

GRACEWORKS REALTY & LEISURE PRIVATE LIMITED

Registered Office: Phoenix Mills Premises, 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013

CIN: U72900MH2000PTC126232, Tel: 022-30016600, Fax : 022-30016818

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]

1. GENERAL INFORMATION

- a. Name, address, website and other contact details of the company indicating both registered office and corporate office;

Name of the Company	Graceworks Realty & Leisure Private Limited
Registered Address	Phoenix Mills Premises, 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.
Corporate Address	C/o Market City Resources Private Limited, Shree Laxmi Woolen Mills Estate, 2nd Floor, R.R Hosiery Building, Off Dr. E. Moses Road, Mahalaxmi, Mumbai 400011
Website	N.A.
Contact Details	Tel: 022 3001 6600 Fax: 3001 6601

- b. **Date of incorporation of the company** – 28/04/2000
- c. **Business carried on by the company and its subsidiaries with the details of branches or units, if any–**

Following is the main objects of the Company

To carry on the business of Builders, Masonry and General Construction and Contractors and to carry on the business of the proprietors of lands, flats, marionettes, dwelling houses, shops, offices, industrial estates, lessees of lands, flats and other immoveable properties and for these purpose to purchase, take on lease or otherwise acquire and hold any lands or buildings of any tenure or description wherever situated or rights or interests therein or connected therewith, to prepare building sites, and to construct, reconstruct, pull down, renovate, develop, alter, improve, decorate and furnish and maintain flats, marionettes, dwelling houses, shops, offices, buildings, industrial estates, works and conveniences, and sell the same on ownership basis, installment basis or loose basis and rental basis and transfer such buildings to co-operative societies, limited companies or association of persons or individuals as the case may be, to lay out roads and pleasure gardens and recreation grounds to lent, drain or otherwise improve the land or any part thereof.

Currently, the Company is engaged in the activities pertaining to its Commercial project at Paragon Plaza, Phoenix Market City, Kurla, Mumbai.

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Details of Business carried on by Subsidiary companies: NA

- d. **Brief particulars of the management of the company** - The Management of the Company rests with the Board of Directors of the Company as detailed in clause e below.
- e. **Names, addresses, DIN and occupations of the directors;**

Name	Address	DIN	Occupation
Mr. Haresh Morajkar	301 Narendra Apartments, Jay Prakash Nagar, Road No. 3, Goregaon (East), Mumbai – 400063.	00074983	Service
Mr. Vidyasagar Pingali	11, Aurora Bldg, St. Francis Road, Santacruz West, Mumbai – 400054.	02710397	Service
Mr. Dipesh Gandhi	301, Felcity Park, 11 th Road, R.K. Mansion Marg, Khar (West), Mumbai – 400 052.	02079576	Service
Mr. Swapnil Kothari	Skylark A-101/102, New Kantwadi Road, Pali Hill Bandra West, Mumbai -400050.	05235636	Business
Mr. Amit Dabriwala	43A, Anita, Mount Pleasant Road Malabar Hill Mumbai- 400006	00164763	Business

- f. **Management’s perception of risk factors;**

The Company is engaged in the activities pertaining to its real estate development and constructions. The management believes that Companies business is highly competitive and is often affected by changes in economic conditions and government policies. Inadequate project management of the projects can adversely affect our results of operational and financial conditions.

- g. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –
- Statutory Dues** - No default
 - Debentures and Interest thereon** - No default
 - Deposits and Interest thereon** - NA
 - Loan from any bank or financial institution and interest thereon**–No default

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- 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. Haresh Morajkar
Designation	Director
Address	2 nd Floor, R R Hosiery Building, Shri Laxmi Woollen Mills Estate, Mahalaxmi, Mumbai – 400011.
Phone Number	022 3001 6600
E-mail ID	haresh.m@phoenixmarketcity.in

2. PARTICULARS OF THE OFFER

- a. **Date of passing of board resolution** – January 3, 2020.
- b. **Date of passing of resolution in the general meeting, authorizing the offer of securities** – January 6, 2020
- c. **Kinds of securities offered (i.e. whether share or debenture) and class of security** – Optionally Fully Convertible Debentures- Series D
- d. **Price at which the security is being offered including the premium, if any, alongwith justification of the price–**

The Company is in immediate need for funds for general business and corporate purposes. The Board has evaluated various options for raising funds. Offbeat Developers Private Limited, its group company has offered to infuse upto Rs. 60,00,00,000/- (Rupees Sixty Crores only) into the Company in the form of further investment, in one or more tranches. Since the Company will be able to leverage the funds received from Offbeat Developers Private Limited for a minimum period of 10 years at a low cost i.e. low coupon rate of 0.0001% to meet its funding requirements, it is proposed to issue Series D 0.0001% Optionally Fully Convertible Debentures (OFCDs), in one or more tranches at par at a face value of Rs. 100/-convertible into equity shares of Rs.10/- each or redeemable after a period of 10 years. The OFCDs will be unsecured. In view of the above, the Board deems it appropriate to offer, issue and allot the OFCDs at a face value of Rs.100/- at par.

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

Name: Nishant Soni, Proprietor, Nishant Soni & Associates, Chartered Accountants, Andheri(West)

Address: 514, Crystal Paradise, Off Veera Desai Road, Andheri (West), Mumbai- 400053.

