Letter of Offer
Dated: March 8, 2021
For Equity Shareholders of our Company only

EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED

Our Company was incorporated under the Companies Act, 1956 in New Delhi as "Emerald Leasing Finance and Investment Company Limited" on November 22, 1983 vide Certificate of Incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. Our Company obtained certificate of Commencement of Business on December 16, 1983. Our Company was granted certificate of registration dated November 20, 2015 by the Reserve Bank of India to carry on the business of Non- Banking Financial Institution. The Corporate Identity Number of our Company is L65993CH1983PLC041774. For details on change of Registered Office of our Company, please refer to chapter titled "*General Information*" beginning on page 36 of this Letter of Offer.

Registered Office: SCO 7, Industrial Area, Phase II, Chandigarh – 160002, India
Tel: 0172 - 4005659; Fax: 0172 - 4603859
Contact Person: Mrs. Amarjeet Kaur, Company Secretary and Compliance Officer
E-mail:info@emeraldfin.com; Website:www.emeraldfin.com

PROMOTERS OF OUR COMPANY: MR. SANJAY AGGARWAL, MRS. ANUBHA AGGARWAL, MR. RAM SWAROOP AGGARWAL AND MRS. ANU AGGARWAL

FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY

ISSUE OF 2,00,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT PAR ("RIGHTS EQUITY SHARES") FOR AN AMOUNT AGGREGATING UPTO ₹ 2,000 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED ("THE COMPANY" OR THE "ISSUER") IN THE RATIO OF 42 RIGHTS EQUITY SHARES FOR EVERY 19 FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, i.e. ON THURSDAY, JANUARY 28, 2021 (THE "ISSUE").

THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS AT PAR TO THE FACE VALUE OF THE EQUITY SHARE.

FOR FURTHER DETAILS, PLEASE SEE "*TERMS OF THE ISSUE*" ON PAGE 123 OF THIS LETTER OF OFFER

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the *Risk Factors* carefully before taking an investment decision in this 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 being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer.

Investors are advised to refer to the "*Risk Factors*" on page 16 of this Letter of Offer before making an investment in the Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 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 of our Company are listed on BSE Ltd. **("BSE")**. We have received "in-principle" approval from BSE for listing the equity shares arising from the Issue vide its letter dated June 22, 2020. For the purposes of the Rights Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
KEYNOTE **Keynote Financial Services Limited** *(formerly Keynote Corporate Servies Lmited)* The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W), Mumbai – 400028 **Tel. No.:** +91 – 22 – 6826 6000 **Email:** mbd@keynoteindia.net **Website:** www.keynoteindia.net **Contact Person:** Ms. Pooja Sanghvi **SEBI Registration No**: INM 000003606	MASS **MAS Services Limited** T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi – 110020 India **Tel. No:** +91 11 2638 7281-83 **E-mail:** info@masserv.com **Website:** www.masserv.com **Contact Person:** Mr. Sharwan Mangla **SEBI Registration No:** INR 000000049

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS	ISSUE CLOSES ON
MONDAY, MARCH 22, 2021	**THURSDAY, APRIL 1, 2021**	**MONDAY, APRIL 5, 2021**

Please note 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.

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SECTION I– GENERAL INFORMATION

DEFINITIONS AND ABBREVIATIONS

Definitions

In this Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to "Emerald Leasing Finance and Investment Company Limited", "Emerald", the/our "Company", "we", "our", "us" or similar terms are to Emerald Leasing Finance and Investment Company Limited or, as the context requires, and references to "you" are to the equity shareholders and/ or prospective investors in the Equity Shares.

