



EMERALD LEISURES LIMITED

Emerald Leisures Limited (“Company” or “Issuer”) was originally incorporated on March 8, 1933 as ‘Phaltan Sugar Works Limited’ and registered under Section 23 of the Indian Companies Act, 1913, as a limited company. Subsequently a fresh certificate of incorporation consequent upon change of name of our Company to ‘Apte Amalgamations Limited’ was issued on June 29, 1982 by Registrar of Companies, Maharashtra, Bombay. Thereafter, the name of our Company was changed to ‘Emerald Leisures Limited’, its current name, and a fresh certificate of incorporation consequent upon name change of our Company was issued on August 30, 2013 by Registrar of Companies, Maharashtra, Mumbai. For details, including reasons for change in the name and registered office of our Company, “General Information” on page 40 of this Draft Letter of Offer.

Registered Office: Club Emerald Sports Complex, Plot No. 366/15, Swastik Park, Near Mangal Anand Hospital, Chembur, Mumbai, Maharashtra – 400 071, India;
Contact Person: Kapil M. Purohit, Company Secretary and Compliance Officer, **E-mail:** companysecretary@clubemerald.in; **Telephone:** +022 25277504
Website: www.clubemerald.in; **Corporate Identification Number:** L74900MH1948PLC006791

OUR PROMOTERS: JAYDEEP VINOD MEHTA, NIKHIL VINOD MEHTA, JASHWANT BHAICHAND MEHTA AND CHETAN JASHWANT MEHTA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF EMERALD LEISURES LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 5 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] EACH INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 1,251.55 LAKHS# ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] I.E. [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●]([●]) TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 103 OF THIS DRAFT LETTER OF OFFER.

#Assuming full subscription

WILFUL DEFAULTERS OR FRAUDULENT BORROWER

NEITHER OUR COMPANY NOR ANY OF OUR PROMOTERS OR DIRECTORS IS CATEGORISED AS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 19 of this Draft Letter of Offer.

COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regards to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited (“BSE”) (the “Stock Exchange”). Our Company has received ‘in-principle’ approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue *vide* its letter dated [●]. Our Company will also make applications to the Stock Exchange to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE ISSUE



PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED
9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel,
Mumbai, Maharashtra – 400 011, India.
Telephone: +91 022 4961 4132/ 31998810
E-mail: newissue@purvashare.com
Website: www.purvashare.com
Investor Grievance E-mail: newissue@purvashare.com
Contact Person: Deepali Dhuri
SEBI Registration No.: INR000001112
Validity of Registration: Permanent

ISSUE PROGRAMME

| ISSUE OPENS ON | LAST DATE FOR ON MARKET RENUNCIATION* | ISSUE CLOSES ON** |
|----------------|---------------------------------------|-------------------|
| [●] | [●] | [●] |

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

*** Our Board or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections/ chapters titled “Industry Overview”, “Statement of Special Tax Benefits, Financial Information “Outstanding Litigation and Material Developments” and “Terms of issue” on pages 60,56, 47,78,92, and103 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

| Term | Description |
|---|---|
| “Company”, “our Company”, “the Company”, “the Issuer”, “Emerald” or “ELL”, or “Club” “we”, “us”, or “our” | Emerald Leisures Limited, a public limited company incorporated under Companies Act, 1956 having its registered office at, Club Emerald Sports Complex, Plot No. 366/15, Swastik Park, Near Mangal Anand Hospital, Chembur, Mumbai, Maharashtra – 400 071, India. |

Company Related Terms

| Term | Description |
|--|--|
| Articles / Articles of Association/ AoA | Articles / Articles of Association of our Company, as amended from time to time. |
| Audit Committee | The Board of Directors of our Company constituted audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 177 of the Companies Act, 2013. |
| Audited Financial Statements | The audited financial statements of our Company for the financial year ended March 31, 2023 which comprises of the standalone balance sheet as at March 31, 2023, the statement of profit and loss including other comprehensive income, the cash flow statement, the statement of changes in equity for the year ended March 31, 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “ <i>Financial Information</i> ” on page 78. |
| Auditor / Statutory Auditor | The current statutory auditor of our Company, namely, M/s. P.G. Bhagwat LLP, Chartered Accountants. |
| Board / Board of Directors | Board of directors of our Company. For details of the Board of Directors, see “ <i>Our Management and Organisational Structure</i> ” on page 73. |
| Chief Executive Officer/ CEO | Nikhil Vinod Mehta, the Chief Executive Officer of our Company. |
| Chief Financial Officer / CFO | Rajesh Motilal Loya, the Chief Financial Officer of our Company. |
| Company Secretary and Compliance Officer | Mr. Kapil M. Purohit is the Company Secretary and the Compliance Officer of our Company. |
| Equity Shareholder | A holder of Equity Shares of our Company. |
| Equity Shares | Equity shares of our Company of face value of ₹5 each. |
| Executive Directors | Executive directors of our Company. |

| Term | Description |
|--|--|
| Independent Director(s) | The independent director(s) of our Company as per section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and as described in the chapter “ <i>Our Management</i> ” on page 73 of the Draft Letter of Offer. |
| Key Managerial Personnel / KMP | Key managerial personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ <i>Our Management – Key Managerial Personnel</i> ” on page 73. |
| Limited Reviewed Unaudited Standalone Financial Results / Limited Reviewed Unaudited Financial Results | The limited reviewed unaudited financial results of our Company for the nine months ended December 31, 2023 in accordance with the Companies Act, 2013 and Regulation 33 of SEBI Listing Regulations, including the notes thereto. For details, see “ <i>Financial Information</i> ” on page 78. |
| Materiality Policy | A policy adopted by our Company, in the Board meeting held on May 18, 2024 for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer. |
| Memorandum of Association/ MoA | Memorandum of Association of our Company, as amended from time to time. |
| Non-executive Directors | Non-executive Directors of our Company. |
| Promoter(s) | The Promoters of our Company namely Jaydeep Vinod Mehta, Nikhil Vinod Mehta, Jashwant Bhaichand Mehta and Chetan Jashwant Mehta. |
| Promoter Group | Individuals and entities forming part of the promoter and promoter group in accordance with Regulation 2(1)(pp) SEBI ICDR Regulations and which are disclosed by the Company to Stock Exchanges from time to time. |
| Registered Office | The registered office of our Company located at Club Emerald Sports Complex, Plot No. 366/15, Swastik Park, Near Mangal Anand Hospital, Chembur, Mumbai, Maharashtra – 400 071, India. |
| Registrar of Companies / RoC | Registrar of Companies, Maharashtra situated at 100, Everest, Marine Drive, Mumbai, Maharashtra – 400 002, India. |
| Rights Issue Committee | The Committee of our Board constituted through the board resolution dated February 14, 2024. |
| Shareholders / Equity Shareholders | The Equity Shareholders of our Company, from time to time. |

Issue Related Terms

| Term | Description |
|--|--|
| Abridged Letter of Offer / ALOF | Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act. |
| Additional Rights Equity Shares / Additional Equity Shares | The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement. |
| Allot / Allotment / Allotted | Unless the context otherwise requires, the Allotment of Rights Equity Shares pursuant to the Issue. |
| Allotment Account | The account opened with the Banker(s) to the Issue, into which amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act. |
| Allotment Account Bank | Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●]. |
| Allotment Advice | Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue. |
| Allotment Date | Date on which the Allotment is made pursuant to the Issue. |
| Allottee(s) | Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment. |

| Term | Description |
|--|---|
| Applicant(s) / Investor(s) | Eligible Equity Shareholder(s) and / or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer. |
| Application | Application made through submission of the Common Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price. |
| Application Form / Common Application Form | Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of the Rights Equity Shares in the Issue. |
| Application Money | Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price. |
| Application Supported by Blocked Amount / ASBA | Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing the SCSB to block the amount payable on application in the ASBA Account maintained with such SCSB. |
| ASBA Account | Account maintained with a SCSB and as specified in the Common Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Common Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be. |
| ASBA Circulars | Collectively, the SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, the SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard. |
| Banker to the Issue | Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●]. |
| Banker to the Issue Agreement | Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for receipt of the Application Money. |
| Basis of Allotment | The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “ <i>Terms of the Issue</i> ” on page 103 of this Draft Letter of Offer. |
| Controlling Branches / Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time. |
| Demographic Details | Details of Investors including the Investor’s address, name of the Investor’s father/husband, investor status, occupation and bank account details, where applicable. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the Application Form submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | BSE Limited |
| Depository(ies) | NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996. |
| Draft Letter of Offer / DLOF | This draft letter of offer dated May 18, 2024 filed with the Stock Exchange, for its observations and in-principle listing approval. |
| Eligible Equity Shareholders | Existing Equity Shareholders as on the Record Date i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ <i>Notice to Investors</i> ” on page 11. |
| Financial Statements/ Financial Information | Collectively, the Audited Standalone Financial Statements and the Limited Reviewed Unaudited Financial Results, unless otherwise specified in context thereof. |
| Issue / Rights Issue | Issue of up to [●] Rights Equity Shares for cash at a price of ₹ [●] per Rights Equity Share (including a share premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 1,251.55 |

| Term | Description |
|--|---|
| | lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Equity Share for every [●] ([●]) fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date i.e. [●]. *Assuming full subscription |
| Issue Closing Date | [●] |
| Issue Materials | Collectively, the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter, any other issue material relating to the Issue. |
| Issue Opening Date | [●] |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants / Investors can submit their Applications, in accordance with the SEBI ICDR Regulations. |
| Issue Price | ₹ [●] per Rights Equity Share. |
| Issue Proceeds | The gross proceeds raised through the Issue |
| Issue Size | Amount aggregating up to ₹ 1,251.55 lakhs* *Assuming full subscription |
| Letter of Offer / LOF | The letter of offer dated [●] filed with the Stock Exchange and with SEBI. |
| Multiple Application Forms | Multiple application forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with / without using additional Rights Entitlements will not be treated as multiple application. |
| Net Proceeds | Issue Proceeds less the Issue related expenses. For details, see “ <i>Objects of the Issue</i> ” on page 47. |
| Non-Institutional Bidders / NIIs | An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations. |
| Off Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws. |
| On Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●]. |
| QIBs / Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Record Date | Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●]. |
| Refund Bank | The Banker to the Issue with whom the Refund Account will be opened, in this case being [●]. |
| Registrar to the Issue / Registrar | Purvashare Registry (India) Private Limited |
| Registrar Agreement | Agreement dated May 17, 2024, entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Renouncee(s) | Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circular, the Companies Act and any other applicable law. |
| Renunciation Period | The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●]. |
| Retail Individual Bidders(s) / Retail Individual Investor(s) / RII(s) / RIB(s) | An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations. |

| Term | Description |
|---|---|
| Rights Entitlements / REs | Number of the Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialised form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date. |
| Rights Entitlement Letter | Letter including details of Rights Entitlements of the Eligible Equity Shareholders. |
| Rights Equity Shares/ Rights Shares | Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment. |
| SEBI Rights Issue Circulars | SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 read with SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard. |
| Self-Certified Syndicate Banks / SCSBs | Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at or such other website(s) as maybe prescribed by SEBI from time to time. |
| Stock Exchange | Stock exchange where the Equity Shares are presently listed, being BSE Limited. |
| Transfer Date | The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange. |
| Wilful Defaulter or a Fraudulent Borrower | An entity or person categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| Working Day | In terms of Regulation 2(1) (mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI. |

Business and Industry related Terms or Abbreviations

| Term | Description |
|----------------|---|
| ADRs | American Depository Receipts |
| B2B | Business to Business |
| CAGR | Compounded Annual Growth Rate |
| Covid-19 | Coronavirus Disease 2019 |
| FITs | Free Independent Traveler |
| FHRAI | The Federation of Hotel & Restaurant Associations of India |
| FOB | Free On Board |
| GDP | Gross Domestic Product |
| GVA | Gross Value Added |
| H2 FY 2022 | Second half of the year |
| IBEF | Indian Brand Equity Foundation |
| IMF | International Monetary Fund |
| INR | Indian Rupee (₹) |
| MICE | Meeting, Incentives, Conferences and Exhibitions |
| PRASHAD scheme | Pilgrimage Rejuvenation and Spiritual Augmentation Drive Scheme |
| SAATHI scheme | System for Assessment, Awareness & Training for Hospitality Industry Scheme |
| SARS-CoV-2 | Severe Acute Respiratory Syndrome Coronavirus 2 |
| USA/US | United States of America |

| Term | Description |
|-------------|--------------------|
| USD/ US\$ | US Dollar |
| UTs | Union Territories |

Conventional and General Terms or Abbreviations

| Term | Description |
|-------------------------------------|--|
| ₹/ Rs./ Rupees/ INR | Indian Rupees |
| A/c | Account |
| AGM | Annual general meeting |
| AIF | Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970. |
| Companies Act, 2013 / Companies Act | Companies Act, 2013 along with rules made thereunder. |
| Companies Act 1956 | Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections). |
| COVID-19 | The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020 by the World Health Organization |
| CSR | Corporate Social Responsibility |
| Depository(ies) | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. |
| Depositories Act | The Depositories Act, 1996 |
| DIN | Director Identification Number |
| DP ID | Depository Participant's Identification Number |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortisation |
| EGM | Extraordinary General Meeting |
| EPF Act | Employees' Provident Fund and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| ESI Act | Employees' State Insurance Act, 1948 |
| FCNR Account | Foreign Currency Non Resident (Bank) account established in accordance with the FEMA |
| FEMA | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Rules | The Foreign Exchange Management (Non-debt instruments) Rules, 2019 |
| Financial Year/ Fiscal | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. |
| FPIs | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| GDP | Gross Domestic Product |
| GoI / Government | The Government of India |
| GST | Goods and Services Tax |
| HUF(s) | Hindu Undivided Family(ies) |

| Term | Description |
|----------------------------------|--|
| ICAI | Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| Income Tax Act / IT Act | Income Tax Act, 1961 |
| Ind AS | The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016, as amended |
| INR or ₹ or Rs. or Indian Rupees | Indian Rupee, the official currency of the Republic of India. |
| ISIN | International Securities Identification Number |
| IT | Information Technology |
| MCA | The Ministry of Corporate Affairs, GoI |
| Mn /mn | Million |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| N.A. or NA | Not Applicable |
| NAV | Net Asset Value |
| Notified Sections | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect. |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue. |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent account number |
| PAT | Profit after Tax |
| Payment of Bonus Act | Payment of Bonus Act, 1965 |
| Payment of Gratuity Act | Payment of Gratuity Act, 1972 |
| RBI | The Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934, as amended |
| Regulation S | Regulation S under the United States Securities Act of 1933, as amended |
| SCRA | Securities Contract (Regulation) Act, 1956 of 1933, as amended |
| SCRR | The Securities Contracts (Regulation) Rules, 1957 as amended |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 |

| Term | Description |
|-------------------------------|---|
| Securities Act | The United States Securities Act of 1933. |
| STT | Securities Transaction Tax |
| State Government | The government of a state in India |
| Trademarks Act | Trademarks Act, 1999 |
| TDS | Tax deducted at source |
| US\$/ USD/ US Dollar | United States Dollar, the official currency of the United States of America |
| USA/ U.S./ US / United States | United States of America |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value Added Tax |
| VCFs | Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |
| w.e.f. | With effect from |
| Year/Calendar Year | Unless context otherwise requires, shall refer to the twelve-month period ending December 31 of a particular year |

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter any other issue material relating to the Issue (collectively “**Issue Materials**”) and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Material may come are required to inform themselves about and observe such restrictions. For details, refer to “*Restrictions on Foreign Ownership of Indian Securities*” on page 134.

In accordance with the SEBI ICDR Regulations, Issue Materials will be sent/ dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their email address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Shareholders, who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to e-mail or send a physical copy of this Draft Letter of Offer, the Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials, shall not be sent this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter the Application Form and other applicable Issue materials.

Investors can also access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar and the Stock Exchange.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Materials must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Materials to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Materials.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Common Application Form as invalid where they believe that Common Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Common Application Form.

Neither the delivery of the Issue Materials nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES.

IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (“**UNITED STATES**”), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THE ISSUE MATERIALS SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED, REDISTRIBUTED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Audited Financial Statements for the year ended March 31, 2023 and the Limited Reviewed Unaudited Financial Results for the nine months period ended December 31, 2023. For details, please see “*Financial Information*” on page 78.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

We have prepared our annual Audited Financial Statements in accordance with Ind AS and Unaudited Standalone Results in accordance with recognition and measurement principles laid down in Ind AS 34 prescribed under the Section 133 of the Companies Act 2013 and Regulation 33 of SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly, be limited.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakhs.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 78.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

| Currency | Exchange rate as on | | |
|----------|---------------------|----------------|----------------|
| | December 31, 2023 | March 31, 2023 | March 31, 2022 |
| 1 USD | 83.12 | 82.22 | 75.81 |
| 1 Euro | 92.00 | 89.61 | 84.66 |

(Source: www.fbil.org.in)

Wherever the exchange rate was not available on account of a holiday, the exchange rate as of the immediately preceding working day has been provided.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources. We have taken extracts from the report titled ‘*FHRAI Hotel Industry Survey 2023*’ and ‘*Tourism and Hospitality Industry, February 2023*’ issued by the Federation of Hotel and Restaurant Associations of India (“**FHRAI**”) and India Brand Equity Foundation (“**IBEF**”), respectively.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors- Industry information included in this Draft Letter of Offer has been derived from publicly available sources. There can be no assurance that such third-party statistical, financial and other industry information is complete or accurate and neither has our company independently verified the same. Further, despite our efforts to follow up with IBEF and FRHAI, we are yet to receive consent for the inclusion of data from their reports.*” on page 33. Accordingly, investment decisions should not be based solely on such information. Further, despite our efforts to follow up with IBEF and FRHAI, we are yet to receive consent for the inclusion of data from their reports.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- trends in the Indian hospitality industry;
- increased competition in the hotel sector with no assurance that new or existing competitors, hotels and homestays aggregators will not significantly expand or improve facilities in the markets in which we operate
- performance of the industries in which our clients operate;
- performance of our key clients and our relationship with our intermediaries;
- adverse effect of competition on our market share and profits;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
 - manage our growth effectively;
 - manage our credit risk;
 - hire and retain senior management personnel and other skilled manpower;
 - manage cost of compliance with labor laws or other regulatory developments;
 - manage our operating costs;
 - manage natural disasters;
 - successfully implement our business strategies and expansion plans;
 - maintain effective internal controls;
- inability to renew the license/ lease period or amend the terms and conditions of the license/ lease under which our club is maintained.
- adverse developments affecting hotels or key geographies or regions from which we realize a large portion of our revenue;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 19, 67 and 83, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permission from the Stock Exchange.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Our Business*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*” and “*Terms of the Issue*” on pages 19, 39, 45,47, 67, 60, 92 and 103 respectively.

Summary of Primary Business

We are an integrated hospitality company engaged in the business of providing club, banquet halls and accommodation services. We operate our Club under the name ‘Club Emerald’ which is located at Swastik Park, Chembur, Mumbai. Our Club, banquet halls and rooms are located in a single business premises enabling us to recognize ourselves as a ‘full-service provider’ in hospitality space offering services to various sections of society from middle-class segment to the upper-class segment. The strategic location of our Club also provides an added advantage of offering ‘Business cum Leisure’ services to corporate customers for conducting conferences, meetings, exhibitions etc. Our Club’s premises are spread across approx. 5,977 sq mtrs plot of land.

For more details, please refer to the chapter titled “*Our Business*” on page 67.

Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

| Particulars | Amount |
|---|------------|
| Repayment, of all or a portion of certain outstanding borrowings (including interest thereon) availed by our Company; and | 1,251.55 |
| General Corporate Purposes | [●] |
| Total Net Proceeds | [●] |

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 47.

Our Promoter

The Promoter of our Company are Jaydeep Vinod Mehta, Nikhil Vinod Mehta, Jashwant Bhaichand Mehta and Chetan Jashwant Mehta.

Intention and extent of participation by our Promoter and Promoter Group

Other than Jashwant Bhaichand Mehta and Chetan Jashwant Mehta, we have been informed by our Promoters *vide* their letters each dated February 28, 2024, their intention to fully subscribe to their entitlements arising out of the proposed Rights Issue. Additionally, Jaydeep Vinod Mehta, *vide* his letter dated February 28, 2024 has undertaken to fully subscribe to any under subscribed portion of this Issue. Further, we have been informed by Jashwant Bhaichand Mehta and Chetan Jashwant Mehta that they may or may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce whole or a part of their right entitlement in favour of third parties whom they may identify in due course or may renounce whole or a part of their right entitlement in the open market. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in proviso to Regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

The acquisition of Rights Equity Shares by our Promoters, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

Note: Our Promoter Group does not hold any Equity Shares in our Company

Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company and our Subsidiaries is provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹)* |
|---|--------------------------------------|-----------------------------|
| Criminal matters | 1 | - |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Actions taken by regulatory authorities | Nil | Nil |
| Material civil litigations | 2 | - |

*Amount not quantifiable

ii) Cases filed by our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹)* |
|---|--------------------------------------|-----------------------------|
| Criminal matters | Nil | - |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Actions taken by regulatory authorities | Nil | Nil |
| Material civil litigations | 1 | - |

*Amount not quantifiable

b) Litigations involving our Subsidiaries

Our Company does not have any subsidiary as on date of the filing of this Draft Letter of Offer.

For further details, please see the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 92 of this Draft Letter of Offer.

Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page 19.

Summary of Contingent Liabilities

For details regarding contingent liabilities, please see “*Financial Information -Contingent Liabilities*” beginning on page 78.

Summary of Related Party Transactions

For details of our related party transactions please refer “*Financial Information- Related Party Transactions- Note 28*” on page F-25.

Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

Split or consolidation of Equity Shares in the last one year

Our Company has not carried out any corporate action to split or consolidate its equity shares in the last one year.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 13.

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 60, 60 and 79, respectively.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Financial Information, prepared in accordance with IND AS and the Companies Act, 2013 and audited in accordance with the SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Emerald Leisures Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

1. ***Jashwant Bhaichand Mehta, our Non-Executive and Non-Independent Director and Chetan Jashwant Mehta are the promoters of our Company and have not provided any information or confirmations required under the SEBI ICDR Regulations in relation to themselves or their intention to subscribe to the Issue. Further, this draft letter of offer dated June 10, 2024 has not been signed by Jashwant Bhaichand Mehta, our Non-Executive Non-Independent Director.***

Jashwant Bhaichand Mehta, our Non-Executive Non-Independent Director and Chetan Jashwant Mehta are the Promoters of our Company. Our Company had sought information, confirmations and undertakings from them in respect of themselves as well as their intention of subscribing to the Issue.

We neither received the requested information nor confirmations from Jashwant Bhaichand Mehta and Chetan Jashwant Mehta. Our Company has not been able to obtain any information or confirmation from the above named due to internal disagreements. Further, Chetan Jashwant Mehta filed a complaint with the Registrar of Companies, Mumbai, under Section 206(4) of the Companies Act 2013, against our Company on April 29, 2023, pursuant to which our Company has received notices from the Registrar of Companies, Mumbai seeking clarification for the same. The Complainant states that the Company has committed illegalities during the course of administration of the Company including acts of fabrication and fraud committed by certain directors of the Company with malafide intentions. However our Company has categorically denied all such allegations made by the Complainant stating them to be false and fabricated. The last response was submitted by our Company on October 27, 2023 to the Registrar of Companies, Mumbai, refuting the same after which there has been no further correspondence. The matter remains pending as on date of this Draft Letter of Offer.

Our Company has disclosed information and confirmations in this Draft Letter of Offer in relation to Jashwant Bhaichand Mehta and Chetan Jashwant Mehta required under the SEBI ICDR Regulations as Director and Promoters only to the extent available to our Company, maintained by us in our records and accessible from the publicly available information published on: (i) the Ministry of Corporate Affairs' website (accessible at <https://www.mca.gov.in/content/mca/global/en/home.html>); (ii) the "Credit Information Bureau (India) Limited" website (accessible at <http://www.cibil.com/>); (iii) the BSE's website (accessible at <https://www.bseindia.com/investors/debent.aspx>); and (iv) the "Watchout Investors" website (accessible at <https://www.watchoutinvestors.com/>). Based on the aforementioned searches, our Company confirms that neither Jashwant Bhaichand Mehta or Chetan Jashwant Mehta, are debarred from accessing the capital markets by SEBI and neither of them are wilful defaulters or fraudulent borrowers.

Further since we did not receive any confirmation from Jashwant Bhaichand Mehta and Chetan Jashwant Mehta regarding their intention to subscribe to the Issue, criteria for minimum subscription as per SEBI ICDR Regulations is applicable to this Issue. For further details, please refer "*General Information- Minimum Subscription*" on page 44. In addition, this draft letter of offer dated June 10, 2024 has not being signed by Jashwant Bhaichand Mehta, our Non-Executive Non-Independent Director.

In light of the above, we cannot assure you that all relevant and/or complete disclosures pertaining to Jashwant Bhaichand Mehta and Chetan Jashwant Mehta are included in this Draft Red Herring Prospectus.

2. *We rely heavily on our quality of services at our Club. Any dilution of our brand reputation or failure of our quality control systems could adversely affect our business, results of operations and financial condition.*

We operate our business under the brand 'Club Emerald Sports Complex', which is focused on catering to guests in the upper-midscale, midscale and economy club/ hotel segments. Our brand and reputation are among our most important assets which helps in attracting guests to our services. Developing awareness of our brand, through focused and consistent branding and marketing initiatives is important to increase our revenues, grow our existing market share and expand into new markets. The performance and quality of services offered at Emerald are critical to the success of our business. These factors depend significantly on the effectiveness of our quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our personnel, the quality of our training programme, and our ability to ensure that such personnel adhere to our policies and guidelines. Head of Department of each department conducts regular internal meetings with the staffs for review and training purposes. However, any decrease in the quality of services rendered by us including due to reasons beyond our control, or allegations of defects, even when false, could tarnish the image of our brand, result in negative reviews and feedback from our guests on online travel portals and may cause guests to choose the services of our competitors.

We are also dependent on third party service providers for providing some of the services on need basis to our guests and members such as spa and gymnasium and any failure or deficiency on the part of such service providers may adversely effect our reputation and brand perception. Any adverse development or decline in quality involving our brands may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business, results of operations and financial condition.

3. ***Our Company has incurred losses in the recent past and we may incur losses in the future.***

Our Company has incurred losses in the recent past, the details of which are provided below:

(Amount in lakhs)

| Particulars | Nine months period ended December 31, 2023 | Nine months period ended December 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------------------|--|--|---------------------------|---------------------------|
| Profit/ (Loss) incurred | (710.98) | (534.99) | (1,012.98) | (1,230.71) |

There can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by us may be perceived adversely by external parties such as customers, bankers, and suppliers, which could affect our reputation. For further details, refer to the chapter titled “Financial Information” on page 78.

4. ***Our Company has reported negative cash flow in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

Our Company has experienced negative net cash flow from operating and financing activities in the recent past, the details of which are provided below:

(Amount in lakhs)

| Particulars | Nine months ended December 31, 2023 | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|-------------------------------------|---------------------------|---------------------------|
| Net cash generated from operating activities | 483.62 | (360.92) | 75.71 |
| Net cash flow from financing activities | (600.39) | 315.58 | (136.45) |

Negative cash flow from operating activities for year ended March 31, 2023 is mainly on account of discharge of current liabilities. Negative cash flow from financing activities for the year ended March 31, 2022 is primarily on account of finance cost. Negative cash flow from financing activities for the nine months period ended December 31, 2023 is primarily on account of finance cost and repayment of long-term borrowings.

For further details, refer “Financial Information” on page 78 of the chapter titled ‘Financial Information’.

5. ***There are certain criminal and other outstanding legal proceedings against the Company which may adversely affect our business, financial condition and results of operations.***

As on the date of this Draft Letter of Offer, our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company is provided below:

Litigations involving our Company

iii) Cases filed against our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹)* |
|---|-------------------------------|----------------------|
| Criminal matters | 1 | - |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Actions taken by regulatory authorities | Nil | Nil |

| Nature of Litigation | Number of matters outstanding | Amount involved (₹)* |
|-----------------------------|--------------------------------------|-----------------------------|
| Material civil litigations | 2 | - |

*Amount not quantifiable

iv) Cases filed by our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹)* |
|---|--------------------------------------|-----------------------------|
| Criminal matters | Nil | - |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Actions taken by regulatory authorities | Nil | Nil |
| Material civil litigations | 1 | - |

*Amount not quantifiable

Litigations involving Subsidiaries

Our Company does not have any subsidiary as on date of the filing of this Draft Letter of Offer.

For further details, please see the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 92.

6. ***Our Company has obtained, unsecured loans from the related parties and others which may be recalled at any time. Any recall of the unsecured loans obtained by our Company may have an adverse effect on our business, prospects, financial condition and results of operations.***

Our Company has obtained unsecured loans, from related parties and others, some or all of which may be recalled on demand. As on December 31, 2023, our Company has outstanding unsecured loans of ₹ 6520.02 lakhs and as on March 31, 2024 outstanding unsecured loan of ₹ 6707.76 Lakhs. If the unsecured loans obtained by our Company are recalled at any time, the financial condition and results of operations of our Company may be adversely affected.

7. ***A substantial portion of the Net Proceeds will be utilized for repayment of certain loans availed by our Company.***

Our Company intends to deploy ₹[●] lakhs towards repayment of certain borrowings availed by our Company, as indicated in the section titled “*Objects of the Offer*” on page 47. The scheduled repayment of the loans is subject to various factors including: (i) cost of the borrowing to our Company including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay or repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, as applicable (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) receipt of requisite approvals in accordance with applicable laws, (vii) provisions of any laws, rules and regulations governing such borrowings, and (viii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. Accordingly, the Net Proceeds will not be available for any capital expenditure or creation of tangible assets by our Company.

8. ***Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations.***

Although our Emerald’s club segment is not adversely affected due to seasonality as memberships of the guests are for a long period of time spanning from 5 to 20 years, but our sales volume of the hotel segment of Emerald experiences slight seasonal fluctuations during the period of June to October. The hotel and hospitality industry in India is subject to seasonal variations. Seasonality affects leisure travel and the MICE sector (meetings, incentives, conferences and events) including weddings. The winter months are preferred for travel in India, for leisure, MICE events, management or business travel and more recently for weddings. The combination of changes in economic conditions and in the supply of hotel rooms, including periods of excess supply, can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel tend to be more fixed than variable. As a result, in an environment of declining revenues the rate of decline in profits can be higher than the rate of decline in revenues. As a result of such seasonal fluctuations, our room rates, sales and results of operations of a given half of the financial year may not be reliable indicators of the sales or results of operations of the other half of the financial year or of our future performance.

For example, we may experience a decrease in business for rooms in during the monsoon season in the months of June to October. Operating costs, which remain relatively constant, have a disproportionately greater negative effect on operating results during periods with lower restaurant turnover.

9. *Our lenders have charge over our assets in respect of loans that have been availed by us.*

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our immovable property. The total amounts outstanding and payable by us as secured loans were ₹ 1809.19 lakhs as on March 31, 2024. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our assets may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.

10. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholder's approval.*

We propose to utilize the Net Proceeds to repay, in full or in part, identified unsecured loan and long-term working capital requirement. For further details of the proposed objects of the Issue, please refer chapter titled “*Objects of the Issue*” beginning on page 47. In case of any exigencies arising out of business conditions, economic conditions, competition, or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure which cannot be determined with certainty as on the date of this Letter of Offer. In terms of the SEBI ICDR Regulations and the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds or in the terms of any contract as disclosed in this Draft Letter of Offer without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilization of the Net Proceeds disclosed in Draft Letter of Offer, we cannot assure that we will be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Letter of Offer, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

11. *Our financing agreements contain certain restrictive covenants which may affect our financial and operational flexibility. In the event of breach of any covenants in our financing agreements, our lenders may take any action in connection with such breaches which may have a material adverse effect on our business, results of operation, financial condition and prospects.*

There are restrictive covenants in agreements we typically enter into with certain banks and financial institutions for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior permission of these banks/financial institutions for various activities, including, amongst others, formulation of any scheme for merger, amalgamation or re-organization, capital restructuring by way of share capital in or lending expenditure or advancing to or placing of deposits with any other concern (excluding normal trade credit or security deposit in the routine courses of business or advances to employees), making any change in their management set-up, declaring, paying or making any dividend or other distribution and incurring any other financial indebtedness. Accordingly we have intimated Aditya Birla Finance Limited, from whom we have secured loan facilities, regarding the proposed Issue *vide* our letter dated April 11, 2024 and subsequent email correspondences. We are currently awaiting ‘no objection’ in relation to the proposed Issue and expect to receive the same prior to filing of the Red Herring Prospectus. The restrictive covenants may also adversely affect our ability to conduct our business and have a material adverse effect on our financial condition, results of operations and cash flows.

12. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.*

We have in the past entered into transactions with some of our Promoters, Promoter Group Directors, and enterprises over which our Directors have a significant influence. While all such transactions have been conducted on an arm’s length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will always be in the best interests of

our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition, and cash flows. In the event any conflict of interest arises between us, or to the extent that competing products offered by any of our related parties erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, results of operation and financial condition may be adversely affected. For further information on related party transaction, see “*Financial Information- Related Party Transactions- Note 28*” on page F-25.

13. ***Customer’s taste and preference may change and they may not prefer our services in the future which may adversely affect demand for our services. Further, an inability to maintain our competitive position in the hospitality industry, and failure to adapt our service offerings to changing market trends and consumer tastes, preferences and spending habits could cause our engagements with the clients to decline and may adversely affect our business, prospects and future financial performance.***

We compete in a highly competitive industry where the success of our business depends on customer behavior and preferences and their affinity and loyalty to the services offered by us. Our future growth and success will depend significantly on our ability to anticipate changes in market trends and customer tastes and preferences, and then to identify, source and bring to the market in a timely manner new or unique services that satisfy the preferences of a broad range of customers. In the event of a significant change in customer preferences or in the event of an inability on our part to anticipate or react to such changes, it could result in reduced demand for our services and erosion of our competitive position and goodwill and could adversely affect our business, prospects, results of operations and financial condition.

In addition, we compete with aggressive marketing and promotional activities by other private clubs, hotels and banquets on price and promotional discounts announced from time to time. Other clubs and hotels in the market typically match the pricing of our services. However, if the competitors alter their pricing model, and we are unable to change our product prices in response to such competitive measures, our results of operations and profitability may be materially and adversely affected.

14. ***Our business is heavily dependent on our suppliers.***

As we are engaged in the business of operating a hotel cum club which has 4 restaurants and 6 banquet halls, we are to a large extent dependent on our suppliers for the supply of raw materials namely vegetables, fruits, grocery, beverages and other items. We procure vegetables and fruits from various suppliers on annual rate contract basis and other items based on availability of desired quality and quantity and urgency of need from wholesale markets as per prevailing market rates. We are required to rely heavily on a few suppliers and the quality of products supplied by them. Our sales and profitability would be adversely affected in case of any management inabilities or errors on part of our suppliers.

Further, being a hospitality Company located at Chembur, which is a large residential and commercial hub in Mumbai, we face the risk of our suppliers reducing their focus to a particular customer due to competitive pressures and other internal management decisions and hence we may not receive the necessary support from our suppliers. Also, we face the risk of the management of our suppliers collaborating with some other trader and thus reducing our share of supply, which we cannot ensure would be as per our required terms. Any negative development involving our suppliers and their products, could adversely affect our business growth, profitability, results of operations and goodwill and we may not be in a position to alter or avoid such developments.

