Security	<p>(a) a personal guarantee provided by the Guarantors pursuant to the Personal Guarantee which shall be effective on the Allotment Date;</p> <p>(b) a first ranking and exclusive charge by way of a mortgage on the Identified Lands pursuant to the Mortgage Deed which charge shall be created prior to the Allotment Date and which shall be registered with the applicable Sub-Registrar within a period of 10 days from the Allotment Date;</p> <p>(c) a pledge on the Promoter Shares created pursuant to the Reference Entity Pledge Agreement which pledge shall be created prior to the Allotment Date;</p> <p>(d) a pledge on the Purchaser Shares created pursuant to the Reference Entity Pledge Agreement which pledge shall be created on the Purchase Date, save and except for any release of the shares which are pledged under the Reference Entity Pledge Agreement for making any prepayment under Clause 5.6 (c) (iii) of this Deed;</p> <p>(e) a pledge on the Company Shares created pursuant to the Company Pledge Agreement which pledge shall be created prior to the Allotment Date;</p> <p>(f) a first ranking and exclusive charge by way of hypothecation on all moveable assets including receivables of the Company, including the Company Specified Account, pursuant to Company Hypothecation Deed which charge shall be created prior to the Allotment Date.</p> <p>(g) In the event the Proposed Merger Event occurs, upon Approved Instructions of the Debenture Trustee shall create a second ranking pari-passu charge by way of a hypothecation on the Reference Entity's movable assets including all tangible and intangible assets, present and future pursuant to the Reference Entity Hypothecation</p>



	Deed which charge shall be created and perfected within 30 days from the Merger Date, the aforesaid second ranking pari-passu charge by way of a hypothecation shall be forthwith stand converted and be deemed to be a first ranking exclusive charge on repayment of all outstanding secured loans of the Reference Entity
Upfront Fee	One time 2.00% fee of the entire Facility Amount to be paid at the time of First disbursement
Coupon	10.00% p.a. payable annually
Fixed Rate	in relation to the period commencing on the Allotment Date and ending on the Final Settlement Date, an annual IRR equivalent to 16%; and (ii) in respect of the Non-Merger Repayment Amount an annual IRR equivalent to 19.9%
Redemption Premium	Difference between Fixed Rate and Coupon to be paid at the end of tenor. In case of any prepayment, Redemption premium will be adjusted first for the corresponding repayment amount.
Minimum Lock in Period	Borrower or MSL cannot refinance the facility till 30 months from the First disbursement date except in case of mandatory prepayment
Mandatory Prepayment	<ul style="list-style-type: none"> i) All dividends received by Directors from MSL ii) Any proceed received from sale of shares of MSL by the Directors or Borrower iii) Any prepayment will be adjusted against the immediate next instalment
Voluntary Prepayment	Minimum amount for prepayment to be Rs 100 Mn except in the case of prepayment through Dividends post Minimum Lock in period

- h. Proposed time schedule for which the offer letter is valid :
12 Months from the date of passing of Special Resolution for issue of Debentures on Private Placement basis.
- i. Purposes and objects of the offer:

The object of the issue is to mobilize funds to purchase the equity shares from the selling shareholders of Mahindra Sona Ltd and pay transaction related expenses.

- j. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects :

None of the promoters or Directors or key managerial personnel of the Company will participate in the proposed issue.

- k. Principle terms of assets charged as security, if applicable:

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

- i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

There is no financial or other material interest of the directors, promoters or key managerial personnel in the offer.

- ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.

Not Applicable

- iii. Remuneration of Directors (during the current year and last three financial years);

Name of Director	(Amount in Rs. Lacs)
Mr. Gaurav Motwane	Nil
Mrs. Superna Motwane	Nil

- iv. Related party transactions entered during the current year and 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.



Particulars	(Amount in Rs.)
With Enterprises / Company Controlled by the Company	Nil
With Key Management Personnel (KMP) -Loan From Director	Nil
With Enterprises / Company under Common Control KMP	Nil
With enterprises controlled by Relatives of KMP	Nil
With relatives of KMP	Nil
With Holding Company:	N.A
With Fellow Subsidiary :	N.A

- i. Summary of reservations or qualifications or adverse remarks of auditors in the Preceding Financial year and in the financial statement since Incorporation and last three financial years immediately i.e. 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.

Not Applicable

- ii. 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

There was no inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013.