Conventional/ General Terms

Term	Description
"Emerald Leasing Finance & Investment Company Limited" or "Emerald" or "the Company", or "our Company"	Emerald Leasing Finance & Investment Company Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, as amended and having its registered office SCO 7, Industrial Area, Phase II, Chandigarh – 160002, India.
"We" or "us" or "our"	Unless the context otherwise indicates or implies, refers to Emerald Leasing Finance & Investment Company Limited
₹/ Rs./ Rupees /INR	Indian Rupees
ASBA	Application Supported by Blocked Amount
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
AY	Assessment Year
Board of Directors	Board of Directors of our Company
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
Depositories Act	The Depositories Act, 1996 and amendments thereto
DP or Depository Participant	Depository Participant as defined under the Depositories Act
Eligible Shareholder(s) or "Eligible Equity Shareholder(s)"	Eligible holder(s) of the equity shares of Emerald as on the Record Date
Erstwhile Companies Act	The Companies Act, 1956, which has been repealed and replaced by the Companies Act, 2013
EPS	Earnings Per Share
IT Act	The Income Tax Act, 1961 and amendments thereto
Ind AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standards) Rules 2015, as amended
NAV	Net Asset Value per share
NEFT	National Electronic Fund Transfer
NR/Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI
NRE Account	Non-resident external account
NRI	Non-resident Indian

Term	Description
OCB	Overseas Corporate Body
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021
SEBI Listing Regulations/ SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Regulations/ SEBI ICDR Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto
Securities Act	United States Securities Act of 1933, as amended
SAST Regulations, 2011/ Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
SAST Regulations, 1997	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto
SR Equity Shares	Equity Shares of our Company having superior voting rights compared to all other equity shares issued by us

Issue related terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Equity Shareholders as on the Record Date with respect to this Issue in accordance with SEBI Regulations
Allotment	Unless the context requires, the allotment of Equity Shares pursuant to the Issue
Allottees	Persons to whom Equity Shares are issued pursuant to the Issue
Applicant(s) / Investor(s)	Eligible Equity Shareholders and/or Renouncee(s) who are entitled to apply or have applied for Rights Equity Shares under the Issue, as the case may be
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application at R-WAP facility or though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable at the time of Application i.e. ₹10/- per Equity Share in respect of the Rights Equity Shares applied for at the Issue Price
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used compulsorily by all investors/ applicants authorizing the SCSB to block the amount payable on application in their specified bank account
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to

Term	Description
	the extent of the appropriate amount in relation to an application by an ASBA Investor
ASBA Investor	An investor (either Equity Shareholder or Renouncee) who is intending to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs.
Banker to the Company	The Punjab State Co-op Bank Ltd. and Kotak Mahindra Bank Limited
Bankers to the Issue Agreement	Agreement dated February 10, 2021 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for receipt of the Application Money in the Escrow Account from Applicants making an Application through R-WAP facility, including for the purposes of refunding the surplus funds remitted by such Applicants after Basis of Allotment, remitting funds to the Allotment Accounts from the Escrow Account and SCSBs in case of Allottees, release of funds from Allotment Accounts to our Company and other persons, as applicable and providing such other facilities and services as specified in the agreement
Banker to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Banks and the Refund Account Bank to the Issue, in our case being HDFC Bank
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited or BSE
Demat Suspense Escrow Account	Demat Suspense Escrow Account opened by Registrar namely "Emerald Leasing Fin and Inv Co. Ltd Rights Entitlement Suspense Escrow Acc Operated by RTA"
Draft Letter of Offer/ DLOF	The Draft Letter of Offer dated March 30, 2020 filed with SEBI and which did not have complete terms of the number of Rights Equity Shares proposed to be offered in the Issue in accordance with the SEBI ICDR Regulations
Equity Share(s) or Share(s)	Equity shares of our Company having a face value of ₹10/- each unless otherwise specified in the context thereof
Equity Shareholder/ Shareholder	Means a holder of Equity Shares of our Company
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility
Financial Year/ Fiscal/ Fiscal Year/ FY	Any period of twelve months ended March 31 of that particular year, unless otherwise stated
Issue/ Rights Issue	Issue of 2,00,00,000 Equity Shares with a face value of ₹ 10/- each at par for an amount aggregating upto ₹ 2,000 Lakhs on a rights basis to the existing Equity Shareholders in the ratio of 42 Equity Share for every 19 fully paid-up Equity Share(s) held (i.e., 42:19) by the existing Equity Shareholders on the Record Date
Investor(s)	Equity Shareholders as on Record Date and/or Renouncees applying in the Issue
Issue Closing Date	Monday, April 5, 2021
Issue Opening Date	Monday, March 22, 2021
Issue Price	₹ 10/- per Equity Share
Issue Proceeds	The proceeds of the Issue that are available to our Company
Issue Size	The issue of 2,00,00,000 Equity Shares for an amount aggregating to ₹ 2,000 Lakhs
Lead Manager/ LM	Keynote Financial Services Limited
Letter of Offer	The final letter of offer dated March 8, 2021 filed with the Designated Stock Exchange and with SEBI for purposes of record keeping
Listing Agreement	The listing agreements entered into between our Company and the Stock