15. ***Negative publicity could adversely affect our revenue model and profitability.***

We may, from time to time receive negative publicity with respect to quality of our facilities, services or food, ambience, hygiene & safety, employee relationships or other matters. We may in future experience adverse publicity as a result of employee misconduct, including employee theft. Any adverse publicity will create a negative image of our Company, irrespective of the fact that such allegations are true or not. The repercussion of such negative publicity may affect the revenue generation ability of all our outlets. This could lead to an adverse impact on our business, financial condition, results of operations and prospects.

16. ***Our inability to manage the timing of vacation requests of our members or customers could lead to member dissatisfaction as well as loss of revenue generation opportunities.***

Presently we have a total of 35 rooms where we provide accommodation services to our clients. Our clients may choose a time to book their stay with Emerald within such time period which could be peak of holiday or wedding season. If more than the anticipated number of clients apply for a vacation at Emerald on the same dates of the year, we may not

be in a position to satisfy their requests. Declining members the usage of their requested week / days may lead to client dissatisfaction, which could have an adverse effect on our reputation, growth and results of operations.

Conversely, if less than the anticipated number of clients apply to stay at Emerald at any given time, we may have a large number of unused rooms, which could lead to a loss of revenue generation opportunities.

17. *Failure to successfully update our menus and introduce new menu items, products and member engagement activities may adversely affect our business.*

Product development is an important factor in our industry in generating increase in sales. We regularly develop and introduce new menu items and products. However these new menu items and products may prove to be unsuccessful. If a new product is successful in all aspects, items are introduced on promotional menus and only the most successful are considered for inclusion on our regular menus. Further, we also aim to develop and introduce new guests activities and events for our members which will help us attract new customers by word of mouth. We organize various activities to engage our existing members and attract new clients, such as food festivals, musical programmes, festive celebrations, etc. However there can be no assurance that such efforts will be successful in identifying successful new products and services and avoiding unsuccessful introductions. Although we periodically do introduce new items to our menu, an inability to successfully introduce such new menu items and products could adversely affect our business, financial condition, results of operations and prospects.

18. *Increases in costs and inability to accurately forecast the demand for our supplies could result in a loss of revenue and adversely impact our business, financial condition, results of operations and prospects.*

Our profitability depends in part on our ability to anticipate and react to changes in the cost of our supplies. Any inability to accurately forecast demand of our food products and beverages would lead to excess supply of materials from our suppliers which would have a material adverse impact on our business. Increases in the cost of important products could significantly increase our expenses. The supply of materials for our food and beverages is based primarily on forecasts requirements prepared by our general manager/ head of departments in consultation with the chefs/bar tenders and is one of the more significant expense items in our business. The cost of materials of food and beverages constituted for 43.40%, 59.19% and 47.27% of the total cost in the financial year 2020-21, 2021-22, 2022-23 and 53.75% for the nine months period ended December 31, 2023. These forecasts are based on past sales as well as anticipated demand, which is based to a certain extent on the subjective assessment of the general manager/ head of department. Most ingredients used by us, including liquor, cooking oil and vegetables, are commodities and therefore subject to price fluctuations as a result of seasonality, weather, supply and demand in local and international markets, economic conditions and other factors which are beyond our control. Increases in the cost of important raw materials could significantly increase our expenses. We have no control over fluctuations in the price and availability of ingredients or variations in products caused by these factors. If we are not able to obtain requisite quantities of quality ingredients at commercially reasonable prices, our ability to provide the menu items that are central to our business would be adversely affected. In addition, we purchase electricity, oil, piped natural gas and other related supplies needed to operate our facilities. Any significant increase in energy costs could adversely affect us through higher rates or imposition of fuel surcharges by our suppliers. In particular, we purchase a majority of our liquefied petroleum gas from certain Indian state-owned enterprises, and any significant increases in their prices for liquefied petroleum gas could result in increased expenses and loss of revenue.

We cannot predict whether we will be able to anticipate and react favorably to changing costs by adjusting our purchasing practices and menu prices, and a failure to do so could adversely affect our business, financial condition, results of operations and prospects. In addition, because we operate in price sensitive markets, we would likely be unable to fully pass on price increases to our guests. Increases in our costs for any reason including those discussed above could adversely affect our business, financial condition, results of operations and prospects. In addition, if we are unable to adjust our significant fixed costs including lease costs and staff costs, in response to a reduction in revenues in the future, our business, financial condition, results of operations and prospects could be adversely affected.

19. *Certain of our Group Companies and our Promoters are engaged, or are authorized by their constitutional documents to engage, in business activities which are similar to those undertaken by our Company and Subsidiaries, or have interests in other companies, which are in businesses similar to ours, which may result in conflicts of interest.*

Certain of our Promoter Directors/ Group Companies are engaged in the same line of business. We cannot assure you that our Group Companies, will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business and results of operations.

Further, a conflict of interest may occur between our business and the business of certain of our Promoters and Group Companies which could have an adverse effect on our operations. For example, Jashwant Bhaichand Mehta and Chetan Jashwant Mehta, own and control Juhu Resorts & Development Private Limited which operates a hotel in Mumbai named 'Hotel Emerald'. Further Juhu Resorts & Development Private Limited, Neptune Resorts & Developers Private Limited, our Group Companies, in which Jashwant Bhaichand Mehta and Chetan Jashwant Mehta are directors, are in the same line of business as our Company and may compete with our existing business. Conflict of interest may also arise out of common business objectives shared by us and certain of our Promoters. Our Promoters may compete with us and have no obligation to direct any opportunities to us. We cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

20. *Any occurrence of negative event in the consumer food and beverage services industry in Maharashtra where we have presence could materially affect our overall business and results of operations.*

Customer preferences and taste may vary from time to time and place to place. Currently, we are serving in Mumbai, Maharashtra based on our experience and study of customer preferences and tastes of the particular state. However, any negative event affecting its consumer food and beverage industry, such as a local economic downturn, a natural disaster, a contagious disease outbreak, or a terrorist attack, or if the local authorities adopt regulations that place additional restrictions or burdens on us or our industry in general, our overall business and results of operations may be materially and adversely affected.

21. *We have a large workforce deployed at our Company, consequently we may be exposed to service related claims and losses or employee disruptions that could have an adverse effect on our reputation, business, results of operations and financial condition.*

As of March 31, 2024, we have 34 employees at our Company. In addition, we utilize 24 personnel on a contract basis at our hotel. The risks associated with the utilization of a large workforce include possible claims relating to:

- actions, inactions, errors or malicious acts by our personnel, including matters for which we may have to indemnify our guests;
- failure of our personnel to adequately perform their duties including rendering deficient services, shortage in shift, absenteeism or lateness;
- violation by personnel of security, privacy, health and safety regulations and procedures;
- any failure by us to adequately verify personnel backgrounds and qualifications resulting inefficient services;
- injury or damages to any guest's person or property due to negligence of our personnel; and
- criminal acts, torts or other negligent acts by our personnel.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact our reputation and brand name. We may also be affected in our operations by the acts of third parties, including subcontractors and service providers. Any losses that we incur in this regard may have an adverse effect on our reputation, business, results of operations and financial condition.

22. *We require certain licenses and approvals in the ordinary course of the business and the failure to renew, obtain or retain them in a timely manner, or at all, may adversely affect our operations.*

We are governed by various applicable laws and regulations for our business and operations. We are required and will continue to be required, to obtain and hold relevant license, approvals and permits for carrying out our services and activities. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations.

Further, the approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

23. ***Our operations are dependent on our ability to attract and retain qualified personnel, including our key senior management and any inability on our part to do so, could adversely affect our business, results of operations and financial condition.***

Our operations are dependent on our ability to attract and retain qualified personnel since we aim to provide our guests with high levels of service. While we believe that we currently have adequate qualified personnel for our operations, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. We have experienced attrition at a rate of 32.35% 50.67% and 31.17% in relation to our employees for Fiscals 2024, 2023 and 2022, respectively. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business, results of operations and financial condition. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

Apart from personnel hired for providing their services at Emerald, we are highly dependent on our directors, senior management and other key personnel for setting our strategic business direction and managing our business. The inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We currently do not have any non-compete agreements with our directors, senior management or other key personnel. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Any inability on our part to attract and retain qualified personnel and senior management could adversely affect our business, results of operations and financial condition.

24. ***Operational risks are inherent in our business as it includes rendering services at high quality standards at our hotels. A failure to manage such risks could have an adverse impact on our business, results of operations and financial condition.***

Certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. We provide hospitality services, including food and beverage, cleaning and housekeeping, and security services, at our hotels. In rendering such services our personnel are required to adhere to regulatory requirements and standard operating procedures with regard to health, safety and hygiene and in their interaction with our guests and other members of the public. Food and beverage services require proper packaging and labelling and the careful and hygienic handling of food products, which if improperly packaged or handled may have an adverse impact on the health of our guests. Similarly, cleaning and housekeeping services involve the handling of chemicals such as cleaning solutions, which if handled improperly may have an adverse impact on the health of our employees, guests and on the environment. Consequently, our business is associated with certain safety, privacy and public health concerns. Failure to effectively implement crisis response, training and management policies and protocols and to adequately address and manage risks inherent in our business, or a failure to meet the requirements of our guests, or a failure to develop effective risk mitigation measures, could have an adverse effect on Emerald's reputation, guest loyalty and consequently, our business, results of operations and financial condition.

25. ***Our business is customer oriented and the loss of customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services could adversely affect our business, results of operations and financial condition.***

Our room accommodations, conference/ banquet halls are dependent on our customers. Any reduction in growth or a slow-down in the business of our customers in India, could result in a reduction of their requirement for our services, and result in a significant decrease in the revenues we derive from these customers. There is no dependency on any customer segment and the revenue generated from all segments is evenly distributed, however the loss of our customers over time or a reduction in the amount of business we obtain from them could have an adverse effect on our business, and thus our results of operations, financial condition and cash flows. Further, customers may be able to negotiate better or more favorable terms or discounts compared to bookings made through direct channels or online travel agents. We cannot assure you that we will be able to maintain historic levels of business from such significant customers in the future.

26. ***Once we enroll a member at our Club, we have a long term commitment to service such member. Our inability to maintain and operate our Club may affect the services offered to our members which in turn may affect our reputation, revenues and results of operations.***

Upon enrolment of a member to Club Emerald, we have an obligation to service our members for a period of 5 years or upto 20 years, depending on the tenure of their membership. Servicing our members requires us to maintain our Club at certain specified standards for such number of years. We can give no assurance that we will be in a position to service our members for the entire tenure at their level of expectation. Our inability to maintain and operate our Club may have an adverse effect on our reputation, revenues and results of operations.

27. ***Our operations entail certain fixed costs and recurring costs, and our inability to reduce such costs during periods of low demand for our services may have an adverse effect on our business, results of operations and financial condition.***

Our operations entail certain fixed costs such as costs incurred towards the maintenance of our property, employee related costs, property taxes as well as certain significant recurring costs such as utility expenses and insurance payments. Such fixed costs constituted to 11.82%, 12.92% and 11.34% of the total cost in the financial year 2020-21, 2021-22 and 2022-23, respectively. We may also have to incur costs towards periodic re-designing, re-structuring, refurbishing or repair of defects at our Club. The costs of running a hotel cum club tends to be more fixed than variable. The hotel industry experiences changes in demand and supply, which we may not be able to predict accurately. Consequently, we may be unable to reduce fixed and recurring costs in a timely manner, or at all, in response to a reduction in the demand for our services. Further, our Club property may be subject to an increase in operating and other expenses in the event of increases in property and other tax rates, increase in utility costs due to increase in electricity or water supply charges, insurance costs, repairs and maintenance and administrative expenses, which may adversely affect our business, results of operations and financial condition.

28. ***A portion of Emerald's hotel segment bookings originate from online travel agents and intermediaries. In the event such companies continue to gain market share compared to direct booking channels or our competitors are able to negotiate more favorable terms with such online travel agents and intermediaries, our business and results of operations may be adversely affected.***

A portion of bookings for our accommodation facilities originate from online travel agents and intermediaries, such as online aggregators to whom we pay fees/ commissions. These third-parties, including online travel agents, offer a wide breadth of services, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices when compared to our direct booking channels. Some of these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditize hotel brands through price and attribute comparison. In the event these companies continue to gain market share, they may impact our profitability, undermine direct booking channels and online web presence and may be able to increase commission rates and negotiate other favorable contract terms. Negative reviews and feedback on online travel portals may cause guests to choose the services of our competitors. Further, our competitors may be able to negotiate better or more favorable terms with such online travel agents and intermediaries, impacting our hotel bookings from these channels, which in turn may adversely affect our business and results of operations.

29. ***The food and beverages service market is an ever-changing and dynamic industry. If we are unable to adapt to the ever changing trends of such industry, it will affect our business which in turn may affect our financial condition.***

We consider the food offered to our members as well as customers to be one of our greatest strengths. We have an in-house kitchen where our experienced and professional chefs offer variety of cuisines to our members and customers. But the food industry is a fast changing industry and customer food and beverages consumption pattern may vary. Our business can be largely affected by changing customer preferences or pattern of consumption, including changes in member's/ customer's tastes all of which may be caused by many factors that are generally beyond our control. If we are unable to offer services at par with the ever evolving food industry needs and successfully meet changes in consumer tastes and trends, our business may be affected which in turn will affect our financial condition as well.

30. ***We operate in a highly competitive market and may not be able to maintain our market position, which may adversely impact our business, results of operations and financial condition.***

The hospitality industry is high fragmented in nature and subject to growing competition. There is increasing competition in respect of price, location, facilities, quality of service/ food etc. A growing, under-served market, such as India, is particularly attractive to new entrants, who may also offer new facilities, cuisines and beverages that appeal to customer tastes. We may also face competition from existing clubs and hotels willing to accept low margins on investment in order to enter new market as well as from business conglomerates willing to cross-subsidise club business

in order to enter new market. Further we generally face competition from local outlets for food and classes conducted for sports activities. A significant increase in competition, whether from one new competitor or many, could exert downward pressure on prices, lower demand of our products and club concept, an inability to take advantage of new business opportunities and a loss of market share, all of which would adversely affect our business, financial condition, results of operations and prospects.

Our success is largely dependent upon our ability to compete in areas such as room rates, location of the property, the quality and scope of other amenities, including food and beverage facilities, quality of accommodation and service level as well as the brand recognition of our hospitality partners. In addition, our competitors may significantly increase their advertising expenses to promote their hotels, which may require us to similarly increase our advertising and marketing expenses and change our pricing strategies, which may have an adverse effect on our business, results of operations and financial condition. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

31. *Any failure of our information technology systems could adversely affect our business and our operations.*

We utilize information technology systems that support our business processes, including centralized software and systems which support critical operations such as database management, application hosting, back-end processes, reservations systems and property management systems of our hotel operators and their affiliates. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse effect to our information technology systems.

In addition, our systems and proprietary data stored electronically, including our guests' sensitive personal and financial information, may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. Such technology systems may also be vulnerable to ransomware attacks, which may block or restrict access to these systems and impair their functionality, unless certain ransom money is paid. If such unauthorized use of our systems were to occur data related to our guests and other proprietary information could be compromised. Our Company has not faced such instance, however the occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation. We are also dependent on third party vendors for providing some of the services to our guests such as internet and television, among others, and any failure or deficiency on the part of such vendors may adversely affect our reputation, brand perception and results of operations.

32. *If we are unable to raise additional capital, our business prospects could be adversely affected.*

We intend to fund our growth and expansion plans through our cash on hand, cash flow from operations. We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, if we are unable to arrange adequate financing on timely basis, it could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and regulatory framework that allows us to raise capital. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

33. *Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.*

Although we have not experienced any labor unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Further, we cannot assure you that our other employees will not unionize in the future. In the event our employee relationships deteriorate or we experience significant labor unrest, strikes and other labor action, work stoppages could occur and there could be an adverse impact on our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business and results of operations.

34. ***We rely on contractual labor for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. As of March 31, 2024 we utilized 24 personnel engaged on a contractual basis. Although we do not engage these workers/ labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

35. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We could be held liable for accidents that occur at our Company or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our members, employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. We have insurance coverage such as fire and special perils, employee fidelity, cover for money in safe, cover for equipments, plate glass, etc. We also maintain director and officers' liability policy and group mediclaim policy for our employees. For the financial year 2023, we had insured our net assets for an amount of ₹ 9,655 lakhs representing 100% coverage over our total net assets.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

36. ***Disruptions or lack of basic infrastructure such as electricity and water supply could adversely affect our operations.***

We require a significant amount and continuous supply of electricity and water and any disruption in the supply thereof could affect the operations of our Company and the services to our members and guests. We currently source our water requirements from rain water harvesting system installed in our complex and from governmental water supply undertakings and depend on power generation company, Tata Power, for our energy requirements. We cannot assure you that our hotels will have sufficient power during power failures. Any failure on our part to obtain alternate sources of electricity or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

37. ***Demand for rooms or our conferencing and meeting facilities may be adversely affected by the increased use of business-related technology or change in preference of our corporate customers.***

The increased use of teleconference and video-conference technology by other businesses could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without traveling to a centralized meeting location, such as our Club. For instance during COVID-19 pandemic, our revenue generated from our rooms, conferencing and meeting facilities were adversely affected. Revenue generated during Fiscal 2021 and 2022 was comparatively less than the revenue generated during the year 2023 which also indicates that the effect of pandemic has considerably reduced with only limited impact. However, to the extent that technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, demand for our rooms or our conferencing and meeting facilities may decrease from business travelers and corporate customers. Similarly, changes in business spending and preferences of our corporate customers due to evolving cost of travel, spending habits and budgeting patterns may lead to a change in the perceived attractiveness of Emerald and services.

38. ***We are unable to trace some of our historical records. In the event we are found not to be in compliance with any applicable regulations in relation to the regulatory filings or corporate actions, we may be subject to regulatory actions or penalties for any such possible non-compliance and our business, financial condition and reputation may be adversely affected.***

We have been unable to locate copies of certain of our corporate records filed with the RoC before the calendar year 2010. While we believe that these documents were duly filed on a timely basis, we have not been able to obtain copies of these documents from the RoC or otherwise. The relevant documents are also not available at the office of the RoC as certified by Zankhana Bhansali & Associates, Practicing Company Secretary, vide his search report dated May 16, 2024. We cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect. Further we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

Although, our Company endeavours to comply with all compliance/ reporting requirements, there may have been instances of delays/non-disclosures/erroneous disclosures and non-filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with RoC. In past, there have been instances wherein our Company has failed to comply with the requirements of RoC, for which we have paid additional fees. No show cause notice in respect of the above has been issued to our Company till date and except as stated in this Draft Letter of Offer, no penalty or fine has been imposed by any regulatory authority with respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our business reputation, divert management attention, and result in a material adverse effect on our business prospects.

39. ***If our Company does not receive the minimum subscription of 90% of the total Issue size, the Issue may fail.***

In the event our Company does not receive the minimum subscription of 90% of the total Issue Size or the subscription level falls below 90% of the total Issue Size after the Issue Closing Date on account of withdrawal of Applications or technical rejections or any other reason, our Company shall refund the entire subscription amount received within such period as may be prescribed under applicable law. Further, in the event, there is a delay in making a refund of the subscription monies, our Company shall be required to pay interest for the delayed period at such a rate prescribed under applicable law. For further details, please see “*General Information-Minimum Subscription*” on page 44.

40. ***Our Promoters and Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their benefits or reimbursement of expenses.***

Our Promoters and Directors hold 69.07% of the Equity Share Capital, and are interested in our Company, in addition to benefits and reimbursement of expenses that may be received by them, to the extent of their shareholding in our Company. Our Promoters may exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may not be able to affect the outcome of such voting.

For further details, see “*Capital Structure*” and “*Financial Information*” on pages 45 and 78 of this Draft Letter of Offer.

41. ***We are exposed to the risk of events that adversely affect domestic or international travel, such as epidemics and terrorism or war.***

The room rates and occupancy levels of our hotel segment could be adversely affected by external events that reduce domestic or international travel, such as epidemics or pandemic like COVID-19 and spread of infectious diseases or threats thereof, actual or threatened acts of terrorism or war, geo-political crisis or civil unrest, travel-related accidents or industrial action, natural disasters, or other local factors impacting individual hotels, as well as increased transportation and fuel costs. A decrease in the demand for rooms as a result of such events may have an adverse impact on our operations and financial results. In addition, inadequate planning, preparation, response or recovery in relation to a major incident or crisis may prevent operational continuity, or result in financial loss and consequently affect our reputation.

42. *Our operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to various factors.*

Our operating results may fluctuate significantly because of various factors, including:

- changes in consumer preferences and discretionary spending;
- fluctuations in the cost of supplies;
- labour availability and wages of club management and staff;
- profitability of our club;
- variations in general economic conditions;
- negative publicity about the liquor we serve or the ingredients we use or the occurrence of food-borne illnesses or other problems at our club; and
- changes in comparable club sales and guest orders, including as a result of declining consumer confidence or the introduction of new menu items.

As a result of these factors and others, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year. In the future, operating results may fall below the expectations of securities analysts and investors, which could cause our stock prices to fall.

43. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.*

Our Company proposes to utilize the Net Proceeds for repayment and/ or prepayment of debts. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates.

44. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements.

The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

45. *Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.*

As on date of this Draft Letter of Offer, we have 1 registered trademark. The trademark/service mark and logo in connection with the "CLUB e EMERALD" logo is owned and registered by our Promoter, Chetan Jashwant Mehta under class 41 of the Trade Marks Act, 1999. We may not be able to prevent infringement of our trademark and a passing off action may not provide sufficient protection until such time that this registration is granted. There may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities could harm the reputation of our brand and goodwill of our Company, which could in turn adversely affect our financial performance and the market price of the Equity Shares. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or

to cease usage of certain brand names. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

46. ***Industry information included in this Draft Letter of Offer has been derived from publicly available sources. There can be no assurance that such third-party statistical, financial and other industry information is complete or accurate and neither has our company independently verified the same. Further, despite our efforts to follow up with IBEF and FRHAI, we are yet to receive consent for the inclusion of data from their reports.***

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources. We have taken extracts from the report titled ‘FHRAI Hotel Industry Survey 2023’ and ‘Tourism and Hospitality Industry, February 2023’ issued by the Federation of Hotel and Restaurant Associations of India (“FHRAI”) and India Brand Equity Foundation (“IBEF”), respectively. However, despite our efforts to follow up with IBEF and FRHAI, we are yet to receive consent for the inclusion of data from their reports. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Industry Information included herein is subject to various limitations and based upon certain assumptions that are subjective in nature. Neither us nor anyone associated with us has independently verified the information. Although we believe that the Industry Information may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Letter of Offer.

47. ***The Novel Coronavirus (Covid-19) pandemic outbreak and steps taken control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses. Hospitality sector had been the worst affected owing to complete disruption in domestic and international travel. There was an unprecedented slowdown of economic activity throughout the world and operations of the businesses were impacted, by way of interruption in supply chain, unavailability of personnel, restriction on domestic and international travel, increased costs of maintenance and upkeep, rise in costs of input & services, etc. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. Currently, there is substantial medical uncertainty regarding COVID-19 and till any cure is found, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

The extent to which the COVID-19 pandemic, and the related global economic impact, may affect our business, financial condition and results of operations will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further steps taken by the GoI and the RBI to mitigate the economic impacts in response to the pandemic and its effects.

48. ***We are exposed to a variety of risks associated with safety, security and crisis management.***

We are committed to ensure the safety and security of our members, guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, pandemics, fire and day-to-day accidents, incidents, health crises of members or guests and petty crime which impact the member/ guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose us and our Club to significant reputational damage. Any

accidents or any criminal activity at our Club may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation and cause a loss of consumer confidence in our business. Such events occurring at our Club may also have an adverse effect on our reputation and may also adversely affect operations of our other properties.

ISSUE SPECIFIC RISKS

49. ***We will not distribute the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars our Company will send, only through email, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made there under with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

50. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 read with SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 103. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

51. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 103.

52. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue

additional Equity Shares. The disposal of Equity Shares by any of our Promoters, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters will not dispose of, pledge or encumber their Equity Shares in the future.

53. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

54. *You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

55. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

56. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

EXTERNAL RISK FACTORS

57. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

58. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

59. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. There can be no assurance that the government may not implement new regulations and policies which will require us to obtain approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

60. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

61. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

62. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

63. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

64. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially

between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

65. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on July 24, 2023 pursuant to Section 62(1) (a) of the Companies Act.

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “*Terms of the Issue*” on page 103 of this Draft Letter of Offer.

| | |
|---|--|
| Equity Shares proposed to be issued | Up to [●] Rights Equity Shares |
| Rights Entitlements | [●] ([●]) Rights Equity Share for every [●] ([●]) fully paid up Equity Shares held on the Record Date. |
| Fractional Entitlement | For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlement, if any. |
| Record Date | [●] |
| Face value per Equity Share | ₹5 |
| Issue Price per Rights Equity Share | ₹[●] |
| Issue Size | Up to ₹1,251.55 lakhs* *Assuming full subscription |
| Equity Shares issued, subscribed and paid-up prior to the Issue | 50,06,200 Equity Shares of ₹5 each |
| Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Shares) | [●] Equity Shares of ₹5 each |
| Voting Rights and Dividend | The Equity Shares issued pursuant to this Issue upon being fully paid up shall rank <i>paripasu</i> in all respects with the Equity Shares of our Company. |
| Security Codes | ISIN: INE044N01021 BSE: 507265 ISIN for Rights Entitlement: [●] |
| Use of Issue Proceeds | For details, see “ <i>Objects of the Issue</i> ” on page 47 of this Draft Letter of Offer. |
| Terms of the Issue | For details, see “ <i>Terms of the Issue</i> ” on page 103 of this Draft Letter of Offer. |
| Terms of Payment | The full amount of the Issue Price being ₹[●] will be payable on application. |

Please refer to the chapter titled “*Terms of the Issue*” on page 103 of this Draft Letter of Offer.

GENERAL INFORMATION

Emerald Leisures Limited (“**Company**” or “**Issuer**”) was originally incorporated on March 8, 1933 as ‘Phaltan Sugar Works Limited’ and registered under Section 23 of the Indian Companies Act, 1913, as a limited company. Subsequently a fresh certificate of incorporation consequent upon change of name of our Company to ‘Apte Amalgamations Limited’ was issued on June 29, 1982 by Registrar of Companies, Maharashtra, Bombay. Thereafter, the name of our Company was changed to ‘Emerald Leisures Limited’, its current name, and a fresh certificate of incorporation consequent upon name change of our Company was issued on August 30, 2013 by Registrar of Companies, Maharashtra, Mumbai. For details, including reasons for change in the name and registered office of our Company, “General Information” on page 40 of this Draft Letter of Offer.

REGISTERED OFFICE OF OUR COMPANY

Emerald Leisures Limited

Club Emerald Sports Complex,
Plot No. 366/15, Swastik Park,
Near Mangal Anand Hospital, Chembur,
Mumbai, Maharashtra – 400 071, India.

Telephone: +91 22 25277504

E-mail: info@clubemerald.in

Website: www.clubemerald.in

Registration Number: 006791

CIN: L74900MH1948PLC006791

Changes in our Registered Office

Upon incorporation, the Registered Office of our Company was situated at 14 A The Club, near Mangal Anand Hospital Swastik Park Chembur Mumbai Maharashtra 400071, India. Thereafter, our Company has shifted the Registered Office, the details of which are set out below:

| Date of Change of Registered Office | Old Address | New Address | Reason for Change |
|-------------------------------------|---|--|-------------------------------|
| August 14, 2015 | 14 A TheClub near Mangal Anand Hospital Swastik Park Chembur Mumbai Maharashtra 400071, India | Club Emerald Sports Complex, Plot No. 366/15, Swastik Park, Near Mangal Anand Hospital, Chembur, Mumbai, Maharashtra – 400 071, India. | Administrative Convenience |

REGISTRAR OF COMPANIES

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai situated at the following address:

Registrar of Companies, Mumbai

100, Everest, Marine Drive, Mumbai,
Maharashtra – 400 002, India.

Telephone: +91-22 - 2281 2627 / 2202 0295 / 2284 6954

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Kapil M. Purohit, is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Emerald Leisures Limited

Club Emerald Sports Complex,
Plot No. 366/15, Swastik Park,
Near Mangal Anand Hospital, Chembur,
Mumbai, Maharashtra – 400 071, India.

Telephone: +91 22 25277504/ +91 9967255120

E-mail: companysecretary@clubemerald.co.in

Details of Key Intermediaries pertaining to this Issue of our Company:

LEGAL ADVISOR TO THE ISSUE

M/s. Crawford Bayley & Co.
4th Floor, State Bank Buildings,
N.G.N. Vaidya Marg, Fort,
Mumbai - 400 023,
Maharashtra, India
Telephone: +91 22 2266 3353
Facsimile: +91 22 2266 3978
Email: sanjay.asher@crawfordbayley.com
Contact Person: Sanjay Asher

REGISTRAR TO THE ISSUE

Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Lower Parel,
Mumbai, Maharashtra – 400 011, India
Telephone: +91 22- 4961 4132/ 31998810
Email: newissue@purvashare.com
Investor Grievance Email: newissue@purvashare.com
Website: www.purvashare.com
Contact Person: Deepali Dhuri
SEBI Registration Number: INRO00001112
Validity: Permanent

Investors may contact Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), Email address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Common Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgment slip (in case of ASBA process). For details on the ASBA process, see “*Terms of the Issue*” on page 103.

STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY

M/s. P.G. Bhagwat LLP.,
Chartered Accountants
Suite 101-102, Orchard,
Dr. Pai Marg, Baner,
Pune, Maharashtra – 411 045, India.
Telephone: +91 022 22021938
Email: pgb@pgbhagwatca.com
Contact Person: Shriniwas Shreeram Gadgil
Membership No.: 120570
Firm Registration No.: 101118W/W100682
Peer Review Certificate No.: 012842

BANKERS TO THE ISSUE/ REFUND BANK

[●] – shall be appointed prior to filing the Letter of Offer.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

For details on Designated Branches of SCSBs collecting the Common Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

The Company has not appointed any merchant banker as the Issue size is less than ₹5000.00 lakhs and hence there is no inter-se allocation of responsibilities.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment, share certificates, demat credit, Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Common Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Common Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Common Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Expert

Our Company has received written consent dated May 4, 2024 from our Statutory Auditor, M/s. P.G. Bhagwat LLP., Chartered Accountants for inclusion of (i) the Audited Financial Statements of the Company for Fiscal 2023 and their report thereon dated May 30, 2023(ii) The Limited Reviewed Unaudited Financial Results for the nine months period ended December 31, 2023 and their report thereon dated February 14, 2024 and (iii) to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated May 2, 2024 in the form and context in which it appears in this Draft Letter of Offer.

Such consent has not been withdrawn up to the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Credit Rating

As the proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

Debenture Trustees

As the proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

Monitoring Agency

Since the Issue size does not exceed ₹10,000 lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI ICDR Regulations.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any banks or financial institution or any other independent agency.

Filing

This Draft Letter of Offer is being filed with the Stock Exchange i.e., BSE as per the provisions of the SEBI ICDR Regulations.

Further, SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI for record purpose only, and will be filed with the Stock Exchange.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

| Event | Indicative Date |
|--|-----------------|
| Last date for credit of Rights Entitlements | [●] |
| Issue Opening Date | [●] |
| Last Date for On Market Renunciation of Rights Entitlements [#] | [●] |
| Issue Closing Date [*] | [●] |
| Finalization of Basis of Allotment (on or about) | [●] |
| Date of Allotment (on or about) | [●] |
| Date of credit (on or about) | [●] |
| Date of listing (on or about) | [●] |

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

^{*}Our Board or the Rights Issue Committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Common Application Forms, see “Terms of the Issue” beginning on page 103.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.purvashare.com after keying in their respective details along with either security control measures implemented there at. For further details, see “Terms of the Issue” on page 103.

Minimum Subscription

The objects of the Issue involve (a) Repayment, of all or a portion of certain outstanding borrowings (including interest thereon) availed by our Company and (b) General Corporate Purposes.

Other than Jashwant Bhaichand Mehta and Chetan Jashwant Mehta, we have been informed by our Promoters *vide* their letters each dated February 28, 2024, their intention to fully subscribe to their entitlements arising out of the proposed Rights Issue. Additionally, Jaydeep Vinod Mehta, *vide* his letter dated February 28, 2024 has undertaken to fully subscribe to any under subscribed portion of this Issue. Further, we have been informed by Jashwant Bhaichand Mehta and Chetan Jashwant Mehta that they may or may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce whole or a part of their right entitlement in favour of third parties whom they may identify in due course or may renounce whole or a part of their right entitlement in the open market. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in proviso to Regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

Note: Our Promoter Group does not hold any Equity Shares in our Company.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Letter of Offer is set forth below:

(₹ in Lakhs, except share data)

| Particulars | Aggregate value at face value | Aggregate value at Issue Price |
|--|-------------------------------|--------------------------------|
| AUTHORISED SHARE CAPITAL | | |
| Equity Shares Capital | | |
| 1,60,00,000 Equity Shares of ₹5 each | 800.00 | NA |
| Preference Share Capital | | |
| 60,00,000 Preference Shares ₹100 each | 6,000.00 | NA |
| ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE | | |
| 50,06,200 Equity Shares of ₹5 each | 250.31 | NA |
| 50,00,000 Preference Shares of ₹100 each | 5,000.00 | |
| PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER⁽¹⁾ | | |
| Up to [●] Rights Equity Shares at a premium of ₹[●] per Rights Equity Share, i.e., at an Issue Price of ₹[●] per Rights Equity Share | [●] | [●] |
| ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE⁽²⁾ | | |
| [●] Equity Shares of ₹5 each | [●] | NA |
| SECURITIES PREMIUM ACCOUNT | | |
| Before the Issue | | Nil |
| After the Issue ⁽²⁾ | | [●]* |

⁽¹⁾The Issue has been authorised by a resolution of our Board passed at its meeting held on July 24, 2023, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

⁽²⁾Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.

*Subject to finalization of Basis of Allotment and Allotment of Rights Equity Shares.

Notes to Capital Structure

1. Details of outstanding instruments as on the date of this Draft Letter of Offer

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

2. Except as disclosed under the heading titled “Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on March 31, 2023” on page 46, no Equity Shares held by our Promoters or Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

3. Our Promoters and Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of filing of this Draft Letter of Offer with Designated Stock Exchange.