- iii. 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

4. FINANCIAL POSITION OF THE COMPANY

a) the capital structure of the company in the following manner in a tabular form-

(i) (a) The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value):

Particulars	(Amount in Rs.)			
	Authorised Capital	Issued Capital	Subscribed Capital	Paid up Capital
No. of Equity Shares	10,000	10,000	10,000	10,000
No. of Preference Shares	NIL	NIL	NIL	NIL
Amount per share (in Rs.)	10	10	10	10
Total amount of Equity Shares (in Rs.)	100,000	100,000	100,000	100,000
Total amount of Preference Shares (in Rs.)	NIL	NIL	NIL	NIL
Total	100,000	100,000	100,000	100,000

Total debentures of the company (in Rs.)	Number of fully convertible Debentures	Nominal amount per fully convertible debenture
NIL	NIL	N.A

(b) Size of the present offer:

To raise funds not exceeding Rs. 550,000,000/- (Rupees Fifty Five Crores Only) by Issue of 5,500 Debenture of Rs.100,000/- .

(c) Details of the existing paid up share capital of the issuer:

Sr. No.	Date of Allotment	No. of Shares allotted	Face value of Shares (Rs.)	Price at which the shares were allotted	Form of Consideration

1.		10,000	10	10	Cash
Total		Rs.10,000			

Since the offer is only of non-convertible debentures, capital structure and share premium account remains the same before and after the issue.

- b) Profits of the company, before and after making provision for tax, and last three financial years to the date of circulation of offer letter.;

Not Applicable. This is the first year of operations of the Company.

- c) Dividends declared by the company since Incorporation of the Company; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)

Particulars	Amount in (Rs.)
Dividend	Nil
Interest Coverage Ratio	Nil

- d) A summary of the financial position of the company immediately preceding the date of circulation of offer letter:

Particulars	(Amount in Rs.)
Liabilities	
Share Capital	Rs.1,00,000/-
Reserve & Surplus	-
Money Received against Share Warrants/application	-
Non-Current Liabilities	Rs. 200,000/-
Current Liabilities	-
Total	Rs. 300,000/-
Assets	
Non-Current Assets	NIL
Current Assets	Rs. 300,000/-
Total	Rs.300,000/-

- e) Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter

Not applicable

- f) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company: N.A

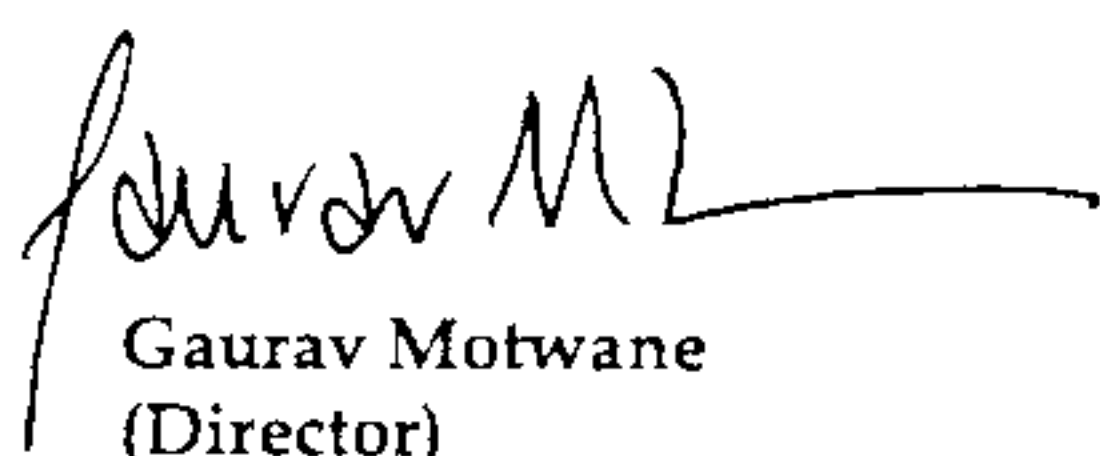
5. A DECLARATION BY THE DIRECTORS THAT-

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

I am authorized by the Board of Directors of the Company vide resolution number 5 dated 8th December 2016 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 all the required attachments have been completely, correctly and legibly attached to this form.

For MSONA AUTOMOTIVE COMPONENTS PRIVATE LIMITED



Gaurav Motwane
(Director)

DIN No. : 00746165

Add : Apartment No.1N, 1st floor, "Ghia Mansion" 18,
M L Dahanukar Marg, Mumbai 400-026

Date: 08th December 2016

Place: Mumbai

Kindly note that Vistra ITCL (India) Ltd. vide their letter dated 12/12/2016 have accorded its consent to be appointed as debenture trustee/trustees for the issue of debentures mentioned in this offer letter.