Term	Description
	Exchange
MICR	Magnetic Ink Character Recognition.
Net Proceeds	The Issue Proceeds less the Issue related expenses
NECS	National Electronic Clearing Services
NRI(s)	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
Non-Institutional Investors	All Investors including sub-accounts of FIIs/ FPIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for a cumulative amount more than ₹ 2 Lakhs
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 Thursday, April 1, 2021
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
Offer Document	Means Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer
Promoter	The Promoters of our Company, being Mr. Sanjay Aggarwal, Mrs. Anubha Aggarwal, Mr. Ram Swaroop Aggarwal and Mrs. Anu Aggarwal
Promoter Group	Unless the context requires otherwise, the entities forming part of the promoter group in accordance with the SEBI Regulations and which are disclosed by our Company to the Stock Exchange from time to time
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, 2018.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares i.e. January 28, 2021
Refund Account Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being HDFC Bank.
Refund through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registrar of Companies/ RoC	The Registrar of Companies, Chandigarh Corporate Bhawan, Plot No. 4 B, Sector 27 B, Madhya Marg, Chandigarh – 160 019
Registrar to the Issue	MAS Services Limited
Renouncees	Any person(s) who, not being the original recipient has/ have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Thursday, April 1, 2021 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
Retail Individual Investors	Individual Investors who have applied for Equity Shares for an amount not more than ₹2 lakhs (including HUFs applying through their Karta)
Rights Entitlement/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being 42 Rights Equity

Term	Description
	Shares for 19 Equity Shares held on Thursday, January 28, 2021. The Rights Entitlements with a separate ISIN: INE030Q20015 will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and link for the same will be available on the website of our Company
Rights Equity Shares	The fully paid up Equity Share(s) offered in this Issue
R-WAP	Registrar's web based application platform accessible at https:/ www.masserv.com, instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, for accessing/ submitting online Application Forms by resident Investors.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, 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 the Rights 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

Company Related and Industry Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended
Auditor	K. Singh & Associates, Chartered Accountants, our present statutory auditors
Board/ Board of Directors	Board of Directors of our Company including any committees thereof.
BIFR	Board for Industrial and Financial Reconstruction
Financial Statement	The audited consolidated financial statement of our Company for the period ended March 31, 2020 and for the six (6) months period ended September 30, 2020 which have been prepared in accordance with Indian Accounting Standard (Ind AS)
Memorandum/Memorandum of Association/ MOA/ MoA	The memorandum of association of our Company, as amended
NOC	No Objection Certificate
NBFC	Non-Banking Financial Company
NBFC-MFI	NBFC-Micro Finance Institution
NBFC-ND	Non-Deposit taking Non-Banking Financial Company
NBFI	Non-Banking Financial Institution