4. Intention and extent of participation by our Promoters and Promoter Group

Other than Jashwant Bhaichand Mehta and Chetan Jashwant Mehta, we have been informed by our Promoters *vide* their letters each dated February 28, 2024, their intention to fully subscribe to their entitlements arising out of the proposed Rights Issue. Additionally, Jaydeep Vinod Mehta, *vide* his letter dated February 28, 2024 has undertaken to fully subscribe to any under subscribed portion of this Issue. Further, we have been informed by Jashwant

Bhaichand Mehta and Chetan Jashwant Mehta that they may or may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce whole or a part of their right entitlement in favour of third parties whom they may identify in due course or may renounce whole or a part of their right entitlement in the open market. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in proviso to Regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

Our Promoters reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations read with the SEBI Rights Issue Circular and subscribe to unsubscribed portion of the Issue, if any. The acquisition of Rights Equity Shares by our Promoters, over and above its Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

Note: Our Promoter Group does not hold any Equity Shares in our Company.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹[●].
6. At any given time, there shall be only one denomination of the Equity Shares of our Company.
7. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.
8. **Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations:**
 - i. The shareholding pattern of our Company as on March 31, 2024, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/emerald-leisures-ltd/emerald/507265/qtrid/121.00/shareholding-pattern/Mar-2024/>
 - ii. Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on March 31, 2024 can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/emerald-leisures-ltd/emerald/507265/qtrid/121.00/shareholding-pattern/Mar-2024/>
 - iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on March 31, 2024 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=507265&qtrid=121.00&QtrName=Mar-24>
9. **Details of the Shareholders holding more than 1% of the issued, subscribed and paid-up Equity Share capital**

The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid-up Equity Share capital of our Company, as on March 31, 2024 are available at <https://www.bseindia.com/stock-share-price/emerald-leisures-ltd/emerald/507265/qtrid/121.00/shareholding-pattern/Mar-2024/>

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds raised through the Issue, after deducting Issue related expenses (“**Net Proceeds**”) towards funding the following objects:

1. To repay, in full or in part, identified secured and unsecured loan availed by our Company.
2. General Corporate Purposes
(Collectively, referred to herein as the “**Objects**”)

The objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable us to undertake (i) the activities for which the borrowings were availed, and which are proposed to be repaid/prepaid from the Net Proceeds and (ii) activities for which funds earmarked towards general corporate purposes shall be used. Further, our objects as stated in the Memorandum of Association do not restrict us from undertaking the activities for which the funds are being raised by our Company through this Issue.

Issue Proceeds and Net Proceeds

The details of the Issue Proceeds are set forth in the table below:

| Particulars | <i>(₹ in lakhs)</i> Amount |
|--|--------------------------------------|
| Gross Proceeds from the Issue* | Up to 1,251.55 |
| Less: Estimated Issue related expenses | [●] |
| Net Proceeds | [●] |

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio. In the event the Issue is not fully subscribed, the Company shall first utilise the Net Proceeds towards repayments of certain borrowings as well as repayment of instalments (monthly or otherwise) of the borrowings up to the estimated amount mentioned above, and use the remaining Net Proceeds, if any, towards general corporate purposes, provided that the total amount utilised towards general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Requirement of funds and utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds by our Company is set forth in the table below:

| Particulars | <i>(₹ in lakhs)</i> Estimated Amount |
|--|--|
| Repayment, of all or a portion of certain outstanding borrowings (including interest thereon) availed by our Company | [●] |
| General corporate purposes* | [●] |
| Total Net Proceeds | [●] |

**Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Schedule of Implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

| Particulars | Amount to be funded from the Net Proceeds |
|--|--|
| Repayment, of all or a portion of certain outstanding borrowings (including interest thereon) availed by our Company | [●] |
| General corporate purposes* | [●] |
| Net Proceeds[^] | [●] |

**Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

[^]Assuming full subscription in the Issue and subject to the finalisation of the Basis of Allotment and to be adjusted as per the Rights Entitlement ratio.

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company’s funding requirements and deployment schedules are subject to

revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/subsequent period as may be determined by our Company, in accordance with applicable law.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals.

Means of Finance

Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds. Therefore, our Company is not required to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of the objects of the Issue

a. Repayment of all or a portion of certain outstanding borrowings (including interest thereon) availed by our Company.

Our Company has, in the ordinary course of business entered into financing arrangements with various banks, financial institutions, and other entities. The borrowing arrangements entered into by the Company comprise, among others, term loans and unsecured loans. As of April 30, 2024 the Company had a total borrowing amounting to ₹ 8,682.90 lakhs on a standalone basis.

Our Company proposes to utilize an amount of ₹ [●] lakhs from the Net Proceeds towards full or partial repayment of principal and interest amount of the borrowings availed by our Company from various banks, financial institutions, and other entities, as elaborated in the table below. The repayment will

- (a) reduce the outstanding indebtedness of our Company and enable utilization of the internal accruals for further investment in business growth and expansions.
- (b) improve our debt-equity ratio, which will further enable us to reduce our borrowing costs and increase the availability of other required facilities from banks/financial institutions; and
- (c) improve our ability to raise further resources in the future to fund potential business development opportunities.

The following table provides details of borrowings availed by our Company, which are outstanding as on April 30, 2024, out of which our Company may repay and/or prepay, in full or in part, any or all of the borrowings, from the Net Proceeds up to an amount of ₹[●] lakhs:

Details of the Borrowing of Emerald Leisures Limited proposed to be repaid or pre-paid out of the proceeds of the Issue:

| Name of the Lender | Nature of Borrowing | Long-term/Short term | Amount sanctioned as on | Amount outstanding as on | Interest rate p.a. as on | Tenure | Purpose of availing loan | Security | Prepayment penalty/conditions |
|------------------------------|---------------------|----------------------|----------------------------|--------------------------|--------------------------|------------|---|---|--|
| | | | 30.04.2024 (₹ in lakhs) | 30.04.2024 (₹ in lakhs) | 30.04.2024 | | | | |
| Aditya Birla Finance Limited | Term Loan | Long term | 2,500.00 | 1066.84 | 14% | 103 months | INR 2,220 lacs is towards take-over of its existing outstanding term loan facility from Axis bank and balance amount of INR 280 lacs to be reimbursed to the borrower | Note 1 | In case borrower desires to prepayment of loan, the prepayment of loan will be accepted on the terms and conditions to be decided by ABFL from time to time. |
| Aditya Birla Finance Limited | Term Loan | Long term | 435.52 | 78.19 | 14% | 48 months | Sanctioned under ECLGS to meet the outstanding liabilities and restart the business | i. Second charge over the existing Primary and Collateral securities including mortgage created in favour of ABFL for the existing facility of INR 2500 lakhs as granted in terms of the Sanction Letter Ref. No. ABF/XTL/JUNE18/N0119 dated Jun-22-2018 and ABF/XTL/JUNE18/A0143 dated June 27, 2018 and any | Nil |

| Name of the Lender | Nature of Borrowing | Long-term/Short term | Amount sanctioned as on 30.04.2024 (₹ in lakhs) | Amount outstanding as on 30.04.2024 (₹ in lakhs) | Interest rate p.a. as on 30.04.2024 | Tenure | Purpose of availing loan | Security | Prepayment penalty/conditions |
|------------------------------|---------------------|----------------------|---|--|-------------------------------------|-----------|---|---|--|
| | | | | | | | | amendments thereto from time to time granted by ABFL. However, if the existing securities are under multiple banking/consortium, then the NOC /Letter ceding second charge from the existing lenders to be procured | |
| Aditya Birla Finance Limited | Term Loan | Long term | 244.65 | 240.82 | 13% | 79 months | Capex expenditure | Note 1 | In case borrower desires to prepayment of loan, the prepayment of loan will be accepted on the terms and conditions to be decided by ABFL from time to time. |
| Aditya Birla Finance Limited | Term Loan | Long term | 435.52 | 376.07 | 12% | 72 months | Sanctioned under ECLGS to meet the outstanding liabilities and restart the business | i. Second charge over the existing Primary and Collateral securities including mortgage created in favour of ABFL for the existing facility of INR 2500 lakhs as granted in terms of the Sanction Letter Ref. No. ABF/XTL/JUNE18/N0119 dated Jun-22-2018, ABF/XTL/JUNE18/A0143 dated June 27, 2018 and Sanction letter (ECLGS) Ref. No. ABF/XTL/JUL20/E0307 dated July 16, 2020 and any amendments thereto from time to time granted by ABFL. However, if the existing securities are under multiple banking/consortium, then the NOC /Letter ceding second | Nil |

| Name of the Lender | Nature of Borrowing | Long-term/Short term | Amount sanctioned as on 30.04.2024 | Amount outstanding as on 30.04.2024 (₹ in lakhs) | Interest rate p.a. as on 30.04.2024 | Tenure | Purpose of availing loan | Security | Prepayment penalty/conditions |
|--------------------------------------|---------------------|----------------------|------------------------------------|--|-------------------------------------|---------------------|-------------------------------|--|-------------------------------|
| | | | (₹ in lakhs) | (₹ in lakhs) | | | | | |
| | | | | | | | | charge from the existing lenders to be procured. | |
| | | | | | | | | ii. Creation of security interest on assets created out of the facility (Please check the end use and fill this) | |
| Dhwani Mercantile Pvt. Ltd. | Payable on demand | Unsecured Loan | 0.00 | 2152.50 | 10% | Repayable on Demand | General Corporate expenditure | - | Nil |
| Juhu Resorts & Development Pvt. Ltd. | Payable on demand | Unsecured Loan | 0.00 | 2218.65 | 10% | Repayable on Demand | General Corporate expenditure | - | Nil |
| Jashwant Mehta | Payable on demand | Unsecured Loan | 0.00 | 511.75 | 10% | Repayable on Demand | General Corporate expenditure | - | Nil |
| Chetan Mehta | Payable on demand | Unsecured Loan | 0.00 | 25.00 | 10% | Repayable on Demand | General Corporate expenditure | - | Nil |
| Devangi Welfare Foundation | Payable on demand | Unsecured Loan | 0.00 | 25.00 | 12% | Repayable on Demand | General Corporate expenditure | - | Nil |
| Giri Mercantile Pvt. Ltd. | Payable on demand | Unsecured Loan | 0.00 | 871.61 | 12% | Repayable on Demand | General Corporate expenditure | - | Nil |
| IRIS Mercantile Pvt. Ltd. | Payable on demand | Unsecured Loan | 0.00 | 400.00 | 12% | Repayable on Demand | General Corporate expenditure | - | Nil |
| Ramaben Welfare Foundation | Payable on demand | Unsecured Loan | 0.00 | 25.00 | 12% | Repayable on Demand | General Corporate expenditure | - | Nil |

| Name of the Lender | Nature of Borrowing | Long-term/Short term | Amount sanctioned as on 30.04.2024 (₹ in lakhs) | Amount outstanding as on 30.04.2024 (₹ in lakhs) | Interest rate p.a. as on 30.04.2024 | Tenure | Purpose of availing loan | Security | Prepayment penalty/conditions |
|-------------------------|---------------------|----------------------|--|--|-------------------------------------|---------------------|-------------------------------|----------|-------------------------------|
| Subra Trading Pvt. Ltd. | Payable on demand | Unsecured Loan | 0.00 | 691.48 | 12% | Repayable on Demand | General Corporate expenditure | - | Nil |
| Total | | | 3615.69 | 8682.90 | 1.53 | | | | |

**As certified by P G Bhagwat LLP, Chartered Accountants, (Firm Registration Number: 101118W) vide its certificate dated May 27, 2024 has confirmed that these borrowings have been utilised for the purposes for which they were availed.*

Note 1:

Primary Security: Hypothecation of all present and future current assets of the company.

Collateral Security :

Residential Property : Residential flat on 6th floor bearing no 602 situated at Mehta Residency plot no 111 hindu colony, Dadar east Mumbai, owned by M/S Neptune Resorts & development Pvt Ltd

Commercial Property : Commercial office on ground floor entire west wing situated at Manu Mansion, CS No, 220 and New Survey No 9315 (Part), Opp, old custom house road, Fort Mumbai Owned by M/s. Techno Property Developers Pvt Ltd.

Commercial Property: Commercial office on first and Mezzanine floor, west wing situated at Manu Mansion, CS No, 220 and New Survey No 9315 (Part), Opp, old custom house road, Fort Mumbai Owned by M/s. Dhvani Finance & Investment Pvt Ltd. Which is currently known as M/s. Dhvani Mercantile Pvt Ltd.

Listed Shares: Pledge of shares to the extent of 30% of the total paid up capital of company.

Listed Shares: Pledge of shares to the extent of 21% of the total paid up capital of company.

Residential Property: Residential flat on 303 situated at Mehta Residency plot no 111 hindu colony, Dadar east Mumbai, owned by Mr. Chetan Mehta and Mr. Jashwant Mehta.

Land & Building: Land & Building (Club Emerald) located at plot bearing CTS No 366/15 – A behind Mangal Anand Hospital, CR Vyas Marg Swastik Park, Chembur Mumbai 400071 owned by Emerald Leisure Ltd.

The amounts outstanding against the loans and the interest rates as disclosed above may vary from time to time, in accordance with the amounts drawn down, instalments repaid and the prevailing interest rates.

The selection of borrowings proposed to be repaid by us shall be based on various factors including: (i) any conditions attached to the borrowings restricting our ability to repay the borrowings and time taken to fulfil such requirements, (ii) provisions of any laws, rules and regulations governing such borrowings; (iii) receipt of consents for prepayment from the respective lenders, and (iv) other commercial considerations including, among others, the quantum of monthly/quarterly instalments, the interest/ coupon rate on the borrowings, the amount of the borrowings outstanding, terms and conditions of consents and waivers, presence of onerous terms and conditions and the remaining tenor of the borrowings. Further, we may utilise the Net Proceeds for part or full repayment of any such additional borrowings obtained to refinance any of our existing borrowings. We will either repay the due instalments of the borrowings or make a bullet repayment of the borrowings identified in the table above, depending upon the repayment schedule of such borrowings.

In addition to the above, we may, from time to time, enter into further financing arrangements, such as undertaking financing from banks and financial institutions and draw down funds thereunder. In such cases or in case any of the above borrowings are repaid or pre-paid or further drawn down prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or pre-payment of such additional indebtedness, including towards repayment or pre-payment of any new borrowings taken by the Company.

b. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ [●] lakhs towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Issue Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, (i) funding growth opportunities, including strategic initiatives; (ii) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (iii) working capital requirements; (iv) repayment/prepayment of loans other than mentioned in the table above; (v) servicing of borrowings including payment of interest; (vi) meeting of exigencies which our Company may face in the course of any business; (v) brand building and other marketing expenses; and (vi) any other purpose as permitted by applicable laws.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Estimated Issue Related Expenses

The estimated Issue related expenses are as follows:

| Particulars | <i>(₹ in lakhs)</i> | | |
|---|---------------------------|---|-----------------------------|
| | Estimated expenses | As a % of total estimated issue related expenses | As a % of issue size |
| Fees of Registrar to the Issue | [●] | [●] | [●] |
| Fees to Legal advisors | [●] | [●] | [●] |
| Other professional service providers and statutory fees | [●] | [●] | [●] |
| Fees payable to regulators, including depositories, stock exchange, and SEBI | [●] | [●] | [●] |
| Statutory Advertising, Marketing, and Printing and Distribution | [●] | [●] | [●] |
| Expenses relating to advertising, printing, distribution, marketing and stationery expenses, Other expenses (including miscellaneous expenses and stamp duty) | [●] | [●] | [●] |

| Particulars | Estimated expenses | As a % of total estimated issue related expenses | As a % of issue size |
|---|--------------------|--|----------------------|
| Regulatory fees, filing fees, listing fees and other statutory expenses | [●] | [●] | [●] |

**All Issue related expenses will be paid out of the Gross Proceeds from the Issue. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.*

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily deposit the Net Proceeds in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) or in any such other manner as permitted under the SEBI ICDR Regulations.

Monitoring Utilization of Funds from the Issue

There is no requirement for a monitoring agency as the Issue size is less than ₹10,000.00 lakhs and deployment of the issue proceeds is entirely at the discretion of the Company. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all the Net Proceeds that have not been utilised thereby also indicating form of investments, if any, of the unutilized Net Proceeds in our balance sheet for the relevant financial years.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Key Industry Regulations for the Objects of the Issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Variation in Objects

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the 'Postal Ballot Notice') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice will

simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. For details see *'Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholder's approval on page 23.*

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, Directors, Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment and/ or prepayment of certain ICDs availed by our Company from Jashwant Bhaichand Mehta and Chetan Jashwant Mehta, the Promoters of our Company and payments made in the ordinary course of business.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors

Emerald Leisures Limited

Club Emerald Sports Complex,
Plot No. 366/15, Swastik Park, Near Mangal Anand Hospital,
Chembur, Mumbai, Maharashtra – 400 071, India

Dear Sirs,

Re: Proposed rights issue of equity shares of face value of ₹ 5 each (the “Equity Shares” and such offering, the “Issue”) of Emerald Leisures Limited (the “Company”) pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the ‘Act’).

We hereby report that the enclosed Statement prepared by Emerald Leisures Limited (the “Company”) states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2024 (hereinafter referred to as “Income Tax Laws”), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy) including the relevant rules and regulations, circulars and notifications issued there under (hereinafter referred to as “Indirect Tax Laws”), presently in force in India under the respective tax laws as on the signing date, for inclusion in the Draft Letter of Offer/Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only possible special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. The tax benefits listed herein are only the possible special tax benefits which may be available under the current direct tax laws presently in force in India. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ (*the Guidance Note*) issued by the Institute of Chartered Accountants of India (‘ICAI’). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements’

We do not express any opinion or provide any assurance as to whether:

- The Company or the shareholders of the Company will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits, where applicable, have been/would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law

and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchange where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

For and on behalf of P G Bhagwat LLP
Chartered Accountants
Firm Registration Number:101118W / W100682

CA Shrinivas Shreeram Gadgil
Partner
ICAI Membership Number:120570
UDIN: 24120570BKCEYX2241
Date: May 2, 2024
Place: Mumbai

Encl: As above

M/s. Crawford Bayley & Co.
State Bank Building, 4thFloor
NGN Vaidya Marg,
Fort, Mumbai- 400 023
(**Crawford Bayley & Co.** referred to as the “**Legal Counsel**”)

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO EMERALD LEISURES LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE INCOME TAX LAWS

1. Special tax benefits available to the Company under the Income Tax Laws

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Income Tax Laws

There are no special tax benefits available to the shareholders of the Company.

Notes:

- a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2025-26. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant laws.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO EMERALD LEISURES LIMITED(THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE INDIRECT TAX LAWS

1. Special tax benefits available to the Company under the Indirect Tax Laws

There are no special indirect tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Indirect Tax Laws

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

- a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only above-mentioned indirect tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources. We have taken extracts from the report titled ‘FHRAI Hotel Industry Survey 2023’ and ‘Tourism-and-Hospitality-December-2023’ issued by the Federation of Hotel and Restaurant Associations of India (“FHRAI”) and India Brand Equity Foundation (“IBEF”), respectively. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors- Industry information included in this Draft Letter of Offer has been derived from publicly available sources. There can be no assurance that such third-party statistical, financial and other industry information is complete or accurate and neither has our company independently verified the same. Further, despite our efforts to follow up with IBEF and FRHAI, we are yet to receive consent for the inclusion of data from their reports.” on page 33. Accordingly, investment decisions should not be based solely on such information. Further, despite our efforts to follow up with IBEF and FRHAI, we are yet to receive consent for the inclusion of data from their reports.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Overview of Global Economic

Global growth, estimated at 3.2 percent in 2023, is projected to continue at the same pace in 2024 and 2025. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia’s invasion of Ukraine; weak growth in productivity; and increasing geoeconomic fragmentation. Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging markets and developing economies. The latest forecast for global growth five years from now at 3.1 percent is at its lowest in decades. The pace of convergence toward higher living standards for middle and lower income countries has slowed, implying a persistence in global economic disparities.

Inflation is declining with rapid rate rises but remains elevated amid Financial Sectors stress

Favorable global supply developments, inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025. A more front-loaded decline is expected for advanced economies, with inflation falling by 2.0 percentage points in 2024, while it declines in 2025 only in emerging market and developing economies. Advanced economies are also expected to return sooner to rates near their pre-pandemic (2017–19) average, with inflation averaging 2.0 percent in 2025, about a year before emerging market and developing economies are expected to return to their pre-pandemic average near 5.0 percent. The fall in global inflation in 2024 reflects a broad-based decline in global core inflation. This dynamic differs from that in 2023, when global core inflation fell a little on an annual average basis and headline inflation declined mainly on account of lower fuel and food price inflation. In 2024, core inflation is expected to fall by 1.2 percentage points after contracting by just 0.2 percentage point in 2023. As is the case for headline inflation, the fall in core inflation is faster for advanced economies. The drivers of declining core inflation differ by country but include the effects of still-tight monetary policies, a related softening in labor markets, and fading pass-through effects from earlier declines in relative prices, notably in that of energy.

Inflation (and Expectations) in Decline.

The fall in headline inflation since 2022 reflects the fading of relative price shocks—notably those to energy prices—as well as lower core inflation. The decline in energy prices reflects not only increased global energy supply, but also the effects of tight monetary policies. The monetary tightening by central banks in major advanced economies during 2022–23 may have contributed strongly to lowering energy prices owing to its high degree of synchronization and the associated effect on curbing world energy demand. Core inflation has declined as a result of the fading of effects of pass-through from past shocks to headline inflation, as well as because labor market pressures have eased. Pass-through effects include the effects of past relative price shocks—notably those to the price of energy and supply shifts in various industries—on prices and costs in other industries through supply-chain inputs and wage demands.

G20 Emerging Markets in the Global Economy

China’s accession to the World Trade Organization in December 2001 represents a critical turning point for G20 EM integration into the global economy. Since then, the G20 EM share of global trade has increased almost two-thirds faster than that of trade among other countries, promoting global trade and country-wide diversification. In addition, in the two decades since accession, the share of G20 EM goods imports and exports in total goods trade has doubled, whereas foreign direct investment (FDI) from G20 EMs increased from about 6 percent of total FDI in 2005 to about 10 percent just before the pandemic.

Weaker growth in China

A sharper-than-expected slowdown in China would adversely affect global trade as well as commodity and financial markets. The property sector could fail to stabilize if persistent uncertainty holds back prospective buyers, or if mounting financial stress among developers constrain the financing of new projects or force a halt to existing ones. Persistent uncertainty and weak sentiment could hold back household spending and private investment. Against the backdrop of high and rising public and private debt, a sharp slowdown could weaken credit quality and become self-reinforcing, with financial stress exacerbating the challenge of servicing existing debts, generating negative feedback loops to activity. The international spillovers of a sharp slowdown in China could be severe. China’s importance as an export destination has continued to grow in recent decades, especially for EMDEs. At the same time, China has become a much more important source of demand for commodities, notably energy and metals. More recently, the country has emerged as a major consumer of commodities central to the green energy transition. The direct spillovers would be most acute for countries deeply engaged in trade with China—particularly those enmeshed in global value chains with China, including many export-oriented economies in the East Asia and Pacific region. In addition, exporters of commodities in Latin America, notably iron ore and copper, would face particularly adverse effects. Weaker activity in China would also weigh on global energy demand and prices, adversely impacting energy exporters.

Global Economic Outlook

As per the International Monetary Fund (IMF)’s World Economic Outlook April 2024, the world economy continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025.

Overview of the World Economic Outlook Projection

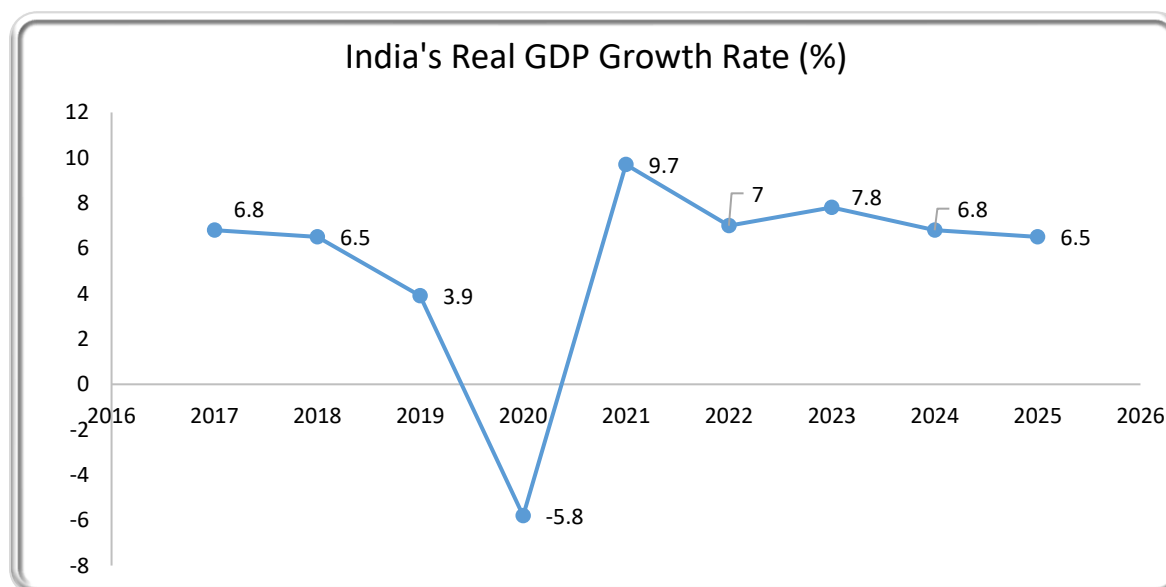
| Name of the Country/ Economy | Actuals | Projections | |
|------------------------------|------------|-------------|------------|
| | 2023 | 2024 | 2025 |
| World Output | 3.2 | 3.2 | 3.2 |
| Advanced Economies | 1.6 | 1.7 | 1.8 |
| United States | 2.5 | 2.7 | 1.9 |
| Euro Area | 0.4 | 0.8 | 1.5 |
| Japan | 1.9 | 0.9 | 1.0 |
| United Kingdom | 0.1 | 0.5 | 1.5 |
| Canada | 1.1 | 1.2 | 2.3 |
| Other Advanced Economies | 1.8 | 2.0 | 2.4 |

| Emerging Market and Developing Economies | 4.3 | 4.2 | 4.2 |
|---|------------|------------|------------|
| Emerging and Developing Asia | 5.6 | 5.2 | 4.9 |
| China | 5.2 | 4.6 | 4.1 |
| India | 7.8 | 6.8 | 6.5 |
| Emerging and Developing Europe | 3.2 | 3.1 | 2.8 |
| Russia | 3.6 | 3.2 | 1.8 |
| Latin America and the Caribbean | 2.3 | 2.0 | 2.5 |
| Brazil | 2.9 | 2.2 | 2.1 |
| Mexico | 3.2 | 2.4 | 1.4 |
| Middle East and Central Asia | 2.0 | 2.8 | 4.2 |
| Saudi Arabia | -0.8 | 2.6 | 6.0 |
| Sub-Saharan Africa | 3.4 | 3.8 | 4.0 |
| Nigeria | 2.9 | 3.3 | 3.0 |
| South Africa | 0.6 | 0.9 | 1.2 |

(Source – IMF World Economic Outlook, April 2024)

Indian Economic Outlook

India's economy has rebounded strongly from the pandemic to become an important driver of global growth. After surging during FY2022/23, headline inflation has, on average, moderated although it remains volatile. Employment has surpassed the pre-pandemic level and the informal sector continues to dominate while formalization has progressed. The financial sector has been resilient, largely unaffected by global financial stress in early 2023. While the budget deficit has eased, public debt remains elevated and fiscal buffers need to be rebuilt. Globally, India's 2023 G20 presidency has demonstrated the country's important role in advancing multilateral policy priorities. GDP growth reached 7.2 percent in FY2022/23, moderating from 9.1 percent in FY2021/22. Growth has been supported by robust consumption stemming from pent-up demand of households and strong investment, with historically high levels of public capital expenditure.



Note: P – Projected

Source: IMF World Economic Outlook – April 2024

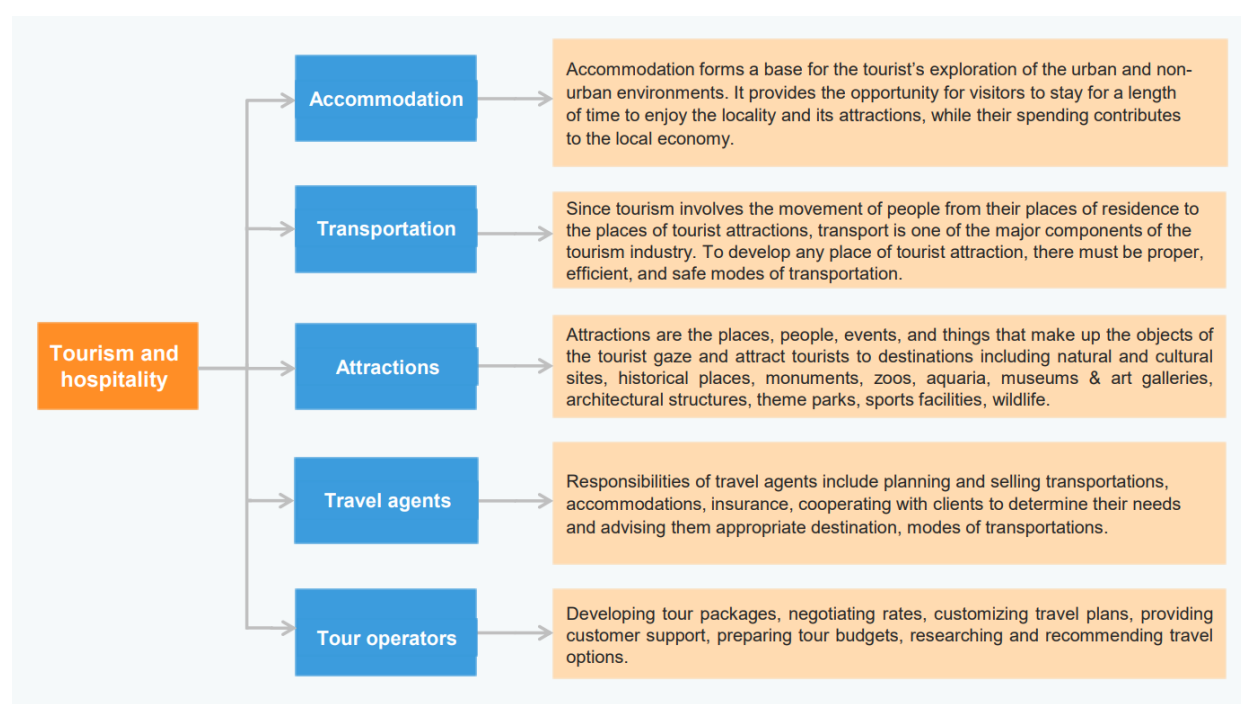
India's hospitality industry

Some key characteristics of India's hospitality industry, relevant for better understanding of the market as a whole are briefly set out in this section:

- The Indian travel and tourism industry is expected to record an annual growth at 6.7% per annum and achieve 9.2% of GDP to reach US\$ 488 billion.

- In 2020, the travel & tourism industry's contribution to the GDP was US\$ 121.9 billion. In 2019, it contributed US\$ 212.8 billion to the GDP.
- India has a total of approved 1,716 hotels as on 30th June, 2023 by Hotel and Restaurant Approval and Classification Committee (HRACC) as per Ministry of Tourism guidelines.
- As per the Ministry of Tourism, Foreign Tourist Arrivals (FTAs) in October 2023 were 8,11,411.
- FTAs during the period January-October 2023 were 72,43,680 as compared to 46,55,160 in January-October 2022.
- The percentage share of Foreign Tourist Arrivals in India during October 2023 among the top 5 ports was highest at Delhi Airport (34.74%) followed by Mumbai Airport (14.75%), Haridaspur Land Check Post (9.03%), Chennai Airport (7.05%), Bengaluru Airport (5.71%).

Segments of Tourism and Hospitality



Source: IBEF Tourism and Hospitality, December 2023

Industry Size – Approved Hotels list as on 30th June, 2023 as per India Tourism Statistics 2023 issued by Ministry of Tourism, GOI.

| Sr No. | Category | No. of Hotels | No. of Rooms |
|--------|-------------------|---------------|--------------|
| 1 | 5 Star Deluxe | 183 | 41,661 |
| 2 | 5 Star | 204 | 25,356 |
| 3 | 4 Star | 361 | 18,956 |
| 4 | 3 Star | 537 | 17,175 |
| 5 | 2 Star | 23 | 879 |
| 6 | 1 Star | 18 | 610 |
| 7 | Apartment Hotel | 1 | 80 |
| 9 | Heritage Hotels | 53 | 1385 |
| 10 | B&B Establishment | 336 | 1693 |
| | Total | 1716 | 107795 |

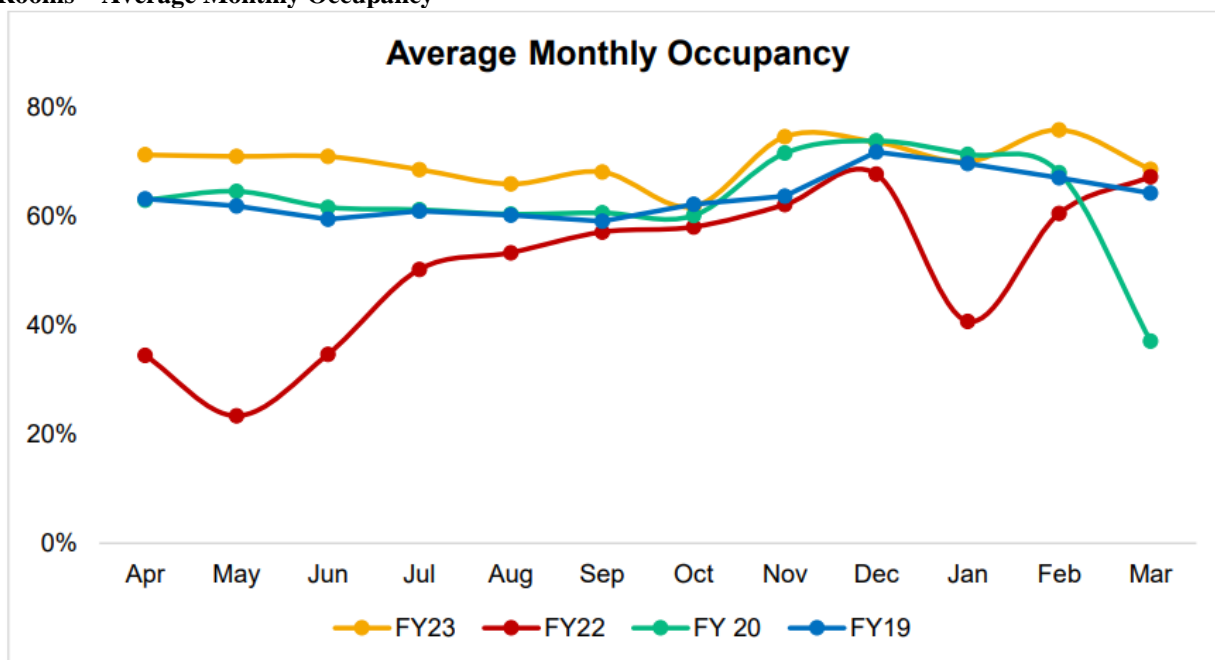
The top category of hotels i.e. from 5 Star Deluxe to 3 Star hotels has major share of hotels and rooms i.e. approximately 2/3rd of total approved hotels with more than 90% share in rooms.

Room Supply – by Markets

| Markets | Rooms Total |
|---------|-------------|
|---------|-------------|

| | |
|-------------|----------|
| Delhi | 10,667 |
| Kerala | 15,093 |
| Maharashtra | 16,557 |
| Goa | 5,369 |
| Tamil Nadu | 5,889 |
| Karnataka | 8,245 |
| Others | 45,975 |
| Total | 1,07,795 |

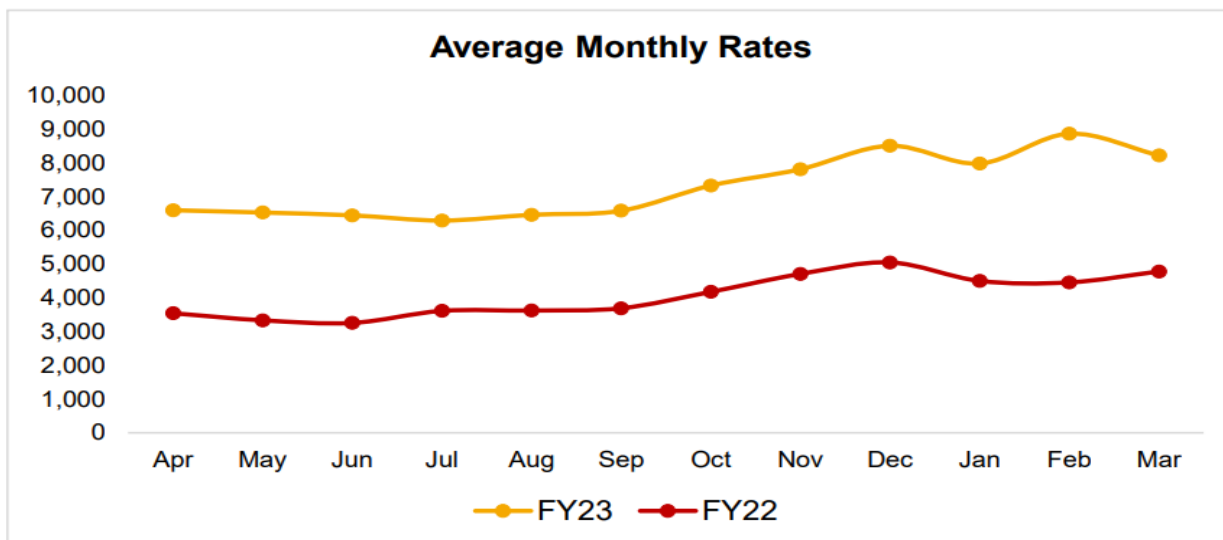
Rooms – Average Monthly Occupancy



Source: FHRAI Hotel Industry Survey 2023, Horwath HTL

- There was a complete occupancy recovery in FY23 over FY20. Infact, for all months barring January 2023 occupancy was higher than corresponding month in FY20. This was an outcome of pent-up demand post Omicron wave and growing travel demand arising out of positive economic conditions.
- There was an impact of pent-up demand on occupancies during the first six months of financial year. Hence, occupancies were higher than typical monthly average. Travel patterns started normalizing in the second half of financial year.

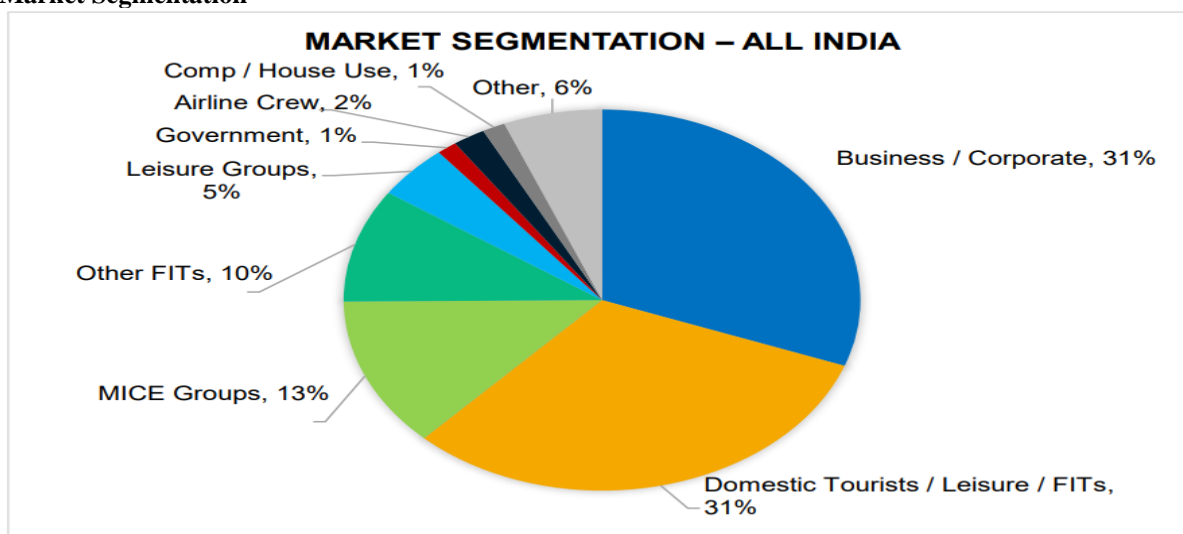
Rooms – Average Monthly Rates



(Source: FHRAI Survey Report 2023, Horwath HTL)

- The higher rates earned in FY2022-23 are actually such as should normally be attached to the quality of several of our hotels and resorts. In that sense, we have earned what is our rightful due, a set of returns that we richly deserve.
- Hotels have achieved re-rating of their products in the eye of the market. The inherent rate willingness of guests is sizeably higher than previously, with the extent of increase dependent upon product, experience, and location.
- There was strong rate growth in 5 Star Deluxe hotels after September 2022 reflecting the price paying capacity of the domestic market. Rates Between September 2022 and March 2023 the ADRs ranged between Rs.10.3 and Rs.15.2k.

Market Segmentation



(Source: FHRAI Survey Report 2023, Horwath HTL)

- Business travel did not fully recover in FY23. Demand from business travel continues to grow.
- Business travel / corporate demand contribution recovered for all segments except 5 Star Deluxe hotels. While 4 star and 3 star hotels had 35%+ share of business demand, share at 5 Star hotels was 26% and 5 Star Deluxe was only 20%. This indicates a slower corporate demand recovery in luxury / premium positioned hotels.
- While there was a reduction in leisure FIT demand share compared to previous year it was partially compensated by the growth in leisure groups demand which was negligible in FY22. It was good to see return of leisure group demand. It is also possible that travel in FY23 was a combination of business and leisure purpose resulting in a significant increase in Other FIT demand as compared to previous year.
- Groups demand remained at similar levels mainly driven by weddings demand. MICE group demand was limited in first half of FY23.

- Airline demand increases with opening up several local markets and international destinations.
- Demand from essential services and quarantine rooms was almost nil as the pandemic situation normalised.

Growth Drivers

- **Rising FDI** - The hotel & tourism sector received a cumulative FDI inflow of US\$ 17.29 billion between April 2000-September 2023. . This constitutes 2.60% of the total FDI inflows across sectors. Carlson Group currently has 94 operating hotels and is planning to add about 30 more hotels by the end of 2023.
- **Infrastructure** - More than half of the Ministry of Tourism’s budget is channelised for funding the development of destinations, circuits, mega projects as well as rural tourism infrastructure projects. Ministry of Tourism has sanctioned financial assistance of around US\$ 76.35 million to States/UTs for infrastructure development under Coastal Circuit theme of Swadesh Darshan Scheme. A total of 48,775 accommodation units have been registered on the National Integrated Database of Hospitality Industry (NIDHI) portal and 11,220 units have self-certified for SAATHI standards in September 2022.
- **Growing Demand** - Domestic expenditure on tourism is expected to rise due to the growing income of households. Several niche offerings such as medical tourism & eco-tourism are expected to create more demand. By 2029, India’s tourism sector is expected to reach Rs. 35 trillion (US\$ 488 billion) with a growth of 6.7% and accounting for 9.2% of the total economy.
- **Policy Support** - In the Union Budget 2023-24: US\$ 290.4 million has been allocated to the Ministry of Tourism. 50 tourist destinations to be developed for providing a wholesome tourism experience under ‘Swadesh Darshan Scheme’. An amount of US\$ 30.25 million has been allocated for the PRASHAD Scheme aiming for holistic development of selected pilgrimage destinations in the country.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 19, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 78 and 83, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Standalone Financial Statements and Limited Review Unaudited Financial Results.

Overview

We are an integrated hospitality company engaged in the business of providing club, banquet halls and accommodation services. We operate our Club under the name ‘Club Emerald’ which is located at Swastik Park, Near Mangal Anand Hospital, Chembur, Mumbai 400071, Maharashtra. Our Club, banquet halls and rooms are located in a single business premises enabling us to recognize ourselves as a ‘full-service provider’ in hospitality space offering services to various sections of society from middle-class segment to the upper-class segment. The strategic location of our Club premises provides us with an added advantage of offering ‘Business cum Leisure’ services to corporate customers for conducting conferences, meetings, exhibitions etc. Our Club’s premises are spread across approx. 5,977 sq mtrs plot of land.

Our Company was incorporated on March 8, 1933 as ‘Phaltan Sugar Works Limited’ and later on came to be known as ‘Apte Amalgamations Limited’. Thereafter the name was changed to its present name i.e. ‘Emerald Leisures Limited’. The Company ventured into the business of providing club membership in the financial year 2013-14. While our banquet and room accommodation facilities are open for all, our members get access to wide range of recreational and sports facilities provided by our Club. We provide various sports facilities to our Club members such as badminton, table tennis, squash, snooker/billiards and other indoor and outdoor games along with additional access and benefits related to gym, library, spa and beauty salon, multi-cuisine restaurants and bar, swimming pool and well-designed rooms on fee-based arrangement. As on March 31, 2024, we had 672 club members. We have 78 affiliations with other clubs and resorts as on March 31, 2024.

Our Financial Performance

Our financial performance for the nine months period ended on December 31, 2023 and December 31, 2022 and for the financial year ended March 31, 2023 and financial year ended March 31, 2022 are summarized below:

(₹ in lakhs)

| Particulars | Nine months ended | Nine months ended | Financial Year | Financial Year |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | on December 31, 2023 | on December 31, 2022 | ended March 31, 2023 | ended March 31, 2022 |
| | Unaudited | Unaudited | Audited | Audited |
| Revenue from operations | 1,160.63 | 1,041.01 | 1,475.37 | 857.00 |
| EBITDA | 458.97 | 410.91 | 584.11 | 201.58 |
| Net Profit after Tax (before OCI) | (710.98) | (534.99) | (1,014.20) | (1,231.26) |

Our total income for the nine months period ended December 31, 2023 and financial year ended March 31, 2023 was ₹1171.74 lakhs and ₹1,488.59 lakhs respectively. Our financial results for financial year March 31, 2022 were impacted by the COVID-19 pandemic which impacted the global & national economy, including travel and leisure due to which our financial performance dropped significantly. Our business operations improved in financial year ended March 31, 2023 as our revenue from operations increased by 72% as compared to previous financial year.

Our Strengths

Strategic location of club attracts leisure as well as business travelers

Our Club is located in Chembur which is close to Eastern Express Highway, Eastern Freeway and Santa Cruz–Chembur Link Road providing easy connectivity to the majority of Mumbai Metropolitan Region (“MMR”) locations. We have strategically developed our Club in Chembur which is a large residential and commercial hub in Mumbai. Chembur is a well-developed residential locality with excellent connectivity and is close to major business centers and prominent workplaces such as Bandra Kurla Complex, Lower Parel, Worli, Andheri and Navi Mumbai. Further, Chembur is 15 km from the airport, and 6 km from the nearest railway station, making the Club easily accessible not only to members and guests but business travelers as well. Our banquet & accommodation services allow us to offer our guests quality yet cost-effective services in the MMR region. As on March 31, 2024, we have a total of 35 rooms and 6 banquet halls. Our Company also offers its open ground for banquet services. Our Club has built up area of approx. 1.1 lakh sq ft out of which 50,000 sq ft is used as sports & recreation area, 20,000 sq ft is used for accommodation rooms and banquet halls and 40,000 sq ft is used for parking.

Unique and diversified business model

Our Club provides multiple facilities for indoor and outdoor recreation for our members. The Club is equipped with sports facilities for badminton, squash, table tennis, snooker/billiards and other indoor and outdoor games along with a swimming pool, library, spa and a beauty salon. We also let out banquet halls, rooms and have multi-cuisine restaurants and a bar. Our Club is a ‘One stop Solution’ as it offers facilities for corporate meetings and conferences, social events and gatherings, leisure, and recreational services, all at a single location. Our income from banquet halls sales and restaurants, room sales, Club Membership and other income formed 42.53%, 33.73%, 15.07% and 8.68% respectively of our total income for the financial year ended March 31, 2023 and 39.09%, 40.70%, 14.01% and 11.44% respectively of our total income for the nine months period ended December 31, 2023.

We are also affiliated with several other clubs in India and abroad, which provide paid utilization of our infrastructure to travelers and out of town affiliate members thereby providing us with additional revenue, over and above the revenue generated directly from our members.

Our club membership business safeguards us against threats of seasonality and economic downturns

As of March 31, 2024, we had 672 club members. Once registered, our club members are committed to our Club for a long period of time spanning from 5 to 20 years thereby ensuring a steady source of revenues from membership fee payments, annual maintenance fees and use of our paid facilities, especially during the off-season or economic downturn. In addition, our affiliations provide the members with access to affiliated clubs across India and abroad. Further, the affiliated members also have access to our property thereby enabling optimum utilisation of our infrastructure throughout the year.

Customer centric operations and quality services

Our club premises are equipped with modern amenities such as spa, salon as well as dedicated facilities for indoor and outdoor sports. In addition, we also offer banquet halls, restaurants and bar, accommodation services. We have team strength of 115 employees as on March 31, 2024 who are competently trained, motivated and performance-oriented staff that deliver high quality and personalized service to our members and guests. We have strong food and beverage capabilities with variety of vegetarian cuisines in our restaurants and banquets.

Experienced management team

Our operations are managed by our Board of Directors who have significant experience in the hospitality industry. We believe that our management team has been able to identify opportunities which will, in conjunction with the management's operational expertise, continue to yield positive results for us. We have also employed mechanisms to receive and evaluate customer feedbacks and utilise that to nurture our employees and improve services. For further details of the profile and experience of our management team, see “*Our Management*” on page 73.

Our Strategies

Increase club members to 2,000

Through a combination of increased marketing, launching new schemes, providing incentive and discounts, we intend to increase the number of club members to 2,000 over a period of time as we believe the Club has capacity to service such increased number of members. Increased membership subscription will lead to efficient use of our Club facilities

and an improvement in profit margins. We also anticipate an increased demand of our banquet halls and rooms from the prospective members of Club.

Intensifying MICE (Meetings, Incentives, Conferences and Exhibitions) business

Prior to COVID-19, our income from banquet halls and for financial year ended March 31, 2019 and March 31, 2020 were ₹ 457.54 lakhs and ₹ 545.34 lakhs respectively. Our business activities were severely hit in financial year ended March 31, 2021 due to COVID-19 and it was reflected by drastic reduction in revenue from our banquet halls to ₹88.13 lakhs. There has been recovery in the business in financial year ended March 31, 2022, March 31, 2023 and December 31, 2023 as the impact of COVID-19 waned and increase in business travel, social events, especially in case of banquet halls where the revenue increased to ₹303.14 lakhs, ₹514.57 lakhs and 367.28 respectively. We anticipate further increase in demand with increased enquiries of banquets from corporates and business networking bodies for conducting conferences, meetings and for social gatherings and events.

Focus on development of rooms

Currently, our average room booked days for financial year ended March 31, 2024 was 11313 nights as compared to 11353 nights for the financial year ended March 31, 2023 and for the financial year ended March 31, 2022 was 7,058 night. The demand for rooms in the financial year ended March 31, 2021 and 2022 was impacted due to lockdowns from COVID-19. With ease of lockdown restrictions, the demand of rooms resurged in financial year ended March 31, 2023 and March 31, 2024. We may undertake further development of rooms as we anticipate a further increase in demand for rooms with business travel and social events resuming back to pre-pandemic levels. The revenue from room sales will increase with increased bookings and rise in average daily rate of rooms.

Reduce debt and improve profitability

We intend to continue to actively manage our operating costs to improve margins by improving staff productivity and efficiency to reduce payroll costs through optimum utilisation of manpower for various business activities, comprehensive training and performance-linked compensation. The Company may plan to implement energy saving initiatives by installing solar panels that are both cost-efficient and environmentally friendly. We also intend to improve margins for restaurants, spa and salon services. We will be repaying outstanding debts from the proceeds of the Issue which will reduce our finance cost.

Our Services

The services of our company include:

Club services

The Company is primarily engaged in providing club services to its members. 'Club Emerald' is located at Swastik Park, Near Mangal Anand Hospital, Chembur, Mumbai 400071, Maharashtra. It offers various memberships of different tenures based on suitability and requirements of the prospective members. The Club is equipped with dedicated fully air-conditioned sports facilities for various indoor sports, swimming pool and open ground area for outdoor sports. The club has recreational amenities such as library, gym, spa and salon. The details of sports and recreational facilities is mentioned below:

- **Sports Facilities:** The Club has independent sections for indoor sports viz. 2 indoor badminton courts named as 'Aero', 2 squash courts named as 'The Cube', 3 table tennis units named as 'SpinZ', 3 Snooker/ Billiards named 'Green Room', a card room with 6 card tables named as 'Sequence'. The club has a half Olympic size swimming pool named 'Ripple'. The club has an open ground area called 'Kings Court' for banqueting and outdoor sports such as basketball, skating, cycling, jogging, etc. The Club has arrangements for board games as well.
- **Recreational Facilities:** Our Club has an air-conditioned gym 'Burn' which is equipped with the Startrack machines and steam rooms. The gym services are available to members on payment of subscription fees. The Club has a library 'Papyrus' with a seating capacity of approximately 15-20 person. The Club, has a spa known as the 'White Lotus Spa' which provides spa and salon services to its members and guests on pay per use basis.

Banquet Halls

The Company has 6 banquet halls which has total accommodation capacity of 700 stationary and 1,100 floating guests. The halls are operated on two shift basis. 5 out of 6 banquet halls are fully air conditioned viz. Imperial, Royale, Imagine, Sequence II and Cinnamon. Company has a banquet hall which is an open space banquet hall viz. Galaxy. Our Company also uses the Club's open ground area 'Kings Court' for banqueting services.

- **Imperial:** The largest of the banquet halls, having 3,600 sqft area is most suitable for events such as weddings, conferences, seminars and other social events. The banquet hall is designed in a manner which allows the banquet hall to be split into 3 sections (Imperial I, II & III). This allows the hall to be used individually with separate access to every section. The banquet hall has total accommodation capacity of 350 stationary and 500 floating guests.
- **Royale:** The banquet hall having 2,400 sqft area is best suited hall for social events such as marriages and reception parties as it is adjacent to Galaxy banquet hall and can be used together based on the requirements. The hall can also be divided into 2 sections (Royal I & II) with independent access to each section. The banquet hall has total accommodation capacity of 200 stationary and 350 floating guests.
- **Cinnamon:** The banquet hall is 1,200 sqft in area and is complimented with an open area section which is approx. 1,000 sq ft. This banquet hall can be used for events having guests ranging from 25 to 100 stationary and 150 floating guests.
- **Galaxy:** The banquet hall is an open space hall having 1,200 sqft in area which is adjacent to 'Royale' banquet hall. 'Galaxy' and 'Royale' can be let out together in combination.
- **Imagine:** The banquet hall is 500 sqft in area and suitable for small parties and gatherings suitable for 25 stationary and 35 floating guests .
- **Sequence:** The banquet hall is approximately 300 sqft in area and suitable for board meetings and small programs and can accommodate approx. 25 stationary and 35 floating guests.
- **Kings Court:** It is an open ground area of the Club which is used for banqueting and sport activities. It is 11,000 sqft in area and can accommodate 800-1000 guests. The Kings Court is rented on a single shift basis.

Rooms

The accommodation consists of 35 guest rooms which are bifurcated into 3 categories viz. 25 Deluxe rooms, 5 Superior rooms and 5 Deluxe suits. These rooms are fully furnished and air conditioned with round the clock service ensuring comfort and luxury.

Restaurants and Bar

The company has 4 food and beverage outlets viz The Patio, Paprika, The Nook and The Adda. All the outlets of the company only serve vegetarian food.

- **The Patio:** It is an open-air restaurant serving snacks and refreshments with a capacity of 70 approx. 10 tables/ 60 seats.
- **Paprika:** Paprika is multi-cuisine dining outlet offering varied options in typical Indian, Chinese, Continental, Italian, Mexican and Tandoori delicacies. It is fully air-conditioned with capacity of 70approx.. 12 tables/ 60 seats.
- **The Nook:** The Nook is our bakery counter where bakery products such as cakes, pastries, breads, chocolates, cookies, savorys, etc. are served.

- **The Adda:** The Adda, Bar and Restaurant outlet is situated on the 1st floor of the premises with an easy access for guests. It is equipped with projector screen for screening of sports and other events for entertainment of guests. It is fully air-conditioned having capacity of approx. 12 tables/ 60 seats.

Utilisation of facilities (Rooms and Banquet halls)

Our company has total of 35 rooms, 6 banquet halls and an open ground area for letting out. Details of existing utilization of the facilities are given below:

| Rooms | Financial year ended March 31, 2024 | | | Financial Year ended March 31, 2023 | | | Financial Year ended March 31, 2022 | | |
|--------------------|-------------------------------------|------------------|-----------------|-------------------------------------|------------------|-----------------|-------------------------------------|------------------|-----------------|
| | Room days available | Room days booked | Utilisation (%) | Room days available | Room days booked | Utilisation (%) | Room days available | Room days booked | Utilisation (%) |
| Deluxe Rooms | 8,395 | 7603 | 90.57% | 8,395 | 7695 | 94.88% | 8395 | 4838 | 57.63% |
| Superior Rooms | 2,555 | 2213 | 86.61% | 2,555 | 2209 | 86.46% | 2555 | 1580 | 61.84% |
| Deluxe Suits Rooms | 1,825 | 1497 | 82.03% | 1,825 | 1449 | 79.40% | 1,825 | 640 | 35.07% |

| Banquet halls | Financial year ended March 31, 2024 | | | Financial Year ended March 31, 2023 | | | Financial Year ended March 31, 2022 | | |
|--------------------|-------------------------------------|-------------------|-----------------|-------------------------------------|-------------------|-----------------|-------------------------------------|-------------------|-----------------|
| | Hall Slots available | Hall Slots booked | Utilisation (%) | Hall Slots available | Hall Slots booked | Utilisation (%) | Hall Slots available | Hall Slots booked | Utilisation (%) |
| Imperial-I | 732 | 330 | 45.08 | 732 | 341 | 46.58 | 732 | 224 | 30.6 |
| Imperial - II | 732 | 316 | 43.17 | 732 | 382 | 52.19 | 732 | 241 | 32.92 |
| Imperial - III | 732 | 208 | 28.42 | 732 | 285 | 38.93 | 732 | 219 | 29.92 |
| Royale-I | 732 | 383 | 52.32 | 732 | 365 | 49.86 | 732 | 252 | 34.43 |
| Royale-II & Galaxy | 732 | 415 | 56.69 | 732 | 440 | 60.11 | 732 | 272 | 37.16 |
| Cinnamon | 732 | 124 | 16.94 | 732 | 137 | 18.71 | 732 | 158 | 21.58 |
| Card Room | 732 | 42 | 5.74 | 732 | 44 | 6.01 | 732 | 31 | 4.35 |
| Kings Court | 366 | 49 | 13.39 | 365 | 44 | 12.05 | 365 | 53 | 14.52 |
| Imagine | 732 | 117 | 15.98 | 732 | 119 | 16.26 | 732 | 65 | 8.88 |

Our Customers

We are a hospitality services provider where all of our services are provided on Company premises. We maintain direct contact with our members and corporate clients, which allows us to understand their current needs and gauge their future requirements. As on March 31, 2024 we had 672 members.

Human Resource

As on March 31, 2024, we have 34 permanent employees and 24 contractual employees/staff. We undertake selective and need based recruitment to maintain the size of our workforce. The following table provides information about our permanent employees as on March 31, 2024:

| Designation | No. of employees |
|--------------------|-------------------------|
| General Manager | 01 |
| Manager | 08 |
| Assistant Managers | 12 |
| Senior Executive | 09 |
| Junior Executive | 07 |
| Junior Staff | 31 |

Competition

The industry in which we operate is highly competitive. The organized players in the industry compete with each other by providing high quality services. We believe the principal elements of competition in the hospitality industry are price, customer centric services, food quality and amenities. We compete against our competitors by leveraging our goodwill and establishing ourselves as quality service provider.

Environment, Health and Safety

We have implemented safety measures across the Company to ensure a safe working environment including general guidelines for health and safety and maintaining clean and orderly premises. Further, various environmental, health and safety requirements imposed by various authorities shall continue to have material effect on our operations. We've implemented a thermal storage air conditioning system that transfers the cooling demand to off-peak hours. Additionally, our hot water system operates on the principle of heat exchangers, eliminating the need for geysers and resulting in reduced electricity costs. The company premises have rainwater harvesting system to reduce the external water usage. We have also installed a bio-waste recycling and biogas generation unit for handling wet garbage and protect the environment.

Insurance

Our Company maintains adequate insurance policies for the key assets of the Company which cover all normal risks associated with operations of our business. We have obtained a standard business insurance policy, director and group Mediclaim policy. These insurance policies are reviewed periodically to ensure that the coverage is adequate. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurances. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Intellectual Property

In the highly competitive hospitality industry in which we operate, trademarks, service marks, trade names and logos are very important in the sales and marketing of our club and services. The trademark/service mark and logo in connection with the "CLUB e EMERALD" logo is owned and registered by our Promoter "Chetan Jaswant Mehta" under class 41 of the Trade Marks Act, 1999. For further details, see section titled "*Risk Factors*" on page 15.

Immovable Properties

The Company owns the land admeasuring about 5977 sq.mts namely, CTS No. 366/15 at Village Chembur, Taluka Kurla, District, Registration District and Sub-district of Mumbai suburban and within the limits of 'M' Ward of the Municipal Corporation of Greater Mumbai on which the Club property and Registered Office is situated. Please refer "*Outstanding Litigations and Material Developments- Interim Application of 2023 (the "IA")*" was filed by our Company ("*Applicant*") in Writ Petition (L) No. 8386 of 2022" on page 93 to see pending litigation with respect to encroachment of land owned by our Company. However it is pertinent to note that the litigation pertains to plots other than the one where our Club is located and does not affect operation/business of our Club in any manner.

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (3) and not more than fifteen (15) Directors. As on date of this Draft Letter of Offer, we have eight (8) Directors on our Board, which includes, three (3) Executive Directors, two (2) Non-Executive Directors and three (3) Independent Directors. In compliance of corporate governance norms, one (1) is a woman director.

Set forth below, are details regarding our Board as on the date of this Draft Letter of Offer:

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|---|-------------|--|
| <p>Nikhil Vinod Mehta</p> <p>DIN: 00252482</p> <p>Date of Birth: November 1, 1970</p> <p>Designation: Executive Director and Chief Executive Officer</p> <p>Address: 601, Techno Residency, Road No. 2, Hindu Colony, Dadar, Mumbai, Maharashtra – 400 014, India.</p> <p>Occupation: Business</p> <p>Current Term: Appointed with effect from October 28, 2022</p> <p>Period of Directorship: Since October 28, 2022</p> | 53 | <ul style="list-style-type: none"> i. New Famous Litho Works Private Limited ii. Dhvani Mercantile Private Limited iii. Techno Global Security Private Limited iv. Techno Realtors Private Limited v. Techno Equisearch India Private Limited vi. Techno Equity Broking Private Limited vii. Srushti Krishi-Products Private Limited viii. Techno Insurance Private Limited |
| <p>Rajesh Motilal Loya</p> <p>DIN: 00252470</p> <p>Date of Birth: July 20, 1966</p> <p>Designation: Whole-Time Director and Chief Financial Officer</p> <p>Address: 601/602, Vatsalya CHS, Plot No. 85, Hindu Colony, Road No. 3, Near Bhagini Samaj, Dadar, Mumbai, Maharashtra – 400 014, India.</p> <p>Occupation: Business</p> <p>Current Term: Re-appointed for a term of five consecutive years with effect from November 10, 2020</p> <p>Period of Directorship: Since August 12, 2010</p> | 57 | <ul style="list-style-type: none"> i. Dhoot Industrial Finance Limited ii. New Famous Litho Works Private Limited iii. Dhvani Mercantile Private Limited iv. Techno Global Security Private Limited v. Techno Property Developers Private Limited vi. Techno Realtors Private Limited vii. Techno Equisearch India Private Limited viii. Techno Equity Broking Private Limited ix. Srushti Krishi-Products Private Limited x. Techno Insurance Private Limited |
| <p>Jashwant Bhaichand Mehta</p> <p>DIN: 00235845</p> <p>Date of Birth: October 28, 1941</p> | 82 | <ul style="list-style-type: none"> i. Mercury Realtors Private Limited ii. Juhu Resorts And Development Private Limited iii. Panorama Mercantile Private Limited iv. Panorama FinvesTrade Private Limited v. Neptune Resorts And Development Private Limited |

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|--|-------------|--|
| <p>Designation: Non-Executive Non-Independent Director</p> <p>Address: 203, Panorama Building, 5th Floor, Walkeshwar Road, Opposite Dena Bank, Malabar Hill, Mumbai, Maharashtra - 400 006, India.</p> <p>Occupation: Business</p> <p>Current Term: Re-appointed with effect from April 1, 2019; Liable to retire by rotation.</p> <p>Period of Directorship: Since August 12, 2010</p> | | <ul style="list-style-type: none"> vi. Bela Estate and Development Private Limited vii. Mercury Realtors Private Limited viii. Techno Club Private Limited |
| <p>Jaydeep Vinod Mehta</p> <p>DIN: 00252474</p> <p>Date of Birth: September 25, 1966</p> <p>Designation: Executive Director</p> <p>Address: 501, Techno Residency, Plot No. 84, Road No. 2, Hindu Colony, Dadar East, Mumbai, Maharashtra – 400 014, India.</p> <p>Occupation: Business</p> <p>Current Term: Re-appointed with effect from September 30, 2021; Liable to retire by rotation.</p> <p>Period of Directorship: Since October 7, 2016</p> | 57 | <ul style="list-style-type: none"> i. G.C. ChemiePharmie Limited ii. V Trans (India) Limited iii. Dhvani Mercantile Private Limited iv. Techno Global Security Private Limited v. Techno Property Developers Private Limited vi. Techno Realtors Private Limited vii. ASAP Realtech Private Limited viii. Techno Club Private Limited ix. Srushti Krishi-Products Private Limited |
| <p>Maneesh Taparua</p> <p>DIN: 00267558</p> <p>Date of Birth: May 21, 1964</p> <p>Designation: Independent Director</p> <p>Address: C-41/601, Triveni, Pokhran Road No. 2, Near Vasant Vihar School, Apna Bazar, Thane, Maharashtra – 400 610, India.</p> <p>Occupation: Business</p> <p>Current Term: Re-appointed for a term of five consecutive years with effect from September 29, 2020; Not liable to retire by rotation.</p> <p>Period of Directorship: Since August 12, 2010</p> | 59 | <ul style="list-style-type: none"> i. Orbit Developers Private Limited ii. Cherry Innovest Consultancy Private Limited |

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|--|-------------|--|
| <p>Gautam Chandrakumar Shah</p> <p>DIN: 00271794</p> <p>Date of Birth: December 4, 1959</p> <p>Designation: Chairman & Independent Director</p> <p>Address: 3, PunilApts, 9 Ashok Nagar Society, North South Road No. 11, JVPD Scheme, Opposite Agarwal House, Ville Parle West, Mumbai, Maharashtra – 400 049, India.</p> <p>Occupation: Professional</p> <p>Current Term: Re-appointed for a term of five consecutive years with effect from September 30, 2020; Not liable to retire by rotation.</p> <p>Period of Directorship: Since September 25, 2015</p> | 64 | <ul style="list-style-type: none"> i. Man-Mill Chemicals Private Limited ii. Novo Excipients Private Limited iii. Vitamystic Healthcare Private Limited iv. G.C. ChemiePharmie Limited v. Manmill Sciences Private Limited vi. Metaverse Pharmaceuticals Private Limited |
| <p>Dhwani Jaydeep Mehta</p> <p>DIN: 07105522</p> <p>Date of Birth: July 14, 1992</p> <p>Designation: Non-Executive Non-Independent Director</p> <p>Address: 501, Techno Residency, Road No. 2, Hindu Colony, Dadar, Mumbai, Maharashtra – 400 014, India.</p> <p>Occupation: Professional</p> <p>Current Term: Re-appointed with effect from September 28, 2023; Liable to retire by rotation.</p> <p>Period of Directorship: Since February 13, 2015</p> | 31 | Nil |
| <p>Amit Vardhman Shah</p> <p>DIN: 07306728</p> <p>Date of Birth: May 20, 1966</p> <p>Designation: Independent Director</p> <p>Address: 401 Mehta Sadan, 86/88 Bhavani Shankar Road, Dadar West, Mumbai, Maharashtra – 400 028, India.</p> <p>Occupation: Professional</p> <p>Current Term: Re-appointed for a term of five consecutive years with effect from October 8, 2020; Not liable to retire by rotation</p> | 57 | Nil |

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|---|--------------------|----------------------------|
| Period of Directorship: Since October 8, 2015 | | |

Confirmations on directorship in companies suspended or delisted

1. None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been or were suspended from being traded on any of the stock exchanges during the term of his/her directorship in such Company.
2. None of our directors is, or was, a director of any listed Company which has been or was delisted from any stock exchange, during the term of their directorship in such Company, in the last ten years immediately preceding the date of filing of this Draft Letter of Offer.

Our Key Managerial and Senior Managerial Personnel

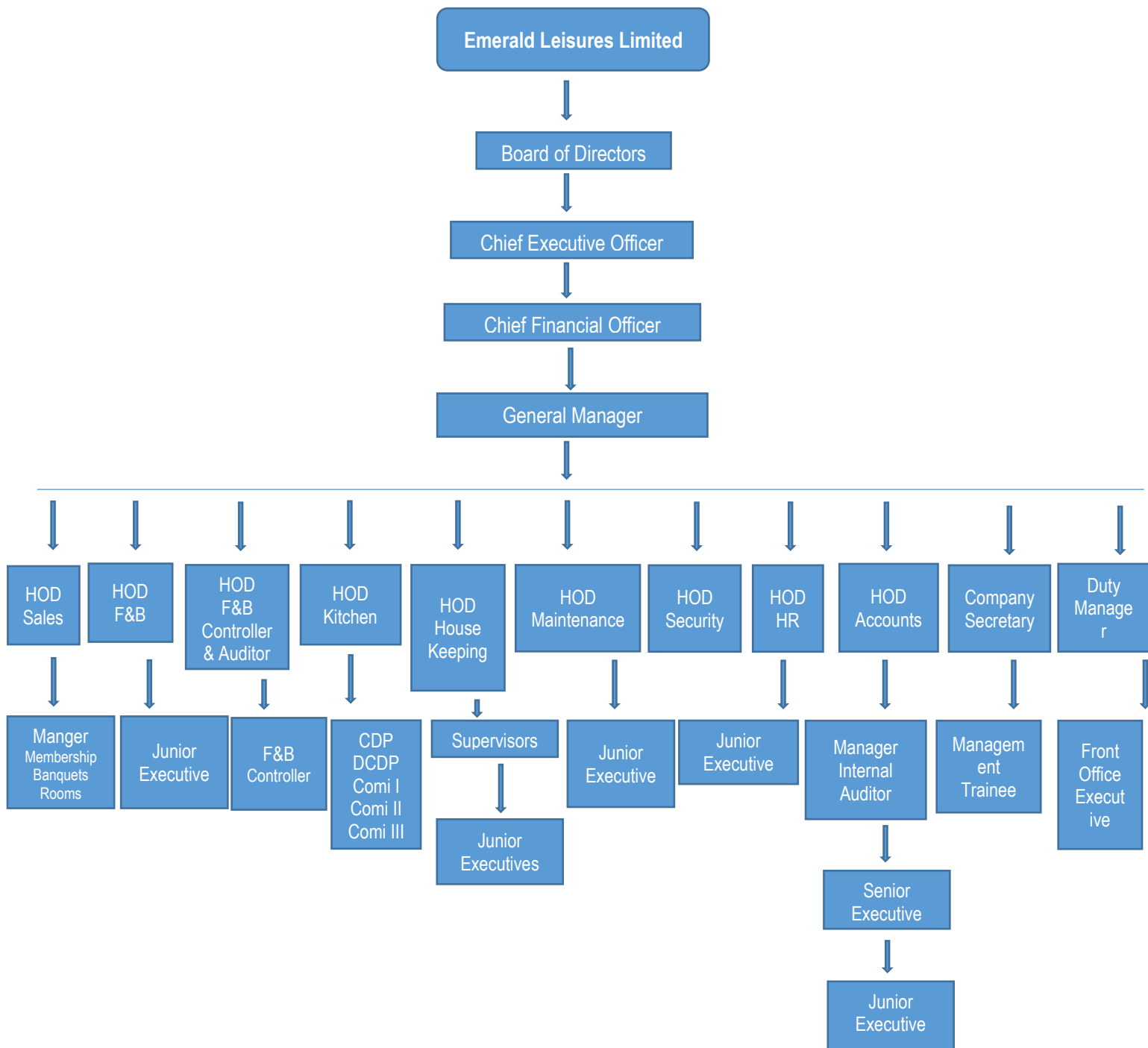
Set forth below are the details of our Key Managerial Personnel and Senior Management as on the date of filing of this Draft Letter of Offer:

| Sr. No | Name of Key Personnel | Designation |
|---------------|-------------------------------|--|
| 1. | Nikhil Vinod Mehta | Chief Executive Officer |
| 2. | Rajesh Motilal Loya | Chief Financial Officer |
| 3. | Kapil M. Purohit | Company Secretary and Compliance Officer |
| 4. | Pranabesh Dilipkumar Banerjee | General Manager |
| 5. | Imran M. Bagalkote | Head of Department – Sales |
| 6. | Anil Rawat | Head of Department – Food & Beverages |
| 7. | Pravin Tukaram Shivgan | Head of Department – Food & Beverages Controller & Auditor |
| 8. | Dinesh Dayal Singh Rawat | Head of Department – Kitchen |
| 9. | Daniel Paul | Head of Department – House Keeping |
| 10. | Devendra Manjrekar | Head of Department – Maintenance |
| 11. | Shivshankar Jaiswal | Head of Department – Security |
| 12. | Kalyani Chowhan | Head of Department – Human Resource |
| 13. | Nirmiti Bohra | Head of Department – Accounts |
| 14. | SyedIkramuddin Salahuddin | Duty Manager |

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Management Organization Structure

Set forth is the organization work structure of our Company:



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

| S. No. | Details | Page Number |
|---------------|---|--------------------|
| 1. | Independent Auditor's Report on Audited Financial Statements for the Fiscal 2023 | F1-F30 |
| 2. | Unaudited Financial Results for the nine months period ended December 31, 2023 along with Independent Auditor's Limited Review Report | F31-F36 |

P G BHAGWAT LLP

Chartered Accountants

LLPIN: AAT-9949

MUMBAI OFFICE

71, Mittal Chambers, Barrister Rajni Patel Marg,
Nariman Point, Mumbai – 400021.

Tel.: 022 -22021938

Email: shriniwas_gadgil@pgbhagwatca.com

Web: www.pgbhagwatca.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of EMERALD LEISURES LIMITED

Report on the audit of the Financial Results

Opinion

We have audited the accompanying quarterly and annual financial results of Emerald Leisures Limited (the Company) for the quarter ended March 31, 2023 and the year to date results for the period from April 1, 2022 to March 31, 2023, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Financial statements for the year ended March 31, 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on those financial statements vide their audit report dated May 30, 2022. We draw your attention to Note 5 to the statement of audited financial results, which explains the impact on the financial results of the Company with respect to restatement of financial results for previous year ended March 31, 2022, and quarters ended March 31, 2022 and December 31, 2022. Our opinion is not modified in respect of this matter.

We also wish to draw your attention to Note 6 to the financial results regarding impairment assessment of non-current financial assets performed by the Company. Based on the assessment performed, the management believes that there is no requirement for impairment of non-current financial assets and therefore no material adjustment is required to the financial statements (or results) for the year ended March 31, 2023. Our opinion is not modified in respect of this matter as well.

Management's Responsibilities for the Financial Results

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial



P G BHAGWAT LLP

Chartered Accountants

LLPIN: AAT-9949

accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rule 2015 (as amended) under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



P G BHAGWAT LLP

Chartered Accountants

LLPIN: AAT-9949

- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

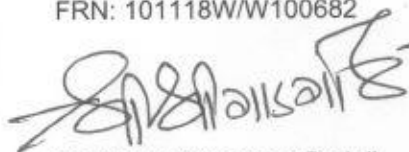
Other Matters

The quarterly financial results for the period ended March 31, 2023 are the derived figures between the audited figures in respect of the year ended March 31, 2023 and the published year-to-date figures up to December 31, 2022, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **P G BHAGWAT LLP**

Chartered Accountants

FRN: 101118W/W100682



Shrinivas Shreeram Gadgil

Partner

Membership Number: 120570



Place: Mumbai
Date: 30th May 2023
UDIN: 23120570BGUEGD5299

BALANCE SHEET AS AT 31ST MARCH, 2023

| PARTICULARS | | Note | As at 31st March, 2023 | As at 31st March, 2022 Restated | As at 01st April, 2021 Restated |
|-------------|--|------|------------------------|---------------------------------|---------------------------------|
| I | ASSETS | | | | |
| 1 | Non-Current Assets | | | | |
| | (a) Property, Plant & Equipment | 2 | 6,497.82 | 6,794.36 | 7,127.92 |
| | (b) Financial Assets | | | | |
| | (i) Investments | 3.1 | 153.14 | 204.45 | 254.20 |
| | (ii) Other Financial Assets | 3.2 | 30.87 | 30.91 | 30.71 |
| | (c) Deferred tax assets (net) | 4 | - | 17.21 | 17.21 |
| | (d) Other non current assets | 5 | 43.84 | 69.64 | 68.97 |
| | Sub-Total - Non-Current Assets | | 6,725.67 | 7,116.57 | 7,499.00 |
| 2 | Current Assets | | | | |
| | (a) Inventories | 6 | 70.73 | 74.13 | 75.92 |
| | (b) Financial Assets | | | | |
| | (i) Trade receivables | 7.1 | 96.18 | 83.09 | 78.55 |
| | (ii) Cash and cash equivalents | 7.2 | 40.73 | 36.95 | 25.51 |
| | (iii) Bank Balances other than (ii) above | 7.3 | 20.00 | 20.00 | 30.66 |
| | (iv) Loans | 7.4 | 3.35 | 1.82 | 2.51 |
| | (v) Other financial assets | 7.5 | 8.89 | 4.60 | 1.11 |
| | (c) Current Tax Assets | 8 | 43.90 | 41.85 | 47.15 |
| | (d) Other current assets | 9 | 19.03 | 14.89 | 9.00 |
| | Sub-Total - Current Assets | | 302.81 | 277.33 | 270.40 |
| | TOTAL - ASSETS | | 7,028.48 | 7,393.90 | 7,769.40 |
| II | EQUITY AND LIABILITIES | | | | |
| 1 | EQUITY | | | | |
| | (a) Equity Share Capital | 10 | 250.31 | 250.31 | 250.31 |
| | (b) Other equity | 11 | (6,978.66) | (5,965.69) | (4,734.98) |
| | Sub-Total - Equity | | (6,728.35) | (5,715.38) | (4,484.67) |
| 2 | LIABILITIES | | | | |
| | Non-Current Liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowings | 12.1 | 5,027.68 | 5,159.65 | 4,895.68 |
| | (ii) Other financial liabilities | 12.2 | 723.52 | 660.94 | 598.05 |
| | (b) Provisions | 13 | 16.68 | 13.45 | 14.01 |
| | Sub-Total - Non-Current Liabilities | | 5,767.87 | 5,834.04 | 5,507.74 |
| | Current Liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowings | 14.1 | 6,414.58 | 4,785.72 | 4,167.89 |
| | (ii) Trade Payables | | | | |
| | (a) Total outstanding dues of micro enterprises and small enterprises | 14.2 | - | - | - |
| | (a) Total outstanding dues of creditors other than micro enterprises and small enterprises | 14.2 | 151.93 | 167.39 | 86.17 |
| | (iii) Other Financial Liabilities | 14.3 | 342.54 | 1,237.21 | 1,350.91 |
| | (b) Other current liabilities | 15 | 1,074.63 | 1,080.18 | 1,135.49 |
| | (c) Provisions | 16 | 5.28 | 4.73 | 5.88 |
| | Sub-Total - Current Liabilities | | 7,988.96 | 7,275.24 | 6,746.34 |
| | TOTAL - EQUITY AND LIABILITIES | | 7,028.48 | 7,393.90 | 7,769.40 |
| | Significant Accounting Policies | 1 | | | |

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W / W100682
Shrinivas Shreeram Gadgil
Partner
Membership No. 120570
UDIN : 23120570BGUEGD5299
Place : Mumbai
Date : 30/05/2023



For and on behalf of the Board of Directors of
M/S EMERALD LEISURES LIMITED

Nikhil Mehta
Nikhil Mehta
CEO & Director
(DIN:00252462)

Rajesh Loya
Rajesh Loya
FO & Director
(DIN:00252470)

Vedashri Chaudhari
Vedashri Chaudhari
Company Secretary



Place : Mumbai
Date : 30/05/2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

| | Particulars | Note | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 Restated |
|------|---|-----------|--------------------------------------|--|
| I | Income | | | |
| | (a) Revenue from operations | 17 | 1,475.37 | 857.00 |
| | (b) Other Income | 18 | 13.21 | 15.10 |
| | Total Income (I) | | 1,488.59 | 872.10 |
| II | Expenses | | | |
| | (a) Cost of materials consumed | 19 | 244.47 | 159.77 |
| | (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20 | 3.40 | 1.79 |
| | (c) Employee benefits expense | 21 | 174.26 | 151.90 |
| | (d) Finance Cost | 22 | 1,284.96 | 1,112.53 |
| | (e) Depreciation & amortisation expense | 2 | 309.35 | 335.41 |
| | (f) Other expenses | 23 | 469.15 | 341.96 |
| | Total expenses (II) | | 2,485.58 | 2,103.36 |
| III | Profit / (Loss) before exceptional items and tax (I-II) | | (996.99) | (1,231.26) |
| IV | Exceptional items | | - | - |
| V | Profit / (Loss) before tax (III-IV) | | (996.99) | (1,231.26) |
| VI | Tax expense: | | | |
| | (a) Current tax | | - | - |
| | (b) Deferred tax | | 17.21 | - |
| VII | Profit / (Loss) for the period (V-VI) | | (1,014.20) | (1,231.26) |
| VIII | Other Comprehensive Income | | 1.22 | 0.55 |
| | A (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Re-measurements of the defined benefit liabilities/(asset) | | 1.22 | 0.55 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| | B (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| IX | Total Comprehensive Income for the period (VII+VIII) | | (1,012.98) | (1,230.71) |
| X | Earnings per share (of Rs. 5/10/- each): | 30 | | |
| | (a) Basic | | (20.26) | (24.59) |
| | (b) Diluted | | (20.26) | (24.59) |
| X.i | Number of Shares used in computing earning per share | | 5006200 | 5006200 |
| | Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For P G BHAGWAT LLP
Chartered Accountants
FRN: 101118W / W100682

For and on behalf of the Board of Directors of
M/S EMERALD LEISURES LIMITED

Shriniwas Shreeram Gadgil
Partner
Membership No. 120570
UDIN : 23120570BGUEGD5299
Place : Mumbai
Date : 30/05/2023



Nikhil Mehta
CEO & Director
(DIN 00252402)

Rajesh Loya
Co & Director
(DIN:00252470)

Vedashri Chaudhari
Company Secretary

Place : Mumbai
Date : 30/05/2023



EMERALD LEISURES LIMITED
(Formerly known as "Apte Amalgamations Limited")

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023
(All amounts are in Rs Lakhs unless otherwise stated)

(a) Equity Share Capital

| Particulars | Amount |
|-------------------------------|--------|
| Balance at April 01, 2021 | 250.31 |
| Shares issued during the year | - |
| Balance at March 31, 2022 | 250.31 |
| Shares issued during the year | - |
| Balance at March 31, 2023 | 250.31 |

(b) Other Equity

| Particulars | Reserves and Surplus | | | Items of other comprehensive income | Total |
|---|----------------------|----------------------------|---------------------|--|------------|
| | Retained Earnings | Capital Redemption Reserve | Revaluation Reserve | Re-measurements of the defined benefit | |
| Opening Balance as on April 01, 2021 | (10,039.32) | 64.27 | 2,852.25 | 9.59 | (7,113.21) |
| Fair value Gain on issue of Non-cumulative redeemable Preference Shares | 3,072.28 | - | - | - | 3,072.28 |
| Interest on Non-cumulative redeemable Preference Shares | (694.06) | - | - | - | (694.06) |
| Opening Balance as on April 01, 2021 - Restated | (7,661.10) | 64.27 | 2,852.25 | 9.59 | (4,734.98) |
| Profit/ (loss) for the year | (1,231.26) | - | - | - | (1,231.26) |
| Other comprehensive income/(loss) | - | - | - | 0.55 | 0.55 |
| Closing Balance as on March 31, 2022 | (8,892.35) | 64.27 | 2,852.25 | 10.15 | (5,965.69) |
| Profit/ (loss) for the year | (1,014.20) | - | - | - | (1,014.20) |
| Other comprehensive income/(loss) | - | - | - | 1.22 | 1.22 |
| Balance at the End of reporting period i.e. March 31, 2023 | (9,906.55) | 64.27 | 2,852.25 | 11.37 | (6,978.86) |

As per our report of even date attached
For P G BHAGWAT LLP
Chartered Accountants
FRN 101118W / W100662

Shrinivas Shreeram Gadgil
Partner
Membership No 120570
UDIN : 231205/0BGUEGD5299
Place : Mumbai
Date 30/05/2023



For and on behalf of the Board of Directors of
M/S EMERALD LEISURES LIMITED

Nikhil Mehta Raiesh Lova Vedashri Chaudhari
Co-Director Co-Director Company Secretary
(DIN 00252482) (DIN 00252470)

Place : Mumbai
Date : 30/05/2023



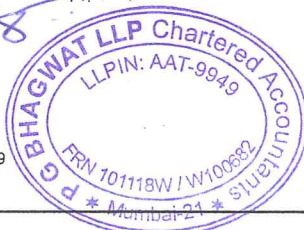
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| Particulars | For the Period ended 31 March, 2023 | | For the year ended 31 March, 2022 Restated | |
|---|--|----------|--|------------|
| | | | | |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | (996.99) | | (1,231.26) |
| Adjustments for: | | | | |
| Fair value gain on investment | (8.69) | | (11.82) | |
| Depreciation and amortisation | 309.35 | | 335.41 | |
| Finance costs - Loans | 892.91 | | 756.07 | |
| Finance costs - Unwinding of membership deposit | 103.66 | | 94.28 | |
| Finance costs - Unwinding of interest - pref. shares | 288.39 | | 262.18 | |
| Liabilities / provisions no longer required written back | (0.99) | | (0.92) | |
| Interest received | (1.93) | | (1.80) | |
| Balances w/off | 23.33 | 1,606.03 | 0.23 | 1,433.63 |
| Operating profit / (loss) before working capital changes | | 609.04 | | 202.38 |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Inventories | 3.40 | | 1.79 | |
| Trade receivables | (13.09) | | (4.55) | |
| Short-term loans and advances | (5.83) | | (2.79) | |
| Other non current assets | 25.84 | | (0.87) | |
| Other current assets | (29.51) | | (0.83) | |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | (15.45) | | 81.22 | |
| Other current liabilities | (899.24) | | (168.09) | |
| Other non- current liabilities | (41.08) | | (31.39) | |
| Provisions | 5.00 | (969.96) | (1.15) | (126.67) |
| | | (360.92) | | 75.71 |
| Cash flow from extraordinary items | | - | | - |
| Cash generated from operations | | (360.92) | | 75.71 |
| Net income tax (paid) / refunds | | - | | - |
| Net cash flow from / (used in) operating activities (A) | | (360.92) | | 75.71 |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets, including capital advances | | | | |
| Purchase of Fixed Assets | (12.81) | | (1.85) | |
| Investments in Bank Deposits | 1.93 | | 12.46 | |
| Investments in Corporate Bond Funds | 60.00 | | 61.56 | |
| Net cash flow from / (used in) investing activities (B) | | 49.12 | | 72.18 |
| C. Cash flow from financing activities | | | | |
| Proceeds from long-term borrowings | (420.37) | | 1.79 | |
| Proceeds from other short-term borrowings | 1,628.85 | | 617.84 | |
| Finance cost | (892.91) | | (756.07) | |
| Net cash flow from / (used in) financing activities (C) | | 315.58 | | (136.45) |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 3.78 | | 11.44 |
| Cash and cash equivalents at the beginning of the year | | 36.95 | | 25.51 |
| Cash and cash equivalents at the end of the year | | 40.73 | | 36.95 |

As per our report of even date attached
For P G BHAGWAT LLP
Chartered Accountants
FRN: 101118W / W100682

For and on behalf of the Board of Directors of
M/S EMERALD LEISURES LIMITED

Shrinivas Shreeram Gadgil
Partner
Membership No. 120570
UDIN : 23120570BGUEGD5299
Place : Mumbai
Date : 30/05/2023



Nikhil Mehta
CEO & Director
(DIN: 00252462)

Rajesh Loya
CFO & Director
(DIN: 00252470)



Vedashri Chaudhari
Company Secretary

Place : Mumbai
Date : 30/05/2023

EMERALD LEISURES LIMITED
(Formerly known as "Apte Amalgamations Limited")

Notes to the Financial Statements for the year ended 31st March, 2023

Note 1: SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND

The Company is a Public limited Company, domiciled in India and registered with the ROC - Mumbai (Maharashtra) vide Corporate Identification number (CIN) L74900MH1948PLC006791. Registered office of the Company is situated at Plot No. 366/15, Swastik Park, Near Mangal Anand Hospital, off E. Express Highway, Chembur, Mumbai-400071.

The Company is into the business of Club and Sports Complex having sports facilities and other Hospitality Service.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 30, 2023.

B. BASIS OF PREPARATION

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention, accrual and going concern basis of accounting

The financial statements have been prepared on accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for the following:

- 1) Certain financial assets and liabilities that are measured at fair value;
- 2) Net defined benefit liability - Measured at present value of defined benefit obligations less fair value of plan assets
- 3) Property, plant and equipment under revaluation model (note 2)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included
- Level 3 inputs are unobservable inputs for the asset or liability.

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(iv) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

C. SIGNIFICANT ACCOUNTING POLICIES

(i) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated over their estimated useful life.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, plant and equipment under revaluation model (note 2)

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

The Company has also determined that revaluation as at 31 March 2023 does not differ materially from fair valuation during FY 2014-15. Accordingly, the Company has not revalued the property at 31 March 2023 again.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is charged to the Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, as per the useful life prescribed in part "C" of Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

| Class of Assets | Estimated Useful life |
|-----------------------------|-----------------------|
| Freehold Land | Not applicable |
| Building - Corporate Office | 60 years |
| Hydraulic Pipeline | 15 years |
| Plant & Machinery | 5-15 years |
| Electric Installation | 10 years |
| Office Equipment | 2 years |
| Furniture and Fixtures | 8 years |
| Computers | 6 years |

The assets' estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Proportionate depreciation is charged for the addition and disposal of an item of property, plant and equipment made during the year.

(ii) Intangible Assets

Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use and are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over their estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(iii) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Initial Recognition and Measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent Measurement

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

1. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

2. Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest.

3. Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

De-Recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

b. Financial liabilities

Financial instruments with a contractual obligation to deliver cash or another financial assets is recognised as financial liability by the Company.

Initial Recognition and Measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value, through profit or loss directly attributable transaction costs.

Subsequent Measurement

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

De-Recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c. Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

(iv) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

(a) Current tax

Current tax expenses are accounted in the same period to which the revenue and expenses relate.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(b) Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(v) Inventories

Real estate stock-in-trade valued at cost of land including the accretion to its value on change in its character from 'capital assets' to 'trading assets' plus development expenses incurred to date, or net realizable value, whichever is lower.

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(vi) Cash and Cash Equivalents:

Cash and cash equivalents in the Balance Sheet and cash flow statement includes cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

(vii) Retirement and other employee benefits

a. Short-Term-Employment Benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Company has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

b. Post-Employment Benefits

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Defined Contribution Plans

Contributions to the provident fund and superannuation fund, which are defined contribution schemes, are recognised as an expense in the Profit and loss account in the period in which the contribution is due.

c. Long Term Employee Benefits

Long term employee benefits comprise of compensated absences and other employee incentives. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognised immediately in the Profit and loss account.

(viii) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and variable consideration on account of discounts and schemes offered by the Company as part of the contract.

Income From Operations

Rooms, Food and Beverage & Banquets

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Membership Fees

Membership fee income majorly consists of Club membership fees. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Refundable Membership Fees received are not credited to Profit and Loss but are recognised as financial liability and measured at amortised cost. The same are shown as Refundable Membership Deposits under Financial Liabilities in the Balance Sheet.

Sharing Fees

- Sharing Fees income consists of income received from gain sharing arrangements for Spa and Gym fees. Revenue is recognised at the transaction price that is allocated to the performance obligation.

Tower Rental & Maintenance

Rentals basically consist of rental revenue earned from letting of spaces for tele-communication towers at the property. These contracts for rentals are generally of long-term in nature. Revenue is recognised in the period in which services are being rendered.

Other Allied Services

In relation to laundry income, communication income and other allied services, the revenue has been recognised by reference to the time of service rendered.

(ix) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

(ix) Earnings Per Share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(x) Provisions and Contingencies

A Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in case of

- (a) present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- (b) present obligation arising from past events, when no reliable estimate is possible
- (c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

EMERALD LEISURES LIMITED
(Formerly known as "Apte Amalgamations Limited")

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note 2 - Property, Plant & Equipment and Depreciation

| Description of Assets | Freehold Land (1) | Building - Corporate Office | Hydraulic Pipeline | Plant & Machinery | Plant & Machinery (2) | Electric Installation | Office Equipment | Library Books | Furniture and Fixtures | Computers | Total |
|------------------------------|-------------------|-----------------------------|--------------------|-------------------|-----------------------|-----------------------|------------------|---------------|------------------------|-----------|-----------|
| I. Gross Block | | | | | | | | | | | |
| Balance as at April 1, 2022 | 2,855.26 | 4,773.56 | 144.54 | 857.14 | 104.04 | 454.05 | 4.27 | 0.18 | 1,339.06 | 38.14 | 10,570.26 |
| Additions | - | - | - | - | - | - | - | - | 10.46 | 2.35 | 12.81 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2023 | 2,855.26 | 4,773.56 | 144.54 | 857.14 | 104.04 | 454.05 | 4.27 | 0.18 | 1,349.53 | 40.50 | 10,583.07 |
| II. Accumulated depreciation | | | | | | | | | | | |
| Balance as at April 1, 2022 | - | 1,345.56 | 108.72 | 613.14 | 98.55 | 386.43 | 4.06 | 0.18 | 1,184.38 | 34.88 | 3,775.90 |
| Depreciation for the year | - | 174.98 | 6.73 | 45.56 | 1.86 | 18.64 | - | - | 58.31 | 3.27 | 309.35 |
| Eliminated on disposal | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2023 | - | 1,520.54 | 115.45 | 658.71 | 100.41 | 405.07 | 4.06 | 0.18 | 1,242.69 | 38.15 | 4,085.25 |
| Net block (I-II) | | | | | | | | | | | |
| Balance as at March 31, 2023 | 2,855.26 | 3,253.02 | 29.09 | 198.44 | 3.63 | 48.98 | 0.21 | - | 106.84 | 2.35 | 6,497.82 |
| Balance as at March 31, 2022 | 2,855.26 | 3,428.00 | 35.82 | 244.00 | 5.49 | 67.62 | 0.21 | - | 154.69 | 3.26 | 6,794.36 |

| Description of Assets | Freehold Land (1) | Building - Corporate Office | Hydraulic Pipeline | Plant & Machinery | Plant & Machinery (2) | Electric Installation | Office Equipment | Library Books | Furniture and Fixtures | Computers | Total |
|------------------------------|-------------------|-----------------------------|--------------------|-------------------|-----------------------|-----------------------|------------------|---------------|------------------------|-----------|-----------|
| I. Gross Block | | | | | | | | | | | |
| Balance as at April 1, 2021 | 2,855.26 | 4,773.56 | 144.54 | 857.14 | 104.04 | 454.05 | 4.27 | 0.18 | 1,339.06 | 36.30 | 10,568.41 |
| Additions | - | - | - | - | - | - | - | - | - | 1.85 | 1.85 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2022 | 2,855.26 | 4,773.56 | 144.54 | 857.14 | 104.04 | 454.05 | 4.27 | 0.18 | 1,339.06 | 38.14 | 10,570.26 |
| II. Accumulated depreciation | | | | | | | | | | | |
| Balance as at April 1, 2021 | - | 1,170.07 | 100.77 | 559.13 | 96.17 | 362.69 | 4.05 | 0.18 | 1,113.85 | 33.58 | 3,440.49 |
| Depreciation for the year | - | 175.49 | 7.95 | 54.02 | 2.38 | 23.74 | 0.01 | - | 70.52 | 1.30 | 335.41 |
| Eliminated on disposal | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2022 | - | 1,345.56 | 108.72 | 613.14 | 98.55 | 386.43 | 4.06 | 0.18 | 1,184.38 | 34.88 | 3,775.90 |
| Net block (I-II) | | | | | | | | | | | |
| Balance as at March 31, 2022 | 2,855.26 | 3,428.00 | 35.82 | 244.00 | 5.49 | 67.62 | 0.21 | - | 154.69 | 3.26 | 6,794.36 |
| Balance as at March 31, 2021 | 2,855.26 | 3,603.49 | 43.77 | 298.02 | 7.87 | 91.36 | 0.23 | - | 225.21 | 2.71 | 7,127.92 |

Notes:

- Freehold Land includes agricultural land at Sakhanwadi & Sports Complex Plot at Chembur
- Plant & Machinery having life of 5 years disclosed separately.
- All title deeds of immovable properties are held in the name of company.

EMERALD LEISURES LIMITED
(Formerly known as "Apte Amalgamations Limited")

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note 3.1- Non-Current Investments

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|-------------------------|-------------------------------------|-------------------------------------|
| Investment in Mutual Funds | | | |
| <u>Unquoted</u> | | | |
| <u>At Fair Value through Profit and Loss</u> | | | |
| 2,26,683.150 (Previous year-2,26,683.150) Units of Aditya Birla Sun life Corporate Bond Fund of Face Value of Rs 10/- each | 153.13 | 204.44 | 254.19 |
| | 153.13 | 204.44 | 254.19 |
| Investment in equity instruments | | | |
| <u>Unquoted</u> | | | |
| <u>At Fair Value through Profit and Loss</u> | | | |
| 1000 (Previous year-1000) shares of Rupee Co Op Bank Limited of the face value of Rs. 25/- each | 0.25 | 0.25 | 0.25 |
| Less: Provision for diminution in value of investments | 0.24 | 0.24 | 0.24 |
| | 0.01 | 0.01 | 0.01 |
| Total | 153.14 | 204.45 | 254.20 |
| Aggregate amount of unquoted investments | 153.38 | 204.69 | 254.44 |
| Aggregate amount of diminution in the value of investments | 0.24 | 0.24 | 0.24 |

EMERALD LEISURES LIMITED

(Formerly known as "Apte Amalgamations Limited")

Notes to the Financial Statements for the year ended 31st March, 2023

(All amounts are in Rs Lakhs unless otherwise stated)

Note 3.2 Other Financial Assets (Non-Current)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|---|-------------------------|-------------------------------------|-------------------------------------|
| <i>Financial assets at amortised cost</i> | | | |
| Bank balances with original maturity of more than 12 months * | 8.00 | 8.00 | 8.00 |
| Security Deposits | 21.24 | 21.24 | 20.84 |
| Other Deposits | 0.10 | 0.10 | 0.10 |
| Interest accrued on deposit | 1.53 | 1.57 | 1.77 |
| Total | 30.87 | 30.91 | 30.71 |

* Above Fixed Deposit includes Rs. 8 lakhs of Fixed Deposit with Sangli Urban Co-Operative Bank Ltd which is pledged against Bank Guarantee.

Note 4 Deferred tax assets

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|-----------------------------|-------------------------|-------------------------------------|-------------------------------------|
| Deferred tax assets (net) * | - | 17.21 | 17.21 |
| Total | - | 17.21 | 17.21 |

* Deferred tax written off as it is no longer recoverable.

Note - 5 Other non current assets

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--------------------------------------|-------------------------|-------------------------------------|-------------------------------------|
| Balances with government authorities | 43.84 | 69.64 | 68.97 |
| Total | 43.84 | 69.64 | 68.97 |

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note - 6 Inventories

(At lower of cost and net realisable value)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|---|----------------------|----------------------------------|----------------------------------|
| Stock-in-trade (acquired for trading) * | 37.54 | 37.54 | 37.54 |
| Food and Beverages | 6.34 | 6.09 | 5.73 |
| Operating Supplies | 26.85 | 30.50 | 32.64 |
| Total | 70.73 | 74.13 | 75.92 |

* Real estate stock-in-trade (Swastik Textiles Division) of Rs 3,754,229/- (as at 31st March, 2022, Rs 3,754,229/-) has been valued at cost of land including the accretion to its value on change of its character from 'capital assets' to 'trading assets' plus development expenses incurred. The plots and area of these real estate stocks in trade (land) is as under

| | |
|---|---|
| i) Plot No CTS 366, area 2372 Sq Meters (Mani garage) - Encroached | Both the above aggregate 12376 Sq Mtrs. |
| ii) Plot No CTS 366 / 6 area 10,004.1 Sq Meters - Encroached by slum & unauthorized occupants | |

Note- 7.1 Trade Receivables (Unsecured)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|----------------------|----------------------------------|----------------------------------|
| Trade receivables | 96.18 | 83.09 | 78.55 |
| Receivables from related parties | - | - | - |
| Of which | | | |
| - considered good | 96.18 | 83.09 | 78.55 |
| - considered doubtful | - | - | - |
| - which have significant increase in credit risk | - | - | - |
| - credit impaired | - | - | - |
| Impairment allowance | - | - | - |
| | 96.18 | 83.09 | 78.55 |

Trade receivables ageing schedule

As at 31 March 2023

| FY 22-23 Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|----------|------------------|-------------|-------------|-------------------|--------------|
| | Less than 6 Due | Not Due | 6 months -1 Year | 1-2 Years | 2-3 Years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 27.65 | - | 9.23 | 5.41 | 1.28 | 52.62 | 96.18 |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | 27.65 | - | 9.23 | 5.41 | 1.28 | 52.62 | 96.18 |

As at 31 March 2022

| FY 21-22 Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|----------|------------------|-------------|-------------|-------------------|--------------|
| | Less than 6 Due | Not Due | 6 months -1 Year | 1-2 Years | 2-3 Years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 22.04 | - | 1.42 | 3.03 | 6.63 | 49.97 | 83.09 |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | 22.04 | - | 1.42 | 3.03 | 6.63 | 49.97 | 83.09 |

Notes -

- (i) Trade receivable does not consist any amounts due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
(ii) The above balances are subject to confirmation and reconciliation and consequent adjustments, if any.

Note - 7.2 Cash and cash equivalents

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|----------------------|----------------------------------|----------------------------------|
| Cash on hand | 8.28 | 30.19 | 22.82 |
| Balances with banks - On current accounts | 32.45 | 6.76 | 2.68 |
| Total | 40.73 | 36.95 | 25.51 |

Note -7.3 Other Bank Balances

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|----------------------|----------------------------------|----------------------------------|
| Bank deposits with remaining maturity of less than 12 months | 20.00 | 20.00 | 30.66 |
| Total | 20.00 | 20.00 | 30.66 |

Note-7.4 Loans - Current

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|---|----------------------|----------------------------------|----------------------------------|
| Unsecured, considered good Loans and advances to employees | 3.35 | 1.82 | 2.51 |
| Total | 3.35 | 1.82 | 2.51 |

Note-7.5 Other current financial assets

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|---------------------------------------|----------------------|----------------------------------|----------------------------------|
| Financial assets at amortised cost | | | |
| Advance to suppliers | 8.89 | 4.60 | 1.11 |
| Considered good | - | - | - |
| Considered doubtful | - | - | - |
| Less: Provision for doubtful advances | - | - | - |
| Total | 8.89 | 4.60 | 1.11 |

Note-8 Current Tax Assets

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|-------------|----------------------|----------------------------------|----------------------------------|
| Advance Tax | 43.90 | 41.85 | 47.15 |
| Total | 43.90 | 41.85 | 47.15 |

Note-9 Other Current Assets

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--------------------------------------|----------------------|----------------------------------|----------------------------------|
| Prepaid expenses | 15.54 | 13.30 | 6.27 |
| Balances with government authorities | 3.49 | 1.59 | 2.72 |
| Total | 19.03 | 14.89 | 9.00 |

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note 10 - Equity Share Capital

| Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | | As at 01 April, 2021 | |
|--|----------------------|----------|----------------------|----------|----------------------|----------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| Authorised Equity Shares of Rs. 5/- each (LY Rs. 10/- each) | 16,000,000 | 800.00 | 16,000,000 | 800.00 | 8,000,000 | 800.00 |
| Redeemable Preference shares of Rs. 100/- each (LY Rs. 100/- each)* | 6,000,000 | 6,000.00 | 6,000,000 | 6,000.00 | 6,000,000 | 6,000.00 |
| | 22,000,000 | 6,800 | 22,000,000 | 6,800 | 14,000,000 | 6,800 |
| Issued, Subscribed and Fully Paid up Equity Shares of Rs. 5/- each (LY Rs. 10/- each) | 5,006,200 | 250.31 | 5,006,200 | 250.31 | 2,503,100 | 250.31 |

* Preference shares include 50,00,000 (Previous year : 50,00,000) Non Cumulative, Non Convertible, Non Participating, Redeemable Preference shares of face value of Rs. 100/- each. The preference shares carry 10% Dividend and are redeemable at par after 10 years from the date of issue.

There is no equity component of redeemable preference shares as on March 31, 2023. The entire amount is pertaining to liability component and the same is reflected in financial liabilities under long term borrowings. (note 12.1)

a) Terms/rights attached to equity shares

1) The company has only one class of Equity Shares having face value of Rs. 5/- Each shareholder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their individual shareholding in the paid up equity capital of the Company.

2) The shareholders of the company through a resolution passed in the meeting held on 23.04.2021 approved the subdivision of the equity share of the company from Face value of Rs. 10/- each into two equity shares of Face value of Rs. 5/- each. The record date of subdivision was 25.05.2021.

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

| Particulars | As at 31 March, 2023 | | As at 31 March, 2022 Restated | | As at 01 April, 2021 Restated | |
|---|----------------------|--------|----------------------------------|--------|----------------------------------|--------|
| | Number | Amount | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 5,006,200 | 250.31 | 2,503,100 | 250.31 | 2,503,100 | 250.31 |
| Shares issued / subscribed during the year | - | - | - | - | - | - |
| Shares outstanding at the end of the year | 5,006,200 | 250.31 | 5,006,200 | 250.31 | 2,503,100 | 250.31 |

c) Details of shareholders holding more than 5% shares in the Company:

| Particulars | As at 31 March, 2023 | | As at 31 March, 2022 Restated | | As at 01 April, 2021 Restated | |
|--|----------------------|--------------------|----------------------------------|--------------------|----------------------------------|--------------------|
| | No. of Shares | % of share holding | No. of Shares | % of share holding | No. of Shares | % of share holding |
| Equity shares of Rs. 5/- (LY Rs. 10/-) each fully paid up held by - | | | | | | |
| Jaydeep Vinod Mehta | 864,450 | 8.63% | 864,450 | 8.63% | 432,225 | 17.27% |
| Nikhil Vinod Mehta | 864,440 | 8.63% | 864,440 | 8.63% | 432,220 | 17.27% |
| Jashwant Bhaichand Mehta | 864,440 | 8.63% | 864,440 | 8.63% | 432,220 | 17.27% |
| Chetan Jashwant Mehta | 864,440 | 8.63% | 864,440 | 8.63% | 432,220 | 17.27% |
| AYAY Commodity Services Pvt. Ltd. | 460,230 | 4.60% | 460,230 | 4.60% | 230,115 | 9.19% |
| Total | 3,918,000 | 39.13% | 3,918,000 | 39.13% | 1,959,000 | 78.26% |

d) Details of shares held by promoters:

| Promoter Name | No. of shares at the beginning of the year | No. of shares at the end of the year | % of Total Shares | % of change during the year |
|--------------------------|--|--------------------------------------|-------------------|-----------------------------|
| Jaydeep Vinod Mehta | 864,450 | 864,450 | 17.27% | - |
| Nikhil Vinod Mehta | 864,440 | 864,440 | 17.27% | - |
| Jashwant Bhaichand Mehta | 864,440 | 864,440 | 17.27% | - |
| Chetan Jashwant Mehta | 864,440 | 864,440 | 17.27% | - |

e) The aggregate number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash on the last five years immediately preceding the balance sheet date is NIL.

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note 11 - Other Equity

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|----------------------|-------------------------------|-------------------------------|
| (a) Capital redemption reserve | | | |
| Opening balance | 64.27 | 64.27 | 64.27 |
| Add: Additions during the year | - | - | - |
| Less: Utilised during the year | - | - | - |
| Closing balance | 64.27 | 64.27 | 64.27 |
| (b) Revaluation Reserve - Land | | | |
| Opening balance | 2,852.25 | 2,852.25 | 2,852.25 |
| Add: Additions during the year | - | - | - |
| Less: Utilised during the year | - | - | - |
| Closing balance | 2,852.25 | 2,852.25 | 2,852.25 |
| (c) Surplus / (Deficit) in Statement of Profit and Loss | | | |
| Opening balance | (8,892.35) | (7,661.10) | (10,039.32) |
| Fairvalue Gain on issue of Non-cumulative redeemable Preference Shares | - | - | 3,072.28 |
| Interest on Non-cumulative redeemable Preference Shares | - | - | (694.06) |
| Add: Profit / (Loss) for the year | (1,014.20) | (1,231.26) | - |
| Closing balance | (9,906.55) | (8,892.35) | (7,661.10) |
| (d) Other comprehensive income | | | |
| Opening balance | 10.15 | 9.59 | 1.76 |
| Add: Movement during year | 1.22 | 0.55 | 7.84 |
| Closing balance | 11.37 | 10.15 | 9.59 |
| Total | (6,978.67) | (5,965.69) | (4,734.98) |

a) Capital Redemption Reserve: Capital Redemption Reserve was created on redemption of Preference shares in earlier years / As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

b) Revaluation Reserve: The revaluation reserve is credited on account of revaluation of freehold land. It is not available for distribution as dividend.

c) Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend.

d) Other Comprehensive Income: This represents the cumulative gains and losses arising on remeasurement of defined benefits obligation.

The above reserves will be utilised in accordance with the provision of the Companies Act, 2013.

Note 12.1 Non-Current Borrowings

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|---|----------------------|-------------------------------|-------------------------------|
| <u>Unsecured</u> | | | |
| Redeemable Preference Shares (Refer Note (i) Below) | 3,172.34 | 2,883.95 | 2,621.77 |
| <u>Secured</u> | | | |
| Term loan from Bank (Refer Note (ii) Below) | 1,855.33 | 2,275.70 | 2,273.91 |
| Total | 5,027.68 | 5,159.65 | 4,895.68 |

Note:

(i) Terms of the Preference Shares are as follows

Preference shares include 50,00,000 (Previous year: 50,00,000) Non-Cumulative, Non-Convertible, Non-Participating, Redeemable Preference shares of face value of Rs. 100/- each. The preference shares carry 10% Dividend and are redeemable at par after 10 years from the date of issue.

(ii) Term Loans:

a) Term Loan includes loan from an NBFC amounting to Rs. 23,05,44,029/- (Previous year: 27,16,74,789/-) carrying floating interest rate linked to the NBFC's internal reference rate. Total amount outstanding as on 31.03.2023 is Rs. 23,05,44,029/- out of which Rs. 4,44,53,849/- has been shown under Other Current Financial Liabilities as current maturity of long term loan. The first loan is repayable in 8 years in equal monthly installments starting from 16th August, 2018 while the second loan is repayable 4 years, first 12 months is moratorium and then in equal monthly installments starting from 05th October, 2021.

b) During the year, Company received term loan under ECGS Rs. 4,35,52,000/- which is included in above term loan. The loan is repayable in 6 years, first 24 months is moratorium and then in equal monthly installments starting from 15th September, 2023.

The loan is secured as follows

1) Primary Security: Hypothecation on all present & future current assets of the company.

2) Collateral Security:

(i) Residential Property at Dadar East Mumbai

(ii) Land & Building located at Chembur Mumbai

(iii) Commercial Property located at Fort Mumbai

3) There has been no continuing default as on the balance sheet date in repayment of any of the above loans and interest thereon.

4) The company has used the borrowings from bank for the purpose for which it was taken as at the balance sheet date.

Note 12.2 Other financial liabilities (Non Current)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--------------------------------|----------------------|-------------------------------|-------------------------------|
| Refundable Membership Deposits | 723.52 | 660.94 | 598.05 |
| Total | 723.52 | 660.94 | 598.05 |

Note 13 Provisions (Long term)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|----------------------|-------------------------------|-------------------------------|
| <u>Provision for Employee Benefits</u> | | | |
| Gratuity | 12.41 | 10.56 | 10.94 |
| Leave encashment | 4.27 | 2.89 | 3.07 |
| Total | 16.68 | 13.45 | 14.01 |

Note 14.1 Borrowings (Current)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|---|----------------------|----------------------------------|----------------------------------|
| Loans repayable on demand (Unsecured)* | | | |
| From related parties | 4,000.90 | 2,620.75 | 2,189.50 |
| From others | 1,969.14 | 1,703.61 | 1,561.00 |
| Current Maturities of Long Term Loan | 444.54 | 461.36 | 417.39 |
| Total | 6,414.58 | 4,785.72 | 4,167.89 |

* Above loans carry interest rate ranging from 8% to 12%.

Note - 14.2 Trade Payables

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|----------------------|----------------------------------|----------------------------------|
| Creditors for Expenses | | | |
| - Total outstanding dues of micro enterprises and small enterprises (refer note 26) | - | - | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 151.93 | 167.39 | 86.17 |
| Total | 151.93 | 167.39 | 86.17 |

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.
(ii) The above balances are subject to confirmation and reconciliation and consequent adjustments, if any

**Trade payables ageing schedule
As at 31 March 2023**

| Particulars | 31st March 2023 | | | | | Total |
|----------------------------|------------------|----------|--------------|---------------|-------------------|----------------|
| | Less than 1 year | | 1-2 Years | 2-3 Years | More than 3 years | |
| | Due | Not Due | | | | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Other | 107,386 | - | 1,851 | 28,182 | 14,515 | 151,934 |
| (iii) Disputed Dues – MSME | - | - | - | - | - | - |
| (iv) Disputed Dues – Other | - | - | - | - | - | - |
| (v) Unbilled Dues | - | - | - | - | - | - |
| Total | 107,386 | - | 1,851 | 28,182 | 14,515 | 151,934 |

As at 31 March 2022

| Particulars | 31st March 2022 | | | | | Total |
|----------------------------|------------------|----------|--------------|--------------|-------------------|----------------|
| | Less than 1 year | | 1-2 Years | 2-3 Years | More than 3 years | |
| | Due | Not Due | | | | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Other | 78,722 | - | 1,974 | 1,071 | 20,043 | 101,809 |
| (iii) Disputed Dues – MSME | - | - | - | - | - | - |
| (iv) Disputed Dues – Other | - | - | - | - | - | - |
| (v) Unbilled Dues | - | - | - | - | - | - |
| Total | 78,722 | - | 1,974 | 1,071 | 20,043 | 101,809 |

* The above ageing is subject to reconciliation.

Note 14.3 Other Current Financial Liabilities

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|----------------------|----------------------------------|----------------------------------|
| Financial liabilities at amortised cost | | | |
| Interest accrued and due on borrowings | 342.54 | 1,237.21 | 1,350.91 |
| Total | 342.54 | 1,237.21 | 1,350.91 |

Note 15- Other current liabilities

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|----------------------|----------------------------------|----------------------------------|
| Creditors for capital expenditure | 53.99 | 55.55 | 51.88 |
| Advance received from customers | 38.11 | 33.62 | 35.29 |
| Refundable Membership Income received in advance | 364.33 | 430.49 | 503.53 |
| Non-Refundable Membership fees received in advance | 275.37 | 255.31 | 256.82 |
| Deferred Revenue (Non- refundable memberships) | 748.84 | 233.41 | 240.23 |
| Statutory dues payable | 76.47 | 53.77 | 30.82 |
| Other current liabilities | 17.52 | 18.04 | 16.93 |
| Total | 1,074.63 | 1,080.18 | 1,135.49 |

Note 16 Provisions (Short term)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 Restated | As at 01 April, 2021 Restated |
|--|----------------------|----------------------------------|----------------------------------|
| Provision for Employee Benefits | | | |
| Gratuity | 2.06 | 2.51 | 3.61 |
| Leave Encashment | 3.21 | 2.22 | 2.27 |
| Total | 5.28 | 4.73 | 5.88 |

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note- 17 Revenue from operations

| Particulars | For the Period ended 31 March, 2023 | For the year ended 31 March, 2022 Restated |
|--------------------------------|--|--|
| Room income | 502.07 | 229.18 |
| Banquets and Restaurant income | 633.06 | 388.75 |
| Membership Sales & AMC Income | 224.27 | 197.44 |
| Guest Fees & Other Club Income | 33.92 | 8.14 |
| Other operating income | 82.06 | 33.49 |
| Total | 1,475.37 | 857.00 |

Note- 18 Other Income

| Particulars | For the Period ended 31 March, 2023 | For the year ended 31 March, 2022 Restated |
|---|--|--|
| <i>Interest Income</i> | | |
| - on bank deposits | 1.93 | 1.80 |
| - on other deposits | - | 0.57 |
| - on income tax refunds | 0.58 | - |
| Net gain arising on financial assets designated as at FVTPL | 9.71 | 11.82 |
| Miscellaneous income | 0.99 | 0.92 |
| Total | 13.21 | 15.10 |

Note- 19 Cost of Material Consumed

| Particulars | For the Period ended 31 March, 2023 | For the year ended 31 March, 2022 Restated |
|---|--|--|
| <i>Purchase of stock-in trade (Consumption)</i> | | |
| Laundry expenses | 12.24 | 8.43 |
| Liquor expenses | 13.19 | 12.42 |
| Other operating supplies | 219.97 | 140.57 |
| Stock loss / damage | 2.46 | 0.14 |
| Total | 247.86 | 161.56 |

Note- 20 Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | For the Period ended 31 March, 2023 | For the year ended 31 March, 2022 Restated |
|--|--|--|
| <u>Inventories at the end of the year:</u> | | |
| Stock-in-trade -Material for consumption | 33.19 | 36.58 |
| Stock-in-trade -Land | 37.54 | 37.54 |
| | 70.73 | 74.13 |
| <u>Inventories at the beginning of the year:</u> | | |
| Stock-in-trade -Material for consumption | 36.58 | 38.38 |
| Stock-in-trade -Land | 37.54 | 37.54 |
| | 74.13 | 75.92 |
| Net (increase) / decrease | 3.40 | 1.79 |

Note- 21 Employee benefits expense

| Particulars | For the Period ended 31 March, 2023 | For the year ended 31 March, 2022 Restated |
|--|--|--|
| Salaries and wages | 159.18 | 140.11 |
| Contributions to provident and other funds | 2.57 | 2.96 |
| Gratuity to staff/workers | 4.33 | 3.95 |
| Leave Encashment | 3.20 | 1.69 |
| Staff welfare expenses | 4.98 | 3.19 |
| Total | 174.26 | 151.90 |

Note- 22 Finance costs

| Particulars | For the Period ended 31 March, 2023 | For the year ended 31 March, 2022 Restated |
|--|--|--|
| <u>Interest expense on borrowings</u> | | |
| Secured Loans | 305.34 | 308.26 |
| Unsecured Loans | 587.56 | 447.82 |
| <u>Other interest costs</u> | | |
| Unwinding of interest on Non-cumulative redeemable Preference Shares | 288.39 | 262.18 |
| Unwinding of interest on membership deposits | 103.66 | 94.28 |
| Total | 1,284.96 | 1,112.53 |

Note- 23 Other expenses

| Particulars | For the Period ended 31 March, 2023 | For the year ended 31 March, 2022 Restated |
|--|--|--|
| <u>Operating expenses</u> | | |
| Banquet Expenses | 22.20 | 14.26 |
| Repairs to Buildings | 0.52 | 0.50 |
| Repairs to Machinery | 10.76 | 7.15 |
| Repairs to Others | 6.00 | 9.19 |
| Fuel, Power and Light | 151.69 | 94.56 |
| Commission, Brokerages & Sharings | 58.88 | 27.41 |
| <u>General expenses</u> | | |
| Licence Fees | 10.30 | 8.21 |
| Rates & taxes | 49.72 | 48.28 |
| Insurance | 5.52 | 6.55 |
| Advertising and Publicity | 0.60 | 0.50 |
| Printing and Stationery | 0.03 | 0.14 |
| Telephone & Postage | 2.39 | 2.72 |
| Legal & Professional charges | 5.37 | 18.19 |
| Payment to Auditors (Refer note below) | 2.50 | 3.00 |
| Bank Charges | 10.74 | 8.95 |
| Duties & taxes | 27.79 | 14.39 |
| Outsourced Support Services | 51.08 | 30.59 |
| Directors' fees | 0.13 | 0.13 |
| Travelling and Conveyance | 2.06 | 1.61 |
| Security Expenses | 7.90 | 11.52 |
| Loss on Sale of Asset | 1.03 | 0.26 |
| Sundry balances written off | 23.33 | 0.23 |
| Software charges | 4.63 | 7.84 |
| Miscellaneous Expenses | 13.66 | 24.87 |
| Prior Period Expense | 0.33 | 0.90 |
| Total | 469.15 | 341.96 |

Notes :

1. Payment to Auditors

| Particulars | For the Period ended 31 March, 2023 | For the year ended 31 March, 2022 Restated |
|---------------------|--|--|
| Statutory Audit | 2.00 | 2.00 |
| Tax Audit | 0.50 | 0.50 |
| VAT & Other Matters | - | 0.50 |
| Total | 2.50 | 3.00 |

EMERALD LEISURES LIMITED
(Formerly known as "Apte Amalgamations Limited")

Notes to the Financial Statements for the year ended 31st March, 2023

Note - 24 Income Tax

| Particulars | | As at 31st March, 2023 (Rs.) | As at 31st March, 2022 (Rs.) |
|-------------|--|------------------------------------|------------------------------------|
| (a) | Income Tax recognised in profit or loss | | |
| | Current Tax: | | |
| | In respect of current year | - | - |
| | In respect of prior years | - | - |
| | Deferred tax: | | |
| | In respect of current year | 17.21 | - |
| | In respect of prior years | - | - |
| | Total income tax expense recognised in the current year relating to continuing operations | 17.21 | - |
| (b) | Income tax recognised in other Comprehensive income | | |
| | Deferred tax: | | |
| | Remeasurements gains and losses on post employment benefits | - | - |
| | Income tax expense reported in the statement of other comprehensive income | - | - |

(c) Deferred tax

| Deferred tax relates to the following: Deferred tax asset / (liability) | Balance sheet As at 31st March, 2023 (Rs.) | Balance sheet As at 31st March, 2022 (Rs.) |
|--|---|---|
| Deferred tax asset | | |
| Property, plant & equipment and intangible assets | - | 17.21 |
| Provision for doubtful debts and advances | - | - |
| Gratuity | - | - |
| Leave encashment | - | - |
| Total | - | 17.21 |
| Deferred tax liability | | |
| Property, plant & equipment and intangible assets | - | - |
| Total | - | - |
| Net deferred tax asset / (liability) | - | 17.21 |
| Deferred tax expense/(income) | | |
| - Recognised in the statement of profit and loss | 17.21 | - |
| - Recognised in the statement of other comprehensive income | - | - |
| - Recognised in opening reserve under statement of changes in equity | - | - |

EMERALD LEISURES LIMITED
(Formerly known as "Apte Amalgamations Limited")

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note - 25 Contingent Liabilities and Commitments (to the extent not provided for)

A. Contingent Liabilities:

| | As at 31st March, 2023 (Rs.) | As at 31st March, 2022 (Rs.) |
|------------------------|------------------------------------|------------------------------------|
| Contingent liabilities | - | - |

B. Commitments:

| | As at 31st March, 2023 (Rs.) | As at 31st March, 2022 (Rs.) |
|--|------------------------------------|------------------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |

Note - 26 Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act)

This information has been determined to the extent such parties have been identified on the basis of information available with the company

| Particulars | As at 31st March, 2023 (Rs.) | As at 31st March, 2022 (Rs.) |
|---|------------------------------------|------------------------------------|
| Principal amount remaining unpaid to any supplier as at the end of the year | - | - |
| Amount of Interest due remaining unpaid to any supplier as the end of the year | - | - |
| Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year. | - | - |
| Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid). | - | - |
| Amount of interest accrued and remaining unpaid at the end of year. | - | - |
| Amount of further interest remaining due and payable even in the succeeding year. | - | - |

This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. There are overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year, amount is outstanding because of pending reconciliation of ledgers due to rate overcharged in bills and hence no interest has been paid or payable.

Note - 27 Earnings per share

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Reconciliation of basic and diluted shares used in computing earnings per share | | |
| Weighted average number of basic equity shares | 50.06 | 50.06 |
| Weighted average number of diluted equity shares | 50.06 | 50.06 |
| Computation of basic and diluted earnings per share | | |
| Net profit after tax attributable to equity shareholders | (1,014.20) | (1,231.26) |
| Basic earnings per equity share of INR 10 each | (20.26) | (24.59) |
| Diluted earnings per equity share of INR 10 each | (20.26) | (24.59) |

EMERALD LEISURES LIMITED

(Formerly known as "Apte Amalgamations Limited")

Notes to the Financial Statements for the year ended 31st March, 2023

(All amounts are in Rs Lakhs unless otherwise stated)

Note - 28 Related party transactions

A. Related Parties (As identified by the Management In the Light of Requirements of Ind AS 24)

1. Key Management Personnel

- (a) Rajesh Loya
- (b) Jashwant Mehta
- (c) Nikhil Mehta
- (d) Jaydeep Mehta
- (e) Chetan Mehta

2. Other Related Parties

- (a) Dhvani Mercantile Private Limited
- (b) Juhu Resorts and Development Private Limited
- (c) Neptune Resorts & Developers Private Limited
- (d) Ahmednagar Finance Ltd.
- (e) Techno Equity Broking Private Limited
- (f) Techno Property Developers Private Limited
- (g) Juhu Tours & Travels Private Limited
- (h) Maneesh Taparia
- (i) Amit Vardhaman Shah
- (j) Techno Finvestrade (India) Private Limited
- (k) Techno Realtors Private Limited

B. Transactions with Related Parties:

Details of transactions with related parties during the year ended March 31, 2023

| Description | 2023 | | 2022 | |
|--|--------------------------|----------|--------------------------|----------|
| | Key managerial personnel | Others | Key managerial personnel | Others |
| Purchase of Services | | | | |
| - Juhu Resorts And Development Private Limited | - | 0.21 | - | - |
| Interest Expense | | | | |
| - Dhvani Mercantile Private Limited | - | 131.02 | - | 72.17 |
| - Techno Property Developers Private Limited | - | 9.82 | - | 28.38 |
| - Techno Realtors Private Limited | - | 19.52 | - | 42.24 |
| - Neptune Resorts And Development Pvt Ltd | - | - | - | 0.36 |
| - Juhu Resorts And Development Private Limited | - | 190.80 | - | 123.43 |
| - Jashwant Bhaichand Mehta | 27.33 | - | 1.00 | - |
| - Chetan Jashwant Mehta | 2.11 | - | - | - |
| Software AMC | | | | |
| - Techno Finvestrade (India) Private Limited | - | 3.43 | - | 6.90 |
| Reimbursement of expenses paid | | | | |
| - Juhu Resorts And Development Private Limited | - | 0.39 | - | 0.04 |
| - Chetan Jashwant Mehta | 0.21 | - | 3.06 | - |
| - Nikhil Mehta | 4.10 | - | 0.38 | - |
| Sitting fees to Independent Directors/Non-executive Directors | | | | |
| - Amit Vardhaman Shah | - | 0.05 | - | 0.05 |
| - Maneesh Taparia | - | 0.04 | - | 0.04 |
| - Gautam Shah | - | 0.04 | - | 0.04 |
| Annual Membership Fees (Income) | | | | |
| - Amit Vardhaman Shah | - | 0.14 | - | 0.14 |
| Loans / Inter Corporate Deposits received | | | | |
| - Dhvani Mercantile Private Limited | - | 1,989.15 | - | 2,926.75 |
| - Techno Property Developers Private Limited | - | 113.50 | - | 1,666.50 |
| - Techno Realtors Private Limited | - | 651.65 | - | 2,858.90 |
| - Juhu Resorts And Development Private Limited | - | 786.15 | - | - |

| | | | | |
|---|--------|----------|--------|----------|
| - Jashwant Bhaichand Mehta | 275.03 | - | 112.50 | - |
| - Chetan Jashwant Mehta | 25.00 | - | - | - |
| Repayment of Loans / Inter corporate deposits received | | | | |
| - Dhvani Mercantile Private Limited | - | 1,147.15 | - | 2,556.75 |
| - Techno Property Developers Private Limited | - | 393.50 | - | 1,839.25 |
| - Techno Realtors Private Limited | - | 919.65 | - | 2,715.90 |
| - Neptune Resorts And Development Pvt Ltd | - | - | - | 11.50 |
| - Jashwant Bhaichand Mehta | 0.03 | - | 10.00 | - |
| Outstanding Balances | | | | |
| Loans / Inter corporate deposits from related parties | | | | |
| - Dhvani Mercantile Private Limited | - | 1,553.00 | - | 711.00 |
| - Techno Property Developers Private Limited | - | - | - | 280.00 |
| - Techno Realtors Private Limited | - | 15.00 | - | 283.00 |
| - Juhu Resorts And Development Private Limited | - | 2,020.40 | - | 1,234.25 |
| - Neptune Resorts And Development Pvt Ltd | - | - | - | - |
| - Jashwant Bhaichand Mehta | 387.50 | - | 112.50 | - |
| - Chetan Jashwant Mehta | 25.00 | - | - | - |
| Interest payable on inter corporate deposits | | | | |
| - Dhvani Mercantile Private Limited | - | 117.92 | - | 342.03 |
| - Techno Property Developers Private Limited | - | 8.84 | - | 85.72 |
| - Techno Realtors Private Limited | - | 17.57 | - | 88.32 |
| - Neptune Resorts And Development Pvt Ltd | - | - | - | 131.91 |
| - Juhu Resorts And Development Private Limited | - | 171.72 | - | 588.33 |
| - Jashwant Bhaichand Mehta | 24.60 | - | 0.90 | - |
| - Chetan Jashwant Mehta | 1.90 | - | - | - |

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note - 29 Employee benefits

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund, superannuation fund, Employees State Insurance Corporation and other retirement benefits for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage / fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year :

| Description | 31-Mar-23 | 31-Mar-22 |
|--|-------------------|-------------------|
| Post-employment defined contribution plans | 257,156.00 | 296,157.00 |
| Total | 204,687.00 | 212,098.00 |

(ii) Defined Benefit Plan:

Gratuity is payable to all eligible employees of the Company on superannuation, death, permanent disablement and resignation in terms of provisions of the Payment of Gratuity Act, 1972, or as per the Company's scheme whichever is more beneficial.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method (PUC).

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

a) Amounts for the current period are as follows :

| | Gratuity | |
|--|------------------|------------------|
| | 31/03/2023 | 31/03/2022 |
| I Change in defined benefit obligation | | |
| Liability at the beginning of the year | 1,307,301 | 1,454,969 |
| Expenses recognised in profit and loss account | | |
| - Interest cost | 81,878 | 76,313 |
| - Current service cost | 351,172 | 318,476 |
| - Past service cost | - | - |
| Remeasurement (gains) / losses | | |
| Actuarial (gain) / loss arising from | | |
| i Change in demographic assumptions | - | - |
| ii Change in financial assumptions | (48,034) | (23,708) |
| iii Experience variance | (74,257) | (31,446) |
| Benefits paid | (170,474) | (487,303) |
| Disbursements from Plan Assets | - | - |
| Disbursements directly paid by the employer | - | - |
| Liability at the end of the year | 1,447,586 | 1,307,301 |
| II Fair value of plan assets | | |
| Fair value of plan assets at the beginning of the year | - | - |
| Expenses recognised in profit and loss Account | | |
| - Return on plan assets | - | - |
| Remeasurement gains / (losses) | | |
| - Actuarial gain / (loss) on plan assets | - | - |
| Contributions | - | - |
| Benefits paid | - | - |
| Less : Acquisition/Divesture | - | - |
| Fair value of plan assets at the end of the year | - | - |
| III Actual return on plan assets | | |
| Return on plan assets | - | - |
| Actuarial gain / (loss) on plan assets | - | - |
| Actual return on plan assets | - | - |
| IV Amount recognised in the balance sheet | | |
| Defined benefit obligation at the end of the year | 1,447,586 | 1,307,301 |
| Fair value of plan assets at the end of the year | - | - |
| (Surplus) / Deficit | 1,447,586 | 1,307,301 |
| Effect Of Asset Ceiling | - | - |
| Current portion of the above | 206,445 | 250,904 |
| Non Current portion of the above | 1,241,141 | 1,056,397 |

| | | | |
|------------|--|---|-----------------|
| V.a | Expenses recognised in the statement of profit and loss | | |
| | Net Interest Expense | 81,878 | 76,313 |
| | Current service cost | 351,172 | 318,476 |
| | Past service cost | | |
| | Expense recognised in statement of profit and loss | 433,050 | 394,789 |
| V.b | Included in other comprehensive income | | |
| | Return on plan assets excluding net interest | | |
| | Net actuarial (gain) / loss recognised | (122,291) | (55,154) |
| | Actuarial (gain) / loss recognised in OCI | (122,291) | (55,154) |
| VI | Actuarial Assumptions | | |
| | Discount Rate | 7.40% | 6.70% |
| | Rate of Return on Plan Assets | - | - |
| | Attrition rate: | | |
| | up to 30 years | | |
| | 31-40 years | 15.00% | 15.00% |
| | 41-50 years | 15.00% | 15.00% |
| | above 50 years | 15.00% | 15.00% |
| | Salary Escalation rate | 5.00% | 5.00% |
| | Mortality rate | Indian Assured lives Mortality (2012-14) Ultimate (IALM ult). | |
| VII | Weighted Average Duration of Defined Benefit Obligation | | |
| | Duration (Years) | 6.74 | 6.00 |

VIII A quantitative sensitivity analysis for significant assumption is shown as follows:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

a) Impact of change in discount rate when base assumption is decreased / increased by 100 basis point

| Discount rate | Present value of obligation | |
|---------------|-----------------------------|------------|
| | 31/03/2023 | 31/03/2022 |
| 6.40% | 15.171 | 13.738 |
| 8.40% | 13.837 | 12.468 |

b) Impact of change in salary increase rate when base assumption is decreased / increased by 100 basis point

| Salary increment rate | Present value of obligation | |
|-----------------------|-----------------------------|------------|
| | 31/03/2023 | 31/03/2022 |
| 4.00% | 13.950 | 12.567 |
| 6.00% | 15.038 | 13.618 |

c) Impact of change in withdrawal rate when base assumption is decreased / increased by 100 basis point

| Withdrawal rate | Present value of obligation | |
|-----------------|-----------------------------|------------|
| | 31/03/2023 | 31/03/2022 |
| 14.00% | 14.399 | 13.030 |
| 16.00% | 14.547 | 13.112 |

IX Risk Exposure And Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

Liability Risks

a) Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c) Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note - 30 Fair value of financial assets and liabilities

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial

| Description | Carrying value | | Fair value | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 | 31st March 2023 | 31st March 2022 |
| A. Financial asset | | | | |
| i. Measured at amortised cost | | | | |
| Security deposits | 21.24 | 21.24 | 21.24 | 21.24 |
| Trade receivables * | 56.18 | 43.05 | 48.18 | 43.09 |
| Cash and cash equivalent * | 61.73 | 56.56 | 60.73 | 56.95 |
| Investment in Deposit * | - | - | - | - |
| ii. Measured at fair value through profit and loss | | | | |
| Non-current investments | | | | |
| - Unquoted | | | | |
| Equity instruments | 0.01 | 0.01 | 0.01 | 0.01 |
| Current investments | | | | |
| Mutual Funds | 153.13 | 204.44 | 153.13 | 204.44 |
| B. Financial liability | | | | |
| i. Measured at amortised cost | | | | |
| Borrowings | 6,414.58 | 4,785.72 | 6,414.58 | 4,785.72 |
| Trade payables * | 151.93 | 187.39 | 151.93 | 187.39 |
| Other financial liabilities | 1,066.06 | 1,899.15 | 1,066.06 | 1,899.15 |

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuations, including independent price validation for certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

* The company has not disclosed the fair values of trade payables, trade receivables and cash and cash equivalents because their carrying amounts are reasonable approximation of fair value.

† Fair value of security deposit (non-current) is estimated using a discounted cashflow model. The valuation requires management to make certain assumptions about interest rates, maturity period, credit risk, forecasted cash flows etc.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's assets and liabilities grouped into Level 1 to Level 3 as described in significant accounting policies - Note 2. Further, table describes the valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2023:

| Description | Fair value measurement using | | | Valuation technique used | Inputs used |
|---|------------------------------|---------|---------|--------------------------|--|
| | Level 1 | Level 2 | Level 3 | | |
| a) Financial assets measured at fair value | | | | | |
| Non-current investments - Equity instruments | - | - | 0.01 | Discounted cash flows | Forecast cash flows, discount rate, maturity date etc. |
| Non-current investments - Mutual Funds | 153.13 | - | - | Discounted cash flows | Forecast cash flows, discount rate, maturity date etc. |

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2022:

| Description | Fair value measurement using | | | Valuation technique used | Inputs used |
|---|------------------------------|---------|---------|--------------------------|--|
| | Level 1 | Level 2 | Level 3 | | |
| a) Financial assets measured at fair value | | | | | |
| Non-current investments - Equity instruments | - | - | 0.01 | Discounted cash flows | Forecast cash flows, discount rate, maturity date etc. |
| Non-current investments - Mutual Funds | 204.44 | - | - | Discounted cash flows | Forecast cash flows, discount rate, maturity date etc. |

During the year ended 31 March 2023 & 31 March 2022, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement. Fair value of trade receivables, cash and cash equivalents and trade payables approximates their carrying value. Accordingly, fair value hierarchy disclosures are not applicable.

Note - 31 Financial Risk Management

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support company's operations. Company's principal financial assets include trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations. In order to minimise any adverse effects on financial performance of the company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial instruments.

| Risk | Exposure arising from | Measurement | Management |
|----------------|---|------------------------------------|--|
| Credit | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost | Ageing analysis, credit assessment | Assessment of customer credit worthiness at inception and through the credit period. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities. |

The company's risk management is carried out by management, under policies approved by the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The board provides written principal overall risk management, as well as policies covering specific areas, such as credit risk and investment of excess liquidity.

(A) Credit risk

Credit risk in case of the company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group.

Note - 32 Capital Management

The company's objectives when managing capital are to

- (i) Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet).

Notes to the Financial Statements for the year ended 31st March, 2023
(All amounts are in Rs Lakhs unless otherwise stated)

Note - 33 Segment reporting

The company is engaged in the business of club and sports complex having sports facilities and other hospitality service and operates in the single geographical location. Accordingly, there is no reportable business or geographical segment and the financial statement are reflective of the information required by the IND AS - 108, "Operating Segment".

Note - 34 Ratio Analysis

| Sr. No | Ratio | Numerator | Denominator | Numerator | Denominator | 31 March 2023 | Numerator | Denominator | 31 March 2022 | Variation | Explanation for more than 25% variation |
|--------|----------------------------------|---|--|-----------|-------------|---------------|-----------|-------------|---------------|-----------|---|
| 1 | Current ratio | Current assets | Current liabilities | 302.81 | 7,988.96 | 0.04 | 277.33 | 7,275.24 | 0.04 | -0.57% | Not applicable |
| 2 | Debt-equity ratio | Debt | Net worth | 11,442.25 | -6,728.35 | -1.70 | 9,945.37 | -5,715.38 | -1.74 | -2.27% | Not applicable |
| 3 | Debt service coverage ratio | Profit before exceptional items, tax and finance cost | Interest & Lease Payments + Principal Repayments | 184.31 | 11,442.25 | 0.02 | -213.01 | 9,945.37 | -0.02 | -175.21% | Improved ratio is on account of increase revenue which in turn has converted the losses before interest payments of last year to profits this year. |
| 4 | Return on equity ratio | Profit after tax | Average Shareholder's equity | 1,214.70 | 12,440.15 | 8.15% | -1,231.26 | -10,200.05 | 12.07% | -32.48% | Improved ratio is on account of decrease in losses. |
| 5 | Inventory turnover ratio | Sales | Average Inventory | 1,475.37 | 72.43 | 20.37 | 857.00 | 75.02 | 11.42 | 78.32% | Improved ratio is on account of increase in revenue from operations during the year. |
| 6 | Trade receivables turnover ratio | Sales (billed to customer) | Average Accounts Receivable | 1,475.37 | 89.64 | 16.46 | 857.00 | 80.82 | 10.60 | 55.22% | Improved ratio is on account of increase in revenue from operations during the year. |
| 7 | Trade payables turnover ratio | Cost of goods sold | Average Trade Payables | 244.47 | 159.66 | 1.53 | 159.77 | 126.78 | 1.26 | 21.50% | Not applicable |
| 8 | Net capital turnover ratio | Sales | Average Working capital | 1,475.37 | -7,342.03 | -0.20 | 857.00 | -6,736.92 | -0.13 | 57.97% | Improved ratio is on account of higher revenue from operations as compared to increase in average working capital employed. |
| 9 | Net profit ratio | Profit After Tax | Sales | -998.99 | 1,475.37 | -67.58% | -1,231.26 | 857.00 | -143.67% | -52.96% | Improved ratio is on account of increase in revenue from operations during the year. |
| 10 | Return on capital employed | Earning Before Interest & Tax | Capital Employed | 287.97 | -6,728.35 | -4.28% | -118.72 | -5,715.38 | 2.08% | -306.04% | Improved ratio is on account of increase revenue which in turn has converted the losses before interest payments of last year to profits this year. |
| 11 | Return on investment | Income from investments | Investment | 9.71 | 135.13 | 6.94% | 11.82 | 204.44 | 5.78% | 9.72% | Not applicable |
| | Fixed Deposits | | | 1.50 | 20.00 | 9.87% | 1.80 | 29.00 | 9.00% | 7.52% | Not applicable |

Note 35 - Non-Cumulative Redeemable Preference Shares

The Company had issued non-cumulative redeemable preference shares amounting to Rs. 4000.00 Lakhs and Rs. 1000 Lakhs during the financial year 2017-18 and 2019-20 respectively. The Company did not account for the fair value gain on initial recognition and unwinding of interest cost associated with the issuance of these non-cumulative redeemable preference shares. During the current financial year, the Company has restated the opening numbers as at April 01, 2021 and has appropriately accounted the fair value gain on initial recognition and unwinding of interest cost on these redeemable preference shares amounting to Rs. 3072.26 lakhs and Rs. 634.06 lakhs respectively. Further, the Company during the year has also restated the results for the year ended March 31, 2022 along with Quarter ended March 31, 2022 and December 31, 2022 on account of recognition of proportionate unwinding of interest cost related to these redeemable preference shares of Rs. 262.18 lakhs, Rs. 65.54 lakhs and Rs. 72.10 lakhs respectively.

Note 36 - Going Concern Assumption

Due to historical financial performance of the Company, the management performed detailed going concern assessment and also assessed whether there is any requirement for impairment of non-financial assets of the Company as on March 31, 2023 as per Ind AS 36 - Impairment of Assets. For this purpose, the management obtained fair valuation report of the business for the purpose of computation of recoverable value of Cash Generating Unit (CGU) as per the requirement of Ind AS 36. Since the recoverable value of CGU is higher than the carrying cost, the management believes that there is no requirement for impairment of non-current financial assets. Further based on the evaluation of external and internal information available with the Company, future business projections prepared, no instances of default in paying current liabilities (including repayment of borrowings from banks and interest thereon), continued financial support from the promoters till March 31, 2023 along with the letter of support received from the promoters as on March 31, 2023, the management believes that the company will be able to meet its liabilities existing at the date of balance sheet (i.e. March 31, 2023) as and when they fall due within a period of one year from the balance sheet date and no material uncertainty exists about the entity's ability to continue as a going concern. Therefore considering aforementioned factors, the management believes that there is no requirement for impairment of non-financial assets as on March 31, 2023 and therefore no material adjustment is required to the financial statements for the year ended March 31, 2023.

Note - 37 Other Notes

i. Details of Benami Property

The Company does not own any benami property neither any proceedings are initiated or pending against the Company under the Prohibition of Benami Property Transactions Act, 1988.

ii. Borrowings secured against current assets

The Company does not have any fund based borrowings from banks or financial institutions on the basis of security of current assets.

iii. Willful Defaulter

The Company has not been declared as willful defaulter by any bank or financial institution or other lender.

iv. Relationship with Struck off Companies

As per the information available with the Company, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

v. Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party).

vi. Details of Crypto-Currency or Virtual Currency

The Company has not traded or invested in Crypto-Currency or Virtual Currency during the financial year.

vii. Registration of charges or satisfaction with Registrar of Companies

There is no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

Note - 38

The figures for the previous year have been reclassified to correspond with current year's classification disclosure.

The financial statements of Emerald Leisures Limited were approved by the Board of Directors and authorised for issue on May 30, 2023.

As per our report of even date attached

For P G BHAGWAT LLP

Chartered Accountants

Shrinivas Shreeram Gadgil

Partner

Membership No. 120570

UDIN: 73120570BAGUEGD5299

Place: Mumbai

Date: 30/05/2023

For and on behalf of the Board of Directors of

EMERALD LEISURES LIMITED

Nikhil Mehta

CEO & Director

(DIN:00252482)

Place: Mumbai

Date: 30/05/2023

Rajesh Loya

Chief Director

(DIN:00252470)

Vedashri Chaudhari

Company Secretary



Independent Auditors' Review Report
on the unaudited quarterly financial results of Emerald Leisures Limited Pursuant to the
Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,
2015

To
The Board of Directors of
Emerald Leisures Limited
Plot No. 366/15, Swastik Park,
Near Mangal Anand Hospital,
Off Eastern Express Highway,
Chembur, Mumbai – 400 071

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Emerald Leisures Limited (“ELL” or “the Company”) for quarter ended December 31, 2023 (“the Statement”) being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Company’s Management and approved by the Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Emphasis of Matter

5. We wish to draw your attention to Note 4 to the unaudited financial results regarding impairment assessment of non-current financial assets performed by the Company. Based on the assessment performed, the management believes that there is no requirement for impairment of non-current financial assets as on December 31, 2023, and therefore no material adjustment is required to the financial results for the quarter ended December 31, 2023. Our opinion is not modified in respect of this matter.

For **P G BHAGWAT LLP**

Chartered Accountants

FRN: 101118W / W100682

Shriniwas

Shreeram Gadgil

Digitally signed by Shriniwas
Shreeram Gadgil
Location: 400086
Date: 2024.02.14 13:48:14
+05'30'

Shriniwas Shreeram Gadgil

Partner

Membership Number: 120570



Place: Mumbai

Date: 14th February 2024

UDIN: 24120570BKCEWQ1057

EMERALD LEISURES LTD.



Regd. Off: Plot No. 366/15, Swastik Park,
Near Mangal Anand Hospital, Sushrut Hospital,
Off E. Express Highway, Chembur,
Mumbai, 400 071, India.
T : +91 22 2327 7504
M : +91 91 678 89900
E : info@clubemerald.in
W : www.clubemerald.in
CIN : L74900MH1948PLC006791

EMERALD LEISURES LIMITED

Registered Office: Club Emerald Sports Complex, Plot No. 366/15, Swastik Park,
Near Mangal Anand Hospital, Chembur, Mumbai 400 071
CIN: L74900MH1948PLC006791 Email: info@clubemerald.in, Website: www.clubemerald.com

STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2023

| Sr. No. | Particulars | (Amt. in lacs) | | | | | |
|---------|--|----------------|-----------------|---------------|------------------|-----------------|-----------------|
| | | Quarter Ended | | | Nine Month ended | | Year Ended |
| | | 12/31/2023 | 9/30/2023 | 12/31/2022 | 12/31/2023 | 12/31/2022 | 3/31/2023 |
| | Un-Audited | Un-Audited | Un-Audited | Un-Audited | Un-Audited | Audited | |
| 1 | INCOME | | | | | | |
| | (a) Revenue from operations | 437.60 | 723.03 | 390.68 | 1,160.63 | 1,041.01 | 1,475.37 |
| | (b) Other Income | 4.47 | 6.64 | 4.34 | 11.11 | 9.39 | 13.21 |
| | Total Income | 442.07 | 729.66 | 395.02 | 1,171.74 | 1,050.40 | 1,488.59 |
| 2 | EXPENSES | | | | | | |
| | (a) Cost of materials consumed | 58.26 | 129.37 | 71.90 | 187.63 | 176.47 | 244.47 |
| | (b) Purchase of stock-in trade | - | - | - | - | - | - |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (0.65) | (1.46) | 1.11 | (2.11) | 1.02 | 3.40 |
| | (d) Employee benefits expense | 42.70 | 92.68 | 39.84 | 135.38 | 120.44 | 174.26 |
| | (e) Finance cost | 345.70 | 665.00 | 262.75 | 1,010.71 | 739.23 | 1,284.96 |
| | (f) Depreciation and amortisation expense | 57.92 | 112.42 | 72.28 | 170.35 | 216.05 | 309.35 |
| | (g) Other expenses | 132.56 | 248.21 | 132.79 | 380.76 | 332.17 | 469.15 |
| | Total Expenses | 636.50 | 1,246.22 | 580.67 | 1,882.72 | 1,585.39 | 2,485.58 |
| 3 | Profit / (Loss) before exceptional items and tax (1-2) | (194.42) | (516.56) | (185.64) | (710.98) | (534.99) | (996.99) |
| 4 | Exceptional items | - | - | - | - | - | - |
| 5 | Profit / (Loss) before tax(3-4) | (194.42) | (516.56) | (185.64) | (710.98) | (534.99) | (996.99) |
| 6 | Tax Expense | | | | | | |
| | (i) Current Tax | - | - | - | - | - | - |
| | (ii) Deferred Tax | - | - | - | - | - | 17.21 |
| 7 | Profit / (Loss) for the period from continuing operations | (194.42) | (516.56) | (185.64) | (710.98) | (534.99) | (1,014.20) |
| 8 | Profit / (Loss) for the period from discontinuing operations before tax | - | - | - | - | - | - |
| 9 | Tax expense of discontinuing operations | - | - | - | - | - | - |
| 10 | Profit / (Loss) for the period from discontinuing operations after tax | - | - | - | - | - | - |
| 11 | Net Profit/ (Loss) for the Period (7+10) | (194.42) | (516.56) | (185.64) | (710.98) | (534.99) | (1,014.20) |
| 12 | Other Comprehensive Income | - | - | - | - | - | 1.22 |
| | A. (i) Items that will not be reclassified to profit or loss | - | - | - | - | - | 1.22 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| | B. (i) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| 13 | Total Comprehensive Income for the period comprising profit/(loss) and other comprehensive income for the period | (194.42) | (516.56) | (185.64) | (710.98) | (534.99) | (1,012.98) |
| 14 | Details of equity share capital | | | | | | |
| | Paid-up equity share capital, equity share of Rs. 5/- each | 250.31 | 250.31 | 250.31 | 250.31 | 250.31 | 250.31 |
| | Face Value of Equity Share Capital | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 15 | Earnings per share (of Rs. 5/- each) | | | | | | |
| | (a) Basic earnings/ (loss) per share | (3.88) | (10.32) | (3.71) | (14.20) | (10.69) | (20.23) |
| | (b) Diluted earnings/ (loss) per share | (3.88) | (10.32) | (3.71) | (14.20) | (10.69) | (20.23) |

For Emerald Leisures Limited
(Earlier known as Apte Amalgamations Limited)

Place : Mumbai
Dated : 14th February , 2024



Rajesh Loya
Whole time Director
DIN : 00252470

EMERALD LEISURES LIMITED

(All amounts are in Rs Lakhs unless otherwise stated)

BALANCE SHEET AS AT 31ST DECEMBER, 2023

| PARTICULARS | | Note | As at 31st December, 2023 | As at 31st March, 2023 |
|-------------|--|------|------------------------------|------------------------|
| I | ASSETS | | | |
| 1 | Non-Current Assets | | | |
| | (a) Property, Plant & Equipment | 2 | 6,329.57 | 6,497.82 |
| | (b) Financial Assets | | | |
| | (i) Investments | 3.1 | 147.85 | 153.14 |
| | (ii) Other Financial Assets | 3.2 | 33.90 | 30.87 |
| | (c) Deferred tax assets (net) | 4 | - | - |
| | (d) Other non current assets | 5 | 41.25 | 43.84 |
| | Sub-Total - Non-Current Assets | | 6,552.57 | 6,725.67 |
| 2 | Current Assets | | | |
| | (a) Inventories | 6 | 118.84 | 70.73 |
| | (b) Financial Assets | | | |
| | (i) Trade receivables | 7.1 | 89.65 | 96.18 |
| | (ii) Cash and cash equivalents | 7.2 | 37.40 | 40.73 |
| | (iii) Bank Balances other than (ii) above | 7.3 | 20.00 | 20.00 |
| | (iv) Loans | 7.4 | 1.36 | 3.35 |
| | (v) Other financial assets | 7.5 | 1.59 | 8.89 |
| | (c) Current Tax Assets | 8 | 52.29 | 43.90 |
| | (d) Other current assets | 9 | 13.99 | 19.03 |
| | Sub-Total - Current Assets | | 335.12 | 302.81 |
| | TOTAL - ASSETS | | 6,887.69 | 7,028.48 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | EQUITY | | | |
| | (a) Equity Share Capital | 10 | 250.31 | 250.31 |
| | (b) Other equity | 11 | (7,689.65) | (6,978.66) |
| | Sub-Total - Equity | | (7,439.34) | (6,728.35) |
| 2 | LIABILITIES | | | |
| | Non-Current Liabilities* | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 12.1 | 4,802.95 | 5,027.68 |
| | (ii) Other financial liabilities | 12.2 | 748.83 | 723.52 |
| | (b) Provisions | 13 | 16.68 | 16.68 |
| | Sub-Total - Non-Current Liabilities | | 5,568.45 | 5,767.87 |
| | Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 14.1 | 7,072.28 | 6,414.58 |
| | (ii) Trade Payables | | | |
| | (a) Total outstanding dues of creditors other than micro enterprises and small enterprises | 14.2 | 661.08 | 151.93 |
| | (iii) Other Financial Liabilities | 14.3 | - | 342.54 |
| | (b) Other current liabilities | 15 | 1,020.22 | 1,074.63 |
| | (c) Provisions | 16 | 4.99 | 5.28 |
| | Sub-Total - Current Liabilities | | 8,758.57 | 7,988.96 |
| | TOTAL - EQUITY AND LIABILITIES | | 6,887.69 | 7,028.48 |
| | Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors of
M/S EMERALD LEISURES LIMITED

Rajesh Loya
Whole Time Director
(DIN:00252470)



Place : Mumbai
Date: 14/02/2024

EMERALD LEISURES LIMITED

(All amounts are in Rs Lakhs unless otherwise stated)

CASH FLOW STATEMENT FOR THE QUARTER ENDED 31ST DECEMBER, 2023

| Particulars | For the Period ended 31 December, 2023 | | For the year ended 31 March, 2023 | |
|--|---|-----------------|--------------------------------------|-----------------|
| | | | | |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | (710.98) | | (996.99) |
| <u>Adjustments for:</u> | | | | |
| Fair value gain on investment | (8.17) | | (8.69) | |
| Depreciation and amortisation | 170.35 | | 309.35 | |
| (Profit) / loss on sale / write off of assets | | | | |
| Finance costs - Loans | 695.45 | | 892.91 | |
| Finance costs - Unwinding of membership deposit | 77.33 | | 103.66 | |
| Finance costs - Unwinding of interest - pref. shares | 237.93 | | 288.39 | |
| Liabilities / provisions no longer required written back | (0.85) | | (0.99) | |
| Interest received | (2.09) | | (1.93) | |
| Balances w/off | 0.71 | 1,170.66 | 23.33 | 1,606.03 |
| Operating profit / (loss) before working capital changes | | 459.67 | | 609.04 |
| <u>Changes in working capital:</u> | | | | |
| <u>Adjustments for (increase) / decrease in operating assets:</u> | | | | |
| Inventories | (48.11) | | 3.40 | |
| Trade receivables | 6.53 | | (13.09) | |
| Short-term loans and advances | 9.29 | | (5.83) | |
| Long-term loans and advances | - | | - | |
| Other non current assets | (0.44) | | 25.84 | |
| Other current assets | (4.06) | | (29.51) | |
| <u>Adjustments for increase / (decrease) in operating liabilities:</u> | | | | |
| Trade payables | 509.14 | | (15.45) | |
| Other current liabilities | (396.10) | | (899.24) | |
| Other non- current liabilities | (52.03) | | (41.08) | |
| Provisions | (0.29) | 23.94 | 5.00 | (969.96) |
| Cash flow from extraordinary items | | 483.62 | | (360.92) |
| Cash generated from operations | | 483.62 | | (360.92) |
| Net income tax (paid) / refunds | | - | | - |
| Net cash flow from / (used in) operating activities (A) | | 483.62 | | (360.92) |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets, including capital advances | | | | |
| Purchase of Fixed Assets | (2.10) | | (12.81) | |
| Sale of Fixed Assets | - | | - | |
| Investments in Bank Deposits | 2.09 | | 1.93 | |
| Investments in Corporate Bond Funds | 13.46 | | 60.00 | |
| Net cash flow from / (used in) investing activities (B) | | 13.45 | | 49.12 |
| C. Cash flow from financing activities | | | | |
| Proceeds from Issue of Equity Share Capital/Share warrants | - | | - | |
| Proceeds from long-term borrowings | (462.65) | | (420.37) | |
| Proceeds from other short-term borrowings | 657.71 | | 1,628.85 | |
| Finance cost | (695.45) | | (892.91) | |
| Net cash flow from / (used in) financing activities (C) | | (500.39) | | 315.58 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | (3.32) | | 3.78 |
| Cash and cash equivalents at the beginning of the year | | 40.73 | | 36.95 |
| Net Other Comprehensive (Expense)/Income | | | | |
| Cash and cash equivalents at the end of the year | | 37.40 | | 40.73 |

For and on behalf of the Board of Directors of
M/S EMERALD LEISURES LIMITEDRajesh Loya
Whole Time Director
(DIN:00252470)Place : Mumbai
Date : 14/02/2024

EMERALD LEISURES LTD.

CLUB
EMERALD
"Where Dreams Come Alive"
CLUB EMERALD SPORTS COMPANY

Regd. Off : Plot No. 366/15, Swasth
Near Mangal Anand / Sushrut Hospital
off E. Express Highway, Chembur,
Mumbai, 400 071, India.
t : +91 22 2527 7504.
m : +91 91678 88900.
e : info@clubemerald.in
w : www.clubemerald.in
CIN: L74900MH1948PLC006791

Notes:

1. The above unaudited Financial Results for the Quarter ended 31st December 2023 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its Meeting held on Wednesday, the 14th day of February, 2024. The limited review of these financial results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the Statutory Auditors.
2. The unaudited financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
3. Figures for the previous period have been regrouped/re-arranged, wherever necessary.
4. Due to historical financial performance of the Company, the management performed detailed assessment as to whether there is any requirement for impairment of non-current financial assets of the Company as on March 31, 2023 as per Ind AS 36 – Impairment of Assets. For this purpose, the management obtained fair valuation report of the business for the purpose of computation of recoverable value of Cash Generating Unit (CGU) as per the requirement of Ind AS 36. Since the recoverable value of CGU is higher than the carrying cost and based on the evaluation of external and internal information available with the Company, the management believes that there is no requirement for impairment of non-current financial assets as on December 31, 2023, and therefore no material adjustment is required to the financial results for the quarter and nine months ended December 31, 2023.
5. The unaudited Financial Results for the Quarter ended 31st December 2023 would be uploaded and available for viewing in the Company's website www.apteindia.com and also on the website of BSE Limited www.bseindia.com.

Date: 14/02/2024

Place: Mumbai



For Emerald Leisures Limited

Rajesh Loya

(Whole time Director)

DIN: 00252470

STATEMENT OF ACCOUNTING RATIOS

The following tables present certain accounting ratios as of respective periods. For details, see “*Financial Statements*” on page 78.

Accounting Ratios:

| Particulars | Based on Unaudited Financial Results | | Based on Audited Financial Statements | |
|--------------------------------------|--|--|---|---|
| | As at and for the nine months period ended December 31, 2023 | As at and for the nine months period ended December 31, 2022 * | As at and for the year ended March 31, 2023 | As at and for the year ended March 31, 2022 |
| Basic earnings per share (₹) | (14.20) | (4.304) | (20.26) | (24.59) |
| Diluted earnings per share (₹) | (14.20) | (4.304) | (20.26) | (24.59) |
| Return on Net Worth (%) # | NA | NA | NA | NA |
| Net Asset Value per Equity Share (₹) | (205.80) | (224.30) * | (191.60) | (171.34) |
| EBITDA (₹ in lakhs) | 458.96 | 265.86 | 584.11 | 201.58 |

As Net Worth is negative for the period concerned, Return on Net Worth cannot be calculated

The formula used in the computation of the above ratios are as follows:

| Particulars | |
|---|---|
| Basic earnings per share | Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders from continuing operations, as applicable / Weighted Average number of Equity Shares. |
| Diluted earnings per share | Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders from continuing operations, as applicable / Weighted Average number of Equity Shares (including convertible securities). |
| Return on net worth (in %) | Profit/(Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/ Net worth at the end of the period/year on basis. |
| Net asset value per Equity Share | Net Worth on basis divided by the number of Equity Shares outstanding for the period/year. |
| Net Worth as per 2(1)(hh) SEBI (ICDR) Regulations, 2018 | Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. |
| EBITDA | Profit/(Loss) for the year before finance costs, tax, depreciation, amortisation, exceptional items and other income as presented in the statement of profit and loss in the Financial Statements. |

Calculation of Return of Net Worth

(In ₹ lakhs, unless otherwise specified)

| Particulars | As at and for the nine months period ended December 31, 2023 | As at and for the nine months period ended December 31, 2022 * | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---------------------------|--|--|-----------------------------------|-----------------------------------|
| Return on Net Worth (%) # | NA | NA | NA | NA |
| PAT | (508.87) | (534.98) | (1,014.20) | (1,231.26) |
| Net worth | (10302.96) | (11228.81)* | (9591.97) | (8577.77) |

As Net Worth is negative for the period concerned, Return on Net Worth cannot be calculated

Calculation of Net asset value per Equity Share

(In ₹ lakhs, unless otherwise specified)

| Particulars | As at and for the nine months period ended December 31, 2023 | As at and for the nine months period ended December 31, 2022 * | As at March 31, 2023 | As at March 31, 2022 |
|---|--|--|----------------------|----------------------|
| Net Worth (A) (₹ in Lakhs) | (10302.96) | (11228.81)* | (9591.97) | (8577.77) |
| No. of shares (B) (in numbers) | 50,06,200 | 50,06,200 | 50,06,200 | 50,06,200 |
| Net Assets Value (₹) [(A x 100,000) / B] | (205.80) | (224.30)* | (191.60) | (171.34) |

*During financial period ending 31st March 2023 company has done restatement of financial statement as per requirement of INDAS which have impact on the financial statement of the Company with respect to previous year ended March 31, 2022. The Company has issued non-cumulative redeemable preference shares amounting to Rs. 4000.00 Lakhs and Rs. 1000 Lakhs during the financial year 2017-18 and 2019-20 respectively. The Company did not account for the fair value gain on initial recognition and interest cost associated with the issuance of these non-cumulative redeemable preference shares. During the financial year 2022-2023, the Company has restated the opening numbers as at April 01, 2021 and as at March 31, 2022, and has appropriately accounted for the fair value gain and interest cost related to the redeemable preference shares. Due to above mentioned reason, the restated financial results for the nine months period ending December 31, 2022 are not available.

Calculation of EBITDA

(In ₹ lakhs, unless otherwise specified)

| Particulars | As at and for the nine months period ended December 31, 2023 | As at and for the nine months period ended December 31, 2022 * | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--|--|-----------------------------------|-----------------------------------|
| Profit / (Loss) before tax | (710.98) | (534.99) | (996.99) | (1,231.26) |
| Add: Finance Cost | 1010.71 | 739.23 | 1,284.96 | 1,112.53 |
| Add: Depreciation and Amortisation Expenses | 170.35 | 216.05 | 309.35 | 335.41 |
| Less: Other Income | (11.11) | (9.39) | (13.21) | (15.10) |

| | | | | |
|----------------------------|--------|--------|--------|--------|
| Less: Exceptional Items | - | - | - | - |
| EBITDA | 458.96 | 410.91 | 584.11 | 201.58 |

STATEMENT OF MATERIAL DEVELOPMENTS AFTER DECEMBER 31, 2023

Except as stated below and disclosed in “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, no circumstances have arisen since December 31, 2023, i.e. the date of the last financial statements disclosed in this Draft Letter of Offer, that could materially and adversely affect or are likely to affect, our trading, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

- i. The Board of Directors in their meeting held on May 18, 2024, transacted and approved, amongst other items, the following material matters :
 - a. DLOF for proposed Rights Issue of Equity shares was discussed during the meeting. However, as one of Director of the Company requested Board to give some more time for review of DLOF. The Board therefore decided to take up the approval in the next Board meeting to be conducted within next fifteen days.
 - b. Approved the formation of Limited Liability Partnership between Emerald Leisures Limited and Mr. Raj Gala Shah of Gala Group and to give NOC for use of word Emerald in naming the LLP as Emerald Realtors LLP.
- ii. The Board of Directors in their meeting held on May 30, 2024, transacted and approved, the following matters:
 - a. Approved the Audited Financial Result for the quarter & year ended March 31, 2024.
 - b. Approved the Auditor Report on the Financial Results for the quarter and year ended March 31, 2024.
 - c. DLOF for proposed Rights Issue of Equity shares was discussed during the meeting. However, as one of Director of the Company requested Board to give some more time for review of DLOF. The Board therefore decided to take up the approval in the next Board meeting to be conducted within next fifteen days.
 - d. Adopted the Declaration regarding the Auditors' Report with unmodified opinion(s) pursuant to regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Audited Financial Statements as of and for the year ended on March 31, 2023 and Unaudited Financial Results as of and for the nine months period ended December 31, 2023, included in this Draft Letter of Offer. Our Audited Financial Statements for Fiscal 2023 and Unaudited Financial Results as of and for the nine months period ended December 31, 2023, were prepared in accordance with Companies Act and Ind AS including the reports thereon, included in the chapter titled 'Financial Statements' beginning on page 78 of this Draft Letter of Offer. Unless otherwise stated, the financial information used in this section is derived from the Audited Financial Statements and Unaudited Financial Results of our Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled 'Risk Factors' and 'Forward-Looking Statements' on pages 19 and 15 respectively.

Our financial year ends on March 31 of each year, so all references to a particular "Financial Year" and "Fiscal" are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to Emerald Leisures Limited, as applicable in the relevant period, unless otherwise stated. Unless otherwise indicated or the context requires, (i) the financial information for the Fiscal 2023 included herein is based on Audited Financial Statements and (ii) the financial information included herein for the nine months period ended December 31, 2023 is based on the Unaudited Financial Results included in this Draft Letter of Offer. For further information, see "Financial Statements" beginning on page 78.

Overview of Our Business

We are an integrated hospitality company engaged in the business of providing club, banquet halls and accommodation services. We operate our Club under the name 'Club Emerald' which is located at Swastik Park, Near Mangal Anand Hospital, Chembur, Mumbai 400071, Maharashtra. Our Club, banquet halls and rooms are located in a single business premises enabling us to recognize ourselves as a 'full-service provider' in hospitality space offering services to various sections of society from middle-class segment to the upper-class segment. The strategic location of our Club premises provides us with an added advantage of offering 'Business cum Leisure' services to corporate customers for conducting conferences, meetings, exhibitions etc. Our Club's premises are spread across approx. 5,977 sq mtrs plot of land.

Our Company was incorporated on March 8, 1933 as 'Phaltan Sugar Works Limited' and later on came to be known as 'Apte Amalgamations Limited'. Thereafter the name was changed to its present name i.e. 'Emerald Leisures Limited'. The Company ventured into the business of providing club membership in the financial year 2013-14. While our banquet and room accommodation facilities are open for all, our members get access to wide range of recreational and sports facilities provided by our Club. We provide various sports facilities to our Club members such as badminton, table tennis, squash, snooker/billiards and other indoor and outdoor games along with additional access and benefits related to gym, library, spa and beauty salon, multi-cuisine restaurants and bar, swimming pool and well-designed rooms on fee-based arrangement. As on March 31, 2024, we had 672 club members. We have 78 affiliations with other clubs and resorts as on March 31, 2024.

Significant Factors Affecting Our Results of Operations

Our business, financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled 'Risk Factors' on page 22 of this Draft Letter of Offer. The section sets out certain key factors that have had, and we expect will continue to affect our business, financial condition and results of operations:

- Bottleneck capacity of Club memberships and Banquets;
- Customer spending and general economic and market conditions;
- Seasonality of business and overall performance of hospitality sector;
- Competition from Clubs, Hotels and Restaurants;
- Changes in government policies and regulations; laws pertaining to industry.

Significant Accounting Policies

The accounting policies have been applied consistently to the periods presented in the Unaudited Financial Results and Audited Financial Statements. For details of our significant accounting policies, please refer chapter titled “Financial Statements” on page 78.

Change in Accounting Policies

There has been no change in accounting policies during the Financial Year 2023 and for the nine months period ended December 31, 2023.

Reservations, Qualifications and Adverse Remarks/Other Observations in CARO

The following is the summary of qualifications/reservations/emphasis of matters/adverse remarks/other observations in CARO (as applicable) in limited review report for the nine months period ended December 31, 2023 and the Audited Financial Statements for Financial Year 2023:

| Period | Type of Financials | Qualifications/Reservations/Matter of Emphasis/Adverse Remarks/Other Observations in CARO | Impact on the Financial Statements of the Company |
|---|--------------------|--|---|
| Nine months period ended December 31,2023 | Standalone | Matter of Emphasis We wish to draw your attention to Note 4 to the unaudited financial results regarding impairment assessment of non-current financial assets performed by the Company. Based on the assessment performed, the management believes that there is no requirement for impairment of non-current financial assets as on December 31, 2023 and therefore no material adjustment is required to the financial results for the quarter ended December 31, 2023. Our opinion is not modified in respect of this matter. | No impact on financial statements of the Company |
| Financial Year 2023 | Standalone | We draw your attention to Note No. 35 to the financial statement, which describes the impact on the financial statement of the Company with respect to restatement of financial statement for previous year ended March 31, 2022. The Company has issued non-cumulative redeemable preference shares amounting to Rs. 4,000.00 lakhs and Rs. 1,000 lakhs during the financial year 2017-18 and 2019-20 respectively. The Company did not account for the fair value gain on initial recognition and interest cost associated with the issuance of these non-cumulative redeemable preference shares. During the current financial year, the Company has restated the opening numbers as at April 01, 2021 and as at March 31, 2022, and has appropriately accounted for the fair value gain and interest cost related to the redeemable preference shares. Our opinion is not modified in respect of this matter | No impact on financial statements of the Company |
| | | We also wish to draw your attention to Note No. 36 to the financial | No impact on financial statements |

| Period | Type of Financials | Qualifications/Reservations/Matter of Emphasis/Adverse Remarks/Other Observations in CARO | Impact on the Financial Statements of the Company |
|--------|--------------------|--|---|
| | | statements regarding impairment assessment of non-current financial assets performed by the Company. Based on the assessment performed, the management believes that there is no requirement for impairment of non-current financial assets and therefore no material adjustment is required to the financial statements (or results) for the year ended March 31, 2023. Our opinion is not modified in respect of this matter as well | of the Company |
| | | CARO reporting clause 2(a) - No physical verification of inventory has been conducted by the Management during the year. Hence, we are unable to comment on the appropriateness of the coverage and procedures of inventory verification and on dealing of discrepancies of 10% or more in the aggregate for each class of inventory in the books of accounts. | No impact on financial statements of the Company |
| | | CARO reporting clause 14(a) - In our opinion and based on our examination, though the company is required to have an internal audit system under section 138 of the Act, it does not have the same established for the year. | No impact on financial statements of the Company |

Principal Components of Our Standalone Profit and Loss statement

Income

Our income comprises of revenue from operations and other income.

Revenue from operations comprises of sale of products and services from restaurants, banquets, club membership and other club ancillary services (including spa services), rooms rent, tower rent and maintenance.

Other income comprises of interest income and other non-operating income.

Expenses

Our expenses comprise of the cost of material consumed, changes in inventories of finished goods, work-in-progress and stock-in-trade; employee benefits expenses, finance cost, depreciation and amortisation expenses and other expenses.

Cost of materials consumed

The cost of materials consumed comprises of food material and liquor purchases, laundry expenses, kitchen consumables, housekeeping consumables, stationery, general repair consumables etc.

Changes in inventories of finished goods, work in progress and stock in trade

Changes in inventories of finished goods, work in progress and stock in trade comprises of difference in amount of inventories of material for consumption at the beginning of period *vis-a-vis* amount of inventories at the end of period.

Employee benefit expense

Employee benefit expenses comprises of salaries and wages, contribution to provident fund and other funds, staff welfare expenses, leave encashments and gratuity to staff/ workers.

Finance cost

Finance cost comprises interest on secured and unsecured loans, unwinding of interest cost on non-cumulative redeemable preference shares and unwinding of interest on membership deposits.

Depreciation and amortization expense

Depreciation and amortization expense comprises of depreciation on buildings, plant and machinery, electrical installations, furniture and fixtures, office equipment, computers and hydraulic pipeline.

Other expenses

Other expenses comprises of power and fuel, labour and housekeeping expenses, club and banquet charges, property taxes, legal and professional fees, directors' fees, license fees, consultancy and commission charges, bank and credit card charges, other rates and taxes, auditor fees, repairs and maintenance, telephone charges, security expenses, software maintenance, sales promotion and advertisement, write-off and discounts and other miscellaneous expenses.

Tax expense

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year/period as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

The following table sets forth our profit and loss statement for the periods indicated and a percentage of total income for respective periods:

(₹in lakhs)

| Particulars | Nine Months ended December 31, 2023 | | Nine Months ended December 31, 2022 | | Fiscal 2023 | | Fiscal 2022 | |
|--|--|-------------------------|--|-------------------------|-----------------|-------------------------|---------------|-------------------------|
| | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income |
| | Revenue from Operations | 1160.63 | 99.05% | 1041.01 | 99.11% | 1,475.37 | 99.11% | 857.00 |
| Other Income | 11.11 | 0.95% | 9.39 | 0.89% | 13.21 | 0.89% | 15.10 | 1.73% |
| Total Income | 1171.74 | 100% | 1050.40 | 100% | 1,488.59 | 100.00% | 872.10 | 100.00% |
| Cost of Material consumed | 187.63 | 16.01% | 176.47 | 16.80% | 244.47 | 16.42% | 159.77 | 18.32% |
| Changes in Inventories of finished goods, work in progress | (2.115) | (0.18%) | 1.02 | 0.10% | 3.40 | 0.23% | 1.79 | 0.21% |

| Particulars | Nine Months ended December 31, 2023 | | Nine Months ended December 31, 2022 | | Fiscal 2023 | | Fiscal 2022 | |
|---|--|-------------------------|--|-------------------------|-------------------|-------------------------|-------------------|-------------------------|
| | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income |
| and stock in trade | | | | | | | | |
| Employee benefits expenses | 135.38 | 11.55% | 120.44 | 11.47 | 174.26 | 11.71% | 151.90 | 17.42% |
| Finance cost | 1010.71 | 86.26% | 739.23 | 70.38% | 1,284.96 | 86.32% | 1,112.53 | 127.57% |
| Depreciation and Amortization expenses | 170.35 | 14.54% | 216.05 | 20.57 | 309.35 | 20.78% | 335.41 | 38.46% |
| Other Expenses | 380.76 | 32.50% | 332.17 | 31.62 | 469.15 | 31.52% | 341.96 | 39.21% |
| Total Expenses | 1882.72 | 160.68% | 1585.39 | 150.93% | 2,485.58 | 166.98% | 2,103.36 | 241.18% |
| Profit/(Loss) before tax | (710.98) | (60.68) | (534.99) | (50.93%) | (996.99) | 66.98% | (1,231.26) | 141.18% |
| Tax expense: | | | | | | | | |
| - Current Tax | - | - | - | - | - | - | - | - |
| - Deferred Tax | - | - | - | - | (17.21) | 1.16% | - | - |
| Net Tax expenses | - | - | - | - | (17.21) | 1.16% | - | - |
| Profit/(Loss) for the period after tax | (710.98) | (60.68) | (534.99) | (50.93%) | (1,014.20) | 68.13% | (1,231.26) | 141.18% |

Nine months period ended December 31, 2023, compared to nine months period ended December 31, 2022

Total Income

Our total income for the nine months period ended December 31, 2023, increased by ₹121.34 lakhs by 11.55% from ₹1050.40 lakhs in the nine months period ended December 31, 2022. Our total income comprises of revenue from operations and other income.

Revenue from operations

Our revenue from operations increased by ₹ 119.62 Lakh i.e. 11.49% from ₹1041.01 lakhs for the nine months period ended December 31, 2022, to ₹1160.63 lakhs for the nine months period ended December 31, 2023. This increase was on account of increase of all revenue streams on account of better all-round business and social environment, more footfalls. The revenue from room sales increased from ₹356.19 lakhs for the nine months period ended December 31, 2022 to ₹476.85 lakhs for the nine months period ended December 31, 2023 on account of room bookings at nearly full occupancy. Revenue from banquets and restaurant sales increased from ₹435.57 lakhs for the nine months period ended December 31, 2022 to ₹ 458.09 lakhs on account of increased bookings which is indicated by increased occupancy for the nine months period ended December 31, 2023. Revenue from Club membership, Guest Fees & Other Club Income and Other operating income decreased by 4.39%, 40.86% and 10.25% respectively from ₹171.74lakhs, ₹26.28lakhs and ₹51.20 lakhs respectively for the nine months period ended December 31, 2022 to ₹164.20lakhs, ₹15.54lakhs and ₹45.95 lakhs respectively for the nine months period ended December 31, 2023.

Other Income

Other income is increased by ₹1.72 lakhs or by 18.32% from ₹ 9.39 lakhs for the nine months period ended December 31, 2022 to ₹11.11 lakhs for the nine months period ended December 31, 2023. The increase in other income was primarily due to increase in mutual fund gains and actuarial valuation gains.

Expenses

Our total expenses increased by ₹297.33 lakhs or by 18.75% from ₹ 1585.39 lakhs for the nine months period ended December 31, 2022 to ₹1882.72 lakhs in the nine months period ended December 31, 2023. Our expenses comprise of:

Cost of Materials Consumed

Cost of materials consumed increased by ₹11.16 lakhs or by 6.32% from ₹176.47 lakhs for the nine months period ended December 31, 2022 to ₹187.63 lakhs for the nine months period ended December 31, 2023. Despite an increase in cost of material consumed mentioned above, it constituted 16.01% of the total income for the nine months period ended December 31, 2023 vis-à-vis 16.80 % of the total income for the nine months period ended December 31, 2022. The increase was primarily due to increase in laundry expense, damage/loss of stock and increase in business activities of club, banquets and room sales.

Change in inventories of Finished Goods, Work-in-progress and Stock-in-trade

Cost of change in inventories of finished goods, stock-in-trade and work-in-progress decreased by ₹3.13 lakhs from ₹ 1.02 lakhs for the nine months period ended December 31, 2022 to (₹2.11) lakhs for the nine months period ended December 3, 2023 due to additional inventory on account of anticipated increase in business activities.

Employee benefits expense

Employee benefits expense increased by ₹14.94 lakhs or by 12.40 % from ₹120.44 lakhs for the nine months period ended December 31, 2022 to ₹135.38 lakhs for the nine months period ended December 31, 2023. This was primarily due to increase in number of employees and salaries and wages. The total employee benefits expenses constituted to 11.55% of total income for the nine months period ended December 31, 2023 as compared to 11.47% of total income for the nine months period ended December 31, 2022 indicating efficient use of human resources.

Finance costs

Finance costs increased by ₹271.47 lakhs or by 36.72% from ₹739.23 lakhs for the nine months period ended December 31, 2022 to ₹1,010.71 lakhs for the nine months period ended December 31, 2023. Finance cost constituted 86.26% of the total income for the nine months period ended December 31, 2023 and increase in finance costs was primarily on account of increase in rate of interest and increased borrowings.

Depreciation and amortisation expense

Depreciation and amortization expense decreased by ₹45.70 lakhs or 21.15%, from ₹216.05 lakhs for the nine months period ended December 31, 2022 to ₹170.35 lakhs for the nine months period ended December 31, 2023 due to reduced written down value of the assets.

Other expenses

Accordingly, other expenses increased by ₹48.59 lakhs or by 14.63% from ₹332.17 lakhs for the nine months period ended December 31, 2022 to ₹ 380.76 lakhs for the nine months period ended December 31, 2023. Other expenses constituted 32.50 % of the total income for the nine months period ended December 31, 2023 vis-à-vis 31.62 % of the total income for the nine months period ended December 31, 2022. The increase was primarily due to an increase in variable cost with increase in business activities such as, bank charges, legal charges, written off of bad debt, commission expenses, power & fuel expenses.

Profit/(loss) before tax

Considering above discussions, our loss increased by ₹175.99 lakhs from loss of ₹534.99 lakhs for the nine months period ended December 31, 2022 to loss of ₹710.98 lakhs in the nine months period ended December 31, 2023.

Tax expense: NIL

Profit/(loss) for the Year

Considering above discussions and following tax expenses adjustment, our loss increased by ₹175.99 lakhs from loss of ₹534.99 lakhs for the nine months period ended December 31, 2022 to loss of ₹710.98 lakhs in the nine months period ended December 31, 2023.

Fiscal 2023 compared to Fiscal 2022

Total Income

Our total income for Fiscal 2023 increased to ₹1,488.59 lakhs by 70.69% from ₹872.10 lakhs in Fiscal 2022. Our total income comprises of revenue from operations and other income.

Revenue from operations

Our revenue from operations increased by 72.16% from ₹857.00 lakhs in Fiscal 2022 to ₹1,475.37 lakhs in Fiscal 2023. This increase was on account of increase all revenue streams on account of lower base of Fiscal 2022 due to COVID-19 pandemic. The revenue from room sales doubled from ₹229.18 lakhs in Fiscal 2022 to ₹502.07 lakhs in Fiscal 2023 on account of room bookings at nearly full occupancy. Revenue from banquets and restaurant sales increased from ₹388.75 lakhs in Fiscal 2022 to ₹633.06 lakhs on account of increased bookings. Revenue from Club membership, Guest Fees & Other Club Income and Other operating income increased by 13.59%, 316.71% and 145.03% respectively from ₹197.44 lakhs, ₹8.14 lakhs and ₹33.49 lakhs respectively in Fiscal 2022 to ₹224.27 lakhs, 33.92 and ₹82.06 lakhs respectively in Fiscal 2023 due to increased membership and footfalls of members at club on removal of travel and COVID related restrictions.

Other Income

Other income reduced by ₹1.89 lakhs or by 12.52% from ₹15.10 lakhs in Fiscal 2022 to ₹13.21 lakhs in Fiscal 2023. The reduction was on account of fair value gain on mutual fund investments in Fiscal 2022.

Expenses

Our total expenses increased by ₹382.22 lakhs or by 18.17% from ₹2,103.36 lakhs in Fiscal 2022 to ₹2,485.58 lakhs in Fiscal 2023. Our expenses comprises of:

Cost of Materials Consumed

Cost of materials consumed increased by ₹84.70 lakhs or by 53.01% from ₹159.77 lakhs in Fiscal 2022 to ₹244.47 lakhs in Fiscal 2023. Despite huge increase in cost of material consumed mentioned above, it constituted 16.42% of the total income for the Fiscal 2023 vis-à-vis 18.32% of the total income for Fiscal 2022. The increase in expense is primarily due to increase in laundry expense, damage/loss of stock and increase in business activities of club, banquets and room sales.

Change in inventories of Finished Goods, Work-in-progress and Stock-in-trade

Cost of change in inventories of finished goods, stock-in-trade and work-in-progress increase by ₹1.61 lakhs from ₹1.79 lakhs in Fiscal 2022 to ₹3.4 lakhs in Fiscal 2023 due to liquidation of inventory.

Employee benefits expense

Employee benefits expense increased by ₹22.36 lakhs or by 14.72% from ₹151.90 lakhs in Fiscal 2022 to ₹174.26 lakhs in Fiscal 2023. This was primarily due to increase in employees and salaries and wages cost. The total employee benefits expenses constituted to 11.71% of total income for Fiscal 2023 as compared to 17.42% of total income for Fiscal 2022 indicating efficient use of human resources.

Finance costs

Finance costs increased by ₹172.43 lakhs or by 15.50% from ₹1,112.53 lakhs in Fiscal 2022 to ₹1,284.96 lakhs in Fiscal 2023. Finance cost constituted 86.32% of the total income for Fiscal 2023 and increase in finance costs was primarily on account of increased unsecured borrowings .

Depreciation and amortisation expense

Depreciation and amortization expense decreased by ₹26.06 lakhs or 7.77%, from ₹335.41 lakhs in Fiscal 2022 to ₹309.35 lakhs in Fiscal 2023 due to reduced written down value of the assets.

Other expenses

Accordingly, other expenses increased by ₹127.19 lakhs or by 37.19% from ₹341.96 lakhs in Fiscal 2022 to ₹469.15 lakhs in Fiscal 2023. Other expenses constituted 31.52% of the total income for the Fiscal 2023 vis-à-

vis39.21% of the total income for Fiscal 2022. The increase was primarily due to an increase in variable cost with increase in business activities such as banquet expenses, commission expenses, power & fuel expenses and written off of sundry balances by ₹7.94 lakhs, ₹31.47 lakhs, ₹57.13 and ₹23.10 lakhs respectively.

Profit/(loss) before tax

Considering above discussions, our loss decreased by ₹234.27 lakhs from ₹1,231.26 lakhs in Fiscal 2022 to ₹996.99 lakhs in Fiscal 2023.

Tax expense: Nil

Profit/(loss) for the Year.

Considering above discussions and following tax expenses adjustment, our loss decreased by ₹217.06 lakhs from ₹1,231.26 lakhs in Fiscal 2022 to ₹1,014.20 lakhs in Fiscal 2023.

Cash Flows

The following table sets forth certain information relating to the cash flows for the periods indicated:

| Particulars | (₹ in lakhs) | | | |
|--|-------------------------|-------------------------|-------------|-------------|
| | As on December 31, 2023 | As on December 31, 2022 | Fiscal 2023 | Fiscal 2022 |
| Net cash flows generated from/ (used in) operating activities | 483.62 | (406.621) | (360.921) | 75.71 |
| Net cash flows from/ (used in) investing activities | 13.45 | (14.375) | 49.122 | 72.18 |
| Net cash flows generated from / (used in) financing activities | (500.39) | (416.858) | 315.579 | (136.45) |
| Net increase/(decrease) in cash and cash equivalents | (3.32) | (4.138) | 3.780 | 11.44 |

Related Party Transactions

For details, kindly refer to the details for related party transactions mentioned in chapter ‘Financial Information-Related Party Transactions- Note 28 on page F-25.

Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution

There have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company for the Fiscal 2023 and Fiscal 2022.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

Except as disclosed elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change in accounting policies and discretionary reduction of expenses.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Except as described under section “Risk Factors- Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations” on page 35 there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Except as described under section “*Risk Factors- Our operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to various factors.*” on page 32, in our opinion, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. *Future changes in relationship between costs and revenues*

Our Company’s future costs and revenues will be determined by demand/supply situation of our end services as well as the prices of our service suppliers, cost of employees, government policies and budget constraints of our customer(s).

5. *Increases in net sales or revenue and introduction of new products or services or increased sales prices*

Increases in revenues shall by and large be linked to increases in business activities.

6. *Status of any publicly announced New Products or Business Segment*

Except as disclosed elsewhere in this Draft Letter of Offer, we have not announced and do not expect to announce in the near future any new products or business segments.

7. *Total Turnover of Each Major Industry Segment in Which the Issuer Operates*

Our Company currently operates in the Hospitality sector. Details of the industry turnover and other relevant information is disclosed in the section “*Industry Overview*” beginning on page 60.

8. *Seasonality of business*

Our Company’s business is partly seasonal in nature. Banquet income and F&B income is low during the period between June to October.

9. *Any Major Dependence on a single or few suppliers or customers*

There is no significant dependence on a single or few customers or suppliers.

10. *Competitive conditions:*

Competitive conditions are as described under the chapters “*Industry Overview*” and “*Our Business*” beginning on pages 60 and 67 respectively.

11. *Significant Developments after December 31, 2023 that may affect our results of operations*

Except as disclosed in this Draft Letter of Offer, there have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our total assets or our ability to pay our liabilities within the next 12 months. For further information, see “*Our Business*” on page 67.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of (a) the “Policy for Determination of Materiality of Events and Information” adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, and (b) the materiality policy adopted by the Board of Directors of our Company through its resolution dated May 18, 2024 for the purpose of litigation disclosures in this Draft Letter of Offer (“Materiality Policy”).

In this regard, please note the following:

Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violation of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Draft Letter of Offer, if

- i. *the monetary claim involved in such proceedings is exceeds the lower of the following:*
 - a. *two percent of turnover, as per the last audited financial statements of the Company;*
 - b. *two percent of net worth, as per the last audited financial statements of the Company, except in case the arithmetic value of the net worth is negative;*
 - c. *five percent of the average of absolute value of profit or loss after tax, as per the last three audited financial statements of the Company.*
- ii. *any monetary liability is not quantifiable or does not fulfil the threshold as specified in paragraph (i) above, but the outcome of which could, nonetheless, directly or indirectly, or together with similar other proceedings, have a material adverse effect on the business, operations, results of operations, prospects, financial position or reputation of the Company.*

Therefore, based on (i) above, any pending litigation / arbitration proceedings involving the Company shall be considered “material” for the purposes of disclosure in the Issue Documents if such proceedings are above ₹ 29.51 lakhs i.e., two percent of turnover being 1,475.37 lakhs, as per the last audited financial statements of the Company (“Materiality Threshold”).

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

1. Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violation of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability initiated against our Company

- i. Criminal Complaint bearing case No. 38/SW/2016 filed by Nahalchand Laloochand Private Limited (“**Complainant**”) v/s. Emerald Leisure Limited & Anr. (“**Accused**”) before the Hon’ble Court of the Learned Additional Chief Metropolitan Magistrate’s 11th Court at Kurla, Mumbai (“**MMC**”). The Complainant states the Accused No. 1, i.e. ELL cheated the shareholders (which includes the Complainant) and misappropriated the property of ELL by selling it under value to Accused No. 6 (Metalores Private Limited) wherein Accused No. 2 and 4, being directors of the ELL were also directors of Accused No. 6. Order was passed by the MCC on September 13, 2017 to issue process against Accused

for the offence punishable under section 420 and 406 of the Indian Penal Code. The matter is listed for further hearing on March 7, 2024.

However our Company has filed Criminal Revision Application No. 107 of 2018 before the Hon'ble Court of Sessions at Mumbai against Nahalchand Laloochand Private Limited and the State of Maharashtra seeking order to recall, quash and set aside the above mentioned Order as the same Hon'ble Court has erred in passing such Order when there is no sufficient evidence against the Accused and that the matter involved in it is of civil nature. The matter is pending for hearing before the City Sessions Court, Mumbai on April 26, 2024.

B. Proceedings involving issues of moral turpitude or criminal liability initiated by our Company

Except as stated above in “*Proceedings involving issues of moral turpitude or criminal liability initiated against our Company*”, our Company has not initiated any proceedings of moral turpitude or criminal liability.

C. Proceedings involving material violations of statutory regulations by our Company

Nil

D. Economic offences where proceedings have been initiated against our Company

Nil

E. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Material Policy and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

- i. Interim Application of 2023 (the “**IA**”) was filed by our Company (“**Applicant**”) in Writ Petition (L) No. 8386 of 2022 in the matter between Chembur Ekta CHS SRA (Proposed)(“**Petitioner**”) versus the State of Maharashtra & Ors. (“**Respondents**”) in the Hon'ble High Court of Bombay. Our Company in the IA stated that it is the owner of the land admeasuring 4045.5 sq.mtrs at CTS No. 366/41 (part of) of village Chembur, opposite Swastik Park, Mumbai 400 074 (“**Plot**”). The Company further stated that the Petitioner played fraud on the Company by illegally executing a conveyance deed of the said Plot. Further, by virtue of the said Writ Petition, the Petitioner actually intends to implement an illegal Slum Rehabilitation Scheme with respect to the Plot, which admittedly does not belong to the Petitioner and which are not declared as slums in accordance with provisions of the relevant acts. The Company has preferred the IA for the purpose of getting added as an Applicant and is seeking to intervene in the matter to place on record the true and correct facts and for the purpose of seeking dismissal of the said Writ Petition. The matter remains pending as on date of this Draft Letter of Offer. However, it is to be noted that the litigations are pertaining to plots other than the one where our Club is located and does not affect operation/business of our Club in any manner.
- ii. The Company has been made a party in the Writ Petition (L) No. 10183 of 2023 filed by one Bhimnagar and Acharya Nagar SRA Co-Operative Housing Society (“**Petitioner**”) against the Slum Rehabilitation Authority & Others (“**Respondents**”) in the Hon'ble High Court of Bombay (the “**WP**”). The said WP was filed by the Petitioners (i.e. the Society formed by ‘Occupants’ residing on property situated at CTS No. 366/6 (pt) of village Chembur, Swastik Park, Mumbai 400 071 admeasuring 6841.34 square meters (“**Suit Property**”) due to the non-action of Respondent Nos. 1 to 4 and their inability to perform their statutory dues, powers and functions under the relevant acts, in issuing the required approval as per stipulated timeline for the rehabilitation of near about 428 dwellers on the Suit Property inspite of the Suit Property being declared as a ‘Slum Rehabilitation Area’ vide order dated November 1, 2022 passed by the Slum Rehabilitation Authority (“**SRA**”) (‘Respondent No.1’) and the Chief Executive Officer, SRA (‘Respondent No.2’).

The said matter is not primary to the business of our Company, neither our hotel/club is not located on the Suit Property. However, the Company has been made a party as Respondent No. 6 to the said WP as the Suit Property is owned by the Company and the Company was appointed as Owner-cum-Developer to implement the S.R. Scheme to rehabilitate all eligible occupants/ slum dwellers residing on the Suit

Property. The Company is willing and ready to implement the S.R. Scheme. However Respondent 4 is not issuing the required certificate and hence depriving the Petitioners the statutory right of rehabilitation. Presently, the said WP is in the pre-admission stage and was listed for urgent hearing on October 4, 2023. The matter remain pending as on date of this Draft Letter of Offer.

- iii. Suit No 2189 of 1996 has been filed in the Hon'ble High Court of Bombay against the Company (“**Defendant**”) by Vikas Narayan Raikar (“**Plaintiff**”) claiming additional FSI of 1992.50 sq.feet on CTS No 366/46 (Old CTS No 366/13) which was allotted to the Plaintiff for redevelopment during the year 1979. The Company has disputed the same and the Suit is pending before the Hon'ble High Court of Bombay.

In the meantime the plaintiff gave NOC to transfer the plot to Meena Towers Co-operative Housing Society Ltd as required under MOFA Act after development. Accordingly the Company executed and registered Deed of Conveyance dated October 31, 2015 in favour of Meena Towers Co-operative Housing Society Limited. against this Deed of Conveyance another Suit has been filed against the Company and two others in City Civil Court at Bombay the Plaintiff for executing Deed of Conveyance in favour of Meena Towers Co-operative Housing Society Limited. This suit is also pending before the Hon City Civil Court. No material liability is expected by the Company from the above two suits.

F. Tax Proceedings

Below are the details of the pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

| Particulars | Number of cases | Amount involved (₹ in lakhs) |
|---|------------------------|-------------------------------------|
| Indirect Tax | | |
| Sales Tax/VAT | Nil | Nil |
| Excise | Nil | Nil |
| Customs | Nil | Nil |
| Service Tax | Nil | Nil |
| Total | Nil | Nil |
| Direct Tax | | |
| Appeal filed against the order passed against our Company | Nil | Nil |
| Cases filed by our Company | Nil | Nil |
| Total | Nil | Nil |

2. Litigations involving our Subsidiary

Our Company does not have any subsidiary as on date of the filing of this Draft Letter of Offer.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations (“**Approvals**”) for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the business of the Company is located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 47.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated July 24, 2023, authorized the Issue under Section 62(1) (a) of the Companies Act, 2013.

This Draft Letter of Offer has been approved by our Board, at its meeting held on June 10, 2024.

The Board of Directors, at its meeting held on [●], determined the Issue Price as ₹[●]/- per Rights Equity Share and the Rights Entitlement as [●] ([●]) Rights Equity Share(s) for every [●] ([●]) Equity Share(s) held on the Record Date, i.e., [●].

Our Company has received 'in-principle' approval from BSE for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letter bearing reference number [●] dated [●] issued by BSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Our Company will also make applications to BSE to obtain its trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on 103.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Association of our Directors with the securities markets

None of our Directors are associated with the securities market in any manner.

Prohibition by RBI

Neither our Company nor our Promoters and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities law committed by them in the past or are currently pending against them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for the Issue

Our Company is a listed company, incorporated under Indian Companies Act, 1913. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1) (a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI;
2. The reports, statements and information referred to above are available on the website of BSE;
3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of the Issue is up to ₹[●] lakhs*. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI for record purpose only, and will be filed with the Stock Exchange.

**Assuming full subscription*

Disclaimer from our Company

Our Company accepts no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company. Anyone placing reliance on any other source of information, including our Company's website i.e. www.clubemerald.in or an affiliate of our Company, would be doing so at his own risk.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors who invest in this Issue will be deemed to have represented to our Company and its directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue. Our Company and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, sales person or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Cautions

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Disclaimer Clause of BSE

As required, a copy of the Draft Letter of Offer has been submitted to BSE. The disclaimer clause, as intimated by BSE to us, post scrutiny of the Draft Letter of Offer will be inserted, prior to filing of the Letter of Offer with the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Common Application Form and the Rights Entitlement Letter (“**Issue Materials**”) and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Issue Materials only to Eligible Equity Shareholders who have provided an Indian address to our Company/ Registrar.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Issue Material or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable

in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, OUR COMPANY NOR ANY OF ITS AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Our Company reserves the right to treat as invalid any Common Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Common Application Form, including to the effect that the person submitting and/or renouncing the Common Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Common Application Form.

Our Company reserves the right to treat as invalid any Common Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Common Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Common Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the

jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Common Application Form.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “**Securities Act**”), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor, the Registrar to the Issue, Banker to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated May 4, 2024 from our Statutory Auditor, M/s. P.G. Bhagwat LLP., Chartered Accountants for inclusion of (i) the Audited Standalone Financial Statements of the Company for Fiscal 2023 and their report thereon dated May 30, 2023 (ii) The Limited Reviewed Unaudited Financial Results for the nine months period ended December 31, 2023 and their report thereon dated February 14, 2024 and (iii) to include their name in this Draft Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated May 2, 2024 in the form and context in which it appears in this Draft Letter of Offer.

Such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated May 4, 2024 from our Statutory Auditor, M/s. P.G. Bhagwat LLP., Chartered Accountants for inclusion of (i) the Audited Standalone Financial Statements of the Company for Fiscal 2023 and their report thereon dated May 30, 2023 (ii) The Limited Reviewed Unaudited Financial Results for the nine months period ended December 31, 2023 and their report thereon dated February 14, 2024 and (iii) to include their name in this Draft Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated May 2, 2024 in the form and context in which it appears in this Draft Letter of Offer.

Such consents have not been withdrawn up to the date of this Draft Letter of Offer. The term ‘expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by M/s. P.G. Bhagwat LLP., Chartered Accountants, our Company has not obtained any expert opinions.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION

OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

This Draft Letter of Offer is being filed with the Stock Exchange i.e., BSE as per the provisions of the SEBI ICDR Regulations.

Further, SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI for record purpose only, and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Purva Shareregistry (India) Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

Purva Shareregistry (India) Private Limited

9, Shiv Shakti Industrial Estate,

J.R. Boricha Marg, Lower Parel,

Mumbai, Maharashtra – 400 011, India

Telephone: +91 022 4961 4132/ 31998810

Email: newissue@purvashare.com

Investor Grievance Email: newissue@purvashare.com

Website: www.purvashare.com

Contact Person: Deepali Dhuri

SEBI Registration Number: INRO00001112

Validity: Permanent

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders etc.

Kapil M. Purohit, is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

Emerald Leisures Limited

Club Emerald Sports Complex,

Plot No. 366/15, Swastik Park,

Near Mangal Anand Hospital, Chembur,

Mumbai, Maharashtra – 400 071, India.

Telephone: +91 22 25277504/ +91 9967255120

E-mail: companysecretary@clubemerald.in

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form, before submitting the Common Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigation and ensure that the Common Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that Application in this Issue can only be made through ASBA.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI- Rights issue Circular”), all investors (including renounce) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

Important:

1. Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue material (“**Issue Materials**”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- (i) our Company at www.clubemerald.in;
- (ii) the Registrar at www.purvashare.com;
- (iii) the Stock Exchange at www.bseindia.com; and

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.clubemerald.in).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

The distribution of the Letter of Offer, the Abridged Letter of Offer, Common Application Form, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the paragraph titled "*Procedure for Application through the ASBA process*" on page 114.

ASBA facility: Investors can submit either the Common Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "*Procedure for Application through the ASBA Process*" on page 114.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. **Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.** For details, see “*Application on Plain Paper under ASBA process*”.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, *i.e.*, by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (*i.e.*, www.purvashare.com <https://rights.kfintech.com/>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (*i.e.* www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.clubemerald.in)

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.purvashare.com
- Updation of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar or our Company: www.purvashare.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.purvashare.com
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: newissue@purvashare.com

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date, i.e. [●].

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. [●], you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.clubemerald.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see “Notice to Investors” on page 11.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹5.

Issue Price

Each Rights Equity Share is being offered at a price of ₹[●]/-per Rights Equity Share (including premium of ₹[●]/-per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company prior to the determination of the Record Date, i.e. [●].

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., [●].

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see “*Procedure for Renunciation of Rights Entitlements*” on page 115.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e. [●]; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation Period, i.e., from [●] to [●](both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., [●] AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 112.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under Rights Entitlement ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. Investors shall be able to trade/transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●](both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see “- *Procedure for Renunciation of Rights Entitlements – On Market Renunciation*” and “- *Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*” on pages 115 and 116 respectively, of this Draft Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renounees, application in the Issue could be made until the Issue Closing Date. For details, see “*Procedure for Application*” on page 112.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

₹ [●]/- per Rights Equity Share (including premium of ₹ [●]/- per Rights Equity Share) shall be payable, in entirety at the time of making the Application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds/ refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●]([●]) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●]([●]) Equity Shares or is not in the multiple of [●]([●]) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one (1) additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●]([●]) Equity Shares, such Equity Shareholder will be entitled to [●]([●]) Rights Equity Share and will also be given a preferential consideration for the Allotment of one (1) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●]([●]) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paidup Equity capital of our Company.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 507265) under the ISIN:INE044N01021. The Rights Equity Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four (4) days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares,

and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

For details of trading and listing of partly paid-up Rights Equity Shares, please refer to the heading —*Terms of Payment* at page 108.

Subscription to this Issue by our Promoters and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*”.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights:

- a) The right to receive dividend, if declared;
- b) The right to vote in person, or by proxy;
- c) The right to receive surplus on liquidation;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one (1) Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 (one) Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.

Notices

In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials (“**Issue Materials**”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai, Maharashtra where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter

of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on newissue@purvashare.com or physically/postal means at the address of the Registrar PurvaSharegistry (India) Private Limited, 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel, Mumbai, Maharashtra – 400 011, India. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, *i.e.* [●] see “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 119.

Our Company, its directors, its employees, affiliates, associates and their directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc.* in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Common Application Form

The Common Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or Stock Exchange.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity

Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.purvashare.com <https://rights.kfintech.com/>. Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- (i) our Company at www.clubemerald.in;
- (ii) the Registrar at www.purvashare.com; and
- (iii) the Stock Exchange at www.bseindia.com;

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.clubemerald.in).

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Common Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “- Grounds for Technical Rejection” on page 122 . Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Application on Plain Paper under ASBA process” on page 116.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Common Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Common Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Common Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “- *Application on Plain Paper under ASBA process*” on page116.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “- *Basis of Allotment*” on page126.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under RE ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the RE ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Common Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Common Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Emerald Leisures Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialized form;
6. Number of Rights Equity Shares entitled to;

7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹[●]/- per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the “US Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Draft Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that the Company will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of payment

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.purvashare.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. [●] and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Common Application Form from:
 - our Company (at www.clubemerald.in);
 - the Stock Exchange (at www.bseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.clubemerald.in);

- (d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. [●] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

General instructions for Investors

- (a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Common Application Form sent to you.
- (c) The Common Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (d) Application should be made only through the ASBA facility.
- (e) Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the

terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.

- (f) In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “- *Application on Plain Paper under ASBA process*” on page 116.
- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- (j) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (k) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.
- (l) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.**
- (m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (p) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

- (q) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (s) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (t) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

- (a) Ensure that the Common Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Dont's:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.

- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

Dont's for Investors applying through ASBA:

- (a) Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.

- (l) Physical Common Application Forms not duly signed by the sole or joint Investors.
- (m) Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Common Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

Modes of Payment

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with the FEMA, FEMA Rules and requirements prescribed by the RBI and subject to the following conditions:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Common Application Forms on the websites of the Registrar and our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

2. Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of a Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- Procedure for Applications by Mutual Funds” on page 130.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “Capital Structure – Intention and extent of participation by our Promoters and Promoter Group” on page 17.

Last date for Application

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “-Basis of Allotment” on page 126.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

| | |
|---|-----|
| LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS | [●] |
| ISSUE OPENING DATE | [●] |
| LAST DATE FOR ON MARKET RENUNCIATION* | [●] |
| ISSUE CLOSING DATE[#] | [●] |
| FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT) | [●] |
| DATE OF ALLOTMENT (ON OR ABOUT) | [●] |
| DATE OF CREDIT (ON OR ABOUT) | [●] |
| DATE OF LISTING (ON OR ABOUT) | [●] |

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

[#]Our Board or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. [●].

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. [●], have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e. [●].

For details, see “General Information - Issue Schedule” on page 43.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board or the Rights Issue Committee will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, i.e. [●], provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or the Rights Issue Committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- (d) Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, that our Board or our Rights Issue Committee may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board or the Rights Issue Committee in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.

- (b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Common Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated November 23, 2000 with NSDL and an agreement dated November 1, 2000 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Common Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are

eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 millions or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 millions or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹5 million or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or the Rights Issue Committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.
- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund/ unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

The objects of the Issue involve (a) Repayment, of all or a portion of certain outstanding borrowings (including interest thereon) availed by our Company and (b) General Corporate Purposes.

Other than Jashwant Bhaichand Mehta and Chetan Jashwant Mehta, we have been informed by our Promoters *vide* their letters each dated February 28, 2024, their intention to fully subscribe to their entitlements arising out of the proposed Rights Issue. Additionally, Jaydeep Vinod Mehta, *vide* his letter dated February 28, 2024 has undertaken to fully subscribe to any under subscribed portion of this Issue. Further, we have been informed by Jashwant Bhaichand Mehta and Chetan Jashwant Mehta that they may or may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce whole or a part of their right entitlement in favour of third parties whom they may identify in due course or may renounce whole or a part of their right entitlement in the open market. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in proviso to Regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

Note: Our Promoter Group does not hold any Equity Shares in our Company.

Filing

This Draft Letter of Offer is being filed with the Stock Exchange i.e., BSE as per the provisions of the SEBI ICDR Regulations.

Further, SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI for record purpose only, and will be filed with the Stock Exchange.

Important

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Common Application Form, Abridged Draft Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Common Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Common Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Common Application Form and super scribed “Emerald Leisures Limited – Rights Issue” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Purva Sharegistry (India) Private Limited

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,
Lower Parel, Mumbai, Maharashtra – 400 011, India.

Telephone: +91 022 4961 4132/ 31998810;

Email: newissue@purvashare.com

Website: www.purvashare.com

Investor grievance Email: newissue@purvashare.com

SEBI Registration: INRO00001112

Validity: Permanent

Contact Person: Deepali Dhuri

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.purvashare.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are + 022 4961 4132/ 31998810

This Issue will remain open for a minimum 7 days. However, our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the Foreign Investment Promotion Board (“**FIPB**”). Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. The above information is given for the benefit of the Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND REALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Issue Shares in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlements and the Issue Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Draft Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements, or Equity Shares shall do so in accordance with the restrictions in their respective jurisdictions.

SECTION VIII—OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company.

Copies of the contracts and documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of the Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

- (i) Registrar Agreement dated May 17, 2024 entered into between our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Certificate of incorporation dated March 8, 1933 issued by the Registrar, Joint Stock Companies, Phaltan.
- (iii) Resolution of the Board of Directors dated July 24, 2023 in relation to the Issue.
- (iv) Resolution of Board of Directors dated June 10, 2024 approving and adopting this Draft Letter of Offer.
- (v) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor, the Registrar to the Issue, for inclusion of their names in the Draft Letter of Offer in their respective capacities.
- (vi) Copies of Annual Reports of our Company for Fiscals 2023, 2022, 2021, 2020 and 2019.
- (vii) The Audited Financial Statements along with report dated May 30, 2023 of the Statutory Auditor thereon, included in this Draft Letter of Offer.
- (viii) The Limited Reviewed Unaudited Financial Results along with report dated February 14, 2024 of the Statutory Auditor thereon, included in this Draft Letter of Offer.
- (ix) Statement of Tax Benefits dated May 2, 2024 from the Statutory Auditor included in this Draft Letter of Offer.
- (x) Tripartite Agreement dated February 11, 2021 between our Company, CDSL and the Registrar to the Issue.
- (xi) Tripartite Agreement dated February 11, 2021 between our Company, NSDL and the Registrar to the Issue.
- (xii) In principle listing approval dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Nikhil Vinod Mehta
(Executive Director and Chief Executive
Officer)

Date: June 10, 2024

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Rajesh Motilal Loya
(Whole-Time Director and Chief Financial
Officer)

Date: June 10, 2024

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

DIRECTOR OF OUR COMPANY

Jashwant Bhaichand Mehta
(Non-Executive Non-Independent Director)

Date: June 10, 2024

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Jaydeep Vinod Mehta
(ExecutiveDirector)

Date: June 10, 2024

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Maneesh Taparia
(Independent Director)

Date: June 10, 2024

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Gautam Chandrakumar Shah

(Independent Director)

Date: June 10, 2024

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Dhwani Jaydeep Mehta
(Non-Executive Non-Independent Director)

Date: June 10, 2024

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Amit Vardhman Shah

(Independent Director)

Date: June 10, 2024

Place: Mumbai