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- f. **Amount which the company intends to raise by way of securities –**
Rs. 60 crores, in one or more tranches
- g. **Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment –**
- The OFCDs shall be issued at par i.e. at Rs. 100/- per OFCD, in one or more tranches.
 - The OFCDs shall have a tenure of 10 years from the date of allotment or the maximum period provided under the Companies Act, 2013 read with relevant Rules made thereunder, as may be amended from time to time, whichever is later.
 - The OFCDs shall carry an interest rate of 0.0001% p.a. until the date of redemption or conversion into Equity Shares of the Company. The interest shall be payable annually or at the time of conversion/redemption at the option of the Company.
 - The Issuer/Company shall have the option to convert the OFCDs into equity shares of the Company at any time during the tenure of the OFCDs.
 - The Company may at its discretion, convert in full or in part, one OFCD of Rs. 100 each into such number of equity shares of Rs.10 each fully paid up at a premium of Rs.20,979 per share at any time during the tenure of the OFCDs.
 - At the option of the Company, OFCDs may at any time during the tenure of the OFCDs be redeemed in one or more tranches at PAR.
 - Upon conversion, the holder of OFCDs shall be entitled to vote in proportion to its equity shareholding together with the holders of equity shares of the Company and not as a separate class. Upon conversion, the equity shares shall rank pari- passu with the existing shares of the Company.
 - The OFCDs shall be non-marketable and non- transferable.
 - The OFCDs shall be unsecured.
 - The issue, allotment, conversion and redemption of the OFCDs shall be in accordance with all applicable laws, including but not limited to the provisions of the Companies Act, 2013 and rules made there under.
 - The terms and conditions of the OFCDs or any part thereof may be varied as may be agreed mutually by the Company and the OFCD holder(s).
- i. **Proposed time schedule for which the offer letter is valid–** Out of Rs. 60 crores, the Company plans to raise Rs. 29.25 Crores in its 2nd Tranche. The Offer for the 2nd Tranche will open on for January 8, 2020 from (09.00 am to 4.00 pm).
- The Offer period may be extended by the Board of Directors as per the requirements.
- j. **Purposes and objects of the offer –** To raise funds for general corporate purposes.
- k. **Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects –**Not Applicable.

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1. Principle terms of assets charged as security, if applicable – Not 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 – Nil

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– Nil

III. Remuneration of directors (during the current year and last three financial years)- Not Applicable

IV. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided – Audited Annual Accounts of the Company for 2016-17, 2017-18 and 2018-19 are attached in Annexure A.

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 -

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Summary of reservations or qualifications or adverse remarks of auditors	NA	NA	NA	NA	NA
impact on the financial statements and financial position of the company	NA	NA	NA	NA	NA

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corrective steps taken and proposed to be taken by the company	NA	NA	NA	NA	NA
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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

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	Number of Securities	Description	Aggregate Nominal Value
Authorised Share Capital	50,00,000	Equity Shares of face Value Rs. 10/- each.	5,00,00,000
Issued Share Capital	67,568	Equity Shares of face Value Rs. 10/- each.	675,680
Subscribed Share Capital	67,568	Equity Shares of face Value Rs. 10/- each.	675,680
Paid-up share Capital	67,568	Equity Shares of face Value Rs. 10/- each.	675,680

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b. size of the present offer– 60,00,000 Optionally Fully Convertible Debentures (“OFCDs”) of Rs. 100/- each at par aggregating to Rs. 60,00,00,000/-.

c. paid up capital -

(A) **after the offer** Rs. 9,61,540/-

(B) **after conversion of convertible instruments (if applicable)**–

N.A.

d. share premium account (before and after the offer)–

Share Premium Account Balance before the offer: Rs. 1,94,26,000

Share Premium Account Balance after the offer: Rs. 1,94,26,000

(ii) the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.

Date of Allotment	Number of Shares Allotted	Face value of the Shares Allotted	Price per share	Form of Consideration Cash / Cheque	Details of Consideration
Subscribers to the Memorandum	100	10	10	Cash	Rs. 1000
14/08/2000	9,900	10	10	Cash	Rs. 99000
02/09/2002	40,000	10	10	Cash	Rs. 400000
25/03/2009	17568	10	10	Cash	Rs. 175680
Total	67,568				

Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case;

(b) Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter;

	FY 2018-19 (Rs.)	FY 2017-18 (Rs.)	FY 2016-17 (Rs.)
Profit before Tax	89,77,249	(9,61,68,322)	(17,72,98,183)

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Provision for Tax	(2,49,451)	1,35,26,369	(79,78,602)
Profit after Tax	92,26,700	(10,96,94,691)	(16,93,19,580)

- (c) 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).

	FY 2018-19 (Rs.)	FY 2017-18 (Rs.)	FY 2016-17 (Rs.)
Dividends Declared	--	--	--
Cash Profit after Tax	--	--	--
Interest Paid	--	--	--
Interest Coverage Ratio	--	--	--

- (d) **A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter – Audited Annual Accounts of the Company for 2016-17, 2017-18 and 2018-19 are attached in Annexure A.**
- (e) **Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter - Audited Annual Accounts of the Company for 2016-17, 2017-18 and 2018-19 are attached in Annexure A.**
- (f) **Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company – Audited Annual Accounts of the Company for 2016-17, 2017-18 and 2018-19 are attached in Annexure A.**

5. A DECLARATION BY THE DIRECTORS THAT-

- the company has complied with the provisions of the Act and the Rules made thereunder;
- 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;
- 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 3 dated January 3, 2020 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

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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.

Sd/-

Haresh Morajkar

DIN: 00074983

Director

Date: January 8, 2020

Place: Mumbai

Attachments:-

1. Copy of EGM resolution
2. Annexure A