Abbreviations

Term	Description
ADR	American Depository Receipt
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
DIN	Director Identification Number
DP	Depository Participant
DR	Depository Receipts
EGM	Extraordinary General Meeting
EEA	European Economic Area
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors
GDR	Global Depository Receipt
GNPA	Gross Net Performing Assets
HUF	Hindu Undivided Family
Ind AS	Indian Accounting Standards
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number
IT	Information Technology
JV	Joint Venture
Ltd./ Ltd	Limited
MCLR	Marginal Cost of Funds based Lending Rate
NPA	Non Performing Assets
NR	Non Resident
NSDL	National Securities Depository Limited
PBT	Profit Before Tax
PVT/ Pvt.	Private
Regulation S	Regulation S of the U.S. Securities Act of 1933, as amended
SEBI	Securities and Exchange Board of India
Stock Exchange	BSE
STT	Securities Transaction Tax

NOTICE TO OVERSEAS INVESTORS

The distribution of this Letter of Offer, Abridged Letter of Offer and Application Form and the Issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or the Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Rights Equity Shares on a rights basis to the Equity Shareholders as on Record Date and will dispatch the Letter of Offer/Abridged Letter of Offer and Application Form to such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders, who have not updated 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 dispatch the Letter of Offer/ Abridged Letter of Offer and the Application Form, shall not be sent the Letter of Offer/ Abridged Letter of Offer and the Application Form.

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 has been filed with SEBI and Stock Exchange. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer/ Abridged Letter of Offer and the Application Form or any offering materials or advertisements in connection with the Issue may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under such circumstances, this Letter of Offer, Abridged Letter of Offer the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer and the Application Form should not, in connection with the issue of the Rights Equity Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If this Letter of Offer, Abridged Letter of Offer the Application Form 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 this Letter of Offer, Abridged Letter of Offer the Application Form. Envelopes containing the Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorised to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that the Application Form is incomplete or acceptance of such the 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 Application Form. Neither the delivery of this Letter of Offer, Abridged Letter of Offer and the Application Form 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 that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer.

The contents of this Letter of Offer, Abridged 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 of Equity Shares. 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 the Rights Equity Shares. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

The rights and the securities of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, this Letter of Offer or Abridged Letter of Offer and the enclosed Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing the Application Form 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 Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the issue of Equity Shares on a rights basis to Equity Shareholders of our Company on the Record Date and the Letter of Offer and the Application Form will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it does not have a registered address (and is not otherwise located) in the United States, and (iii) it is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to Emerald Leasing Finance and Investment Company Limited", "Emerald", the/ our "Company", "we", "our", "us" or similar terms are to Emerald Leasing Finance and Investment Company Limited or, as the context requires, and references to "you" are to the equity shareholders and/ or prospective investors in the Equity Shares.

Financial Data

Unless stated otherwise, the financial data in this Letter of Offer is derived from the audited consolidated Financial Statement of our Company for the period ended March 31, 2020 and for the six (6) months period ended September 30, 2020 which have been prepared in accordance with Indian Accounting Standard (Ind AS) and are included in this Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

In this 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 the context otherwise indicates, any percentage amounts, as set forth in the sections titled "*Risk Factors*" on page 16 of this Letter of Offer have been calculated on the basis of the Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

Currency of Presentation

All references in this Letter of Offer to "Rupees", "Rs.", "₹", "Indian Rupees" and "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "U.S.$", "U.S. Dollar", "USD" or "$" are to United States Dollars, the official currency of the United States of America.

Please Note:

One million is equal to 1,000,000/10 lakhs;
One billion is equal to 1,000 million/100 crores;
One lakh is equal to 100 thousand;
One crore is equal to 10 million/100 lakhs

FORWARD LOOKING STATEMENTS

We have included statements in this Letter of Offer which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "forward looking statements".

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the 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, technological changes, our exposure to market risks, general economic and political conditions 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 domestic laws, regulations and taxes, changes in competition in its industry and incidents of any 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:

- Decline in economic growth or political instability nationally or internationally or changes in the Government in India;
- Failure to sustain our growth or expand our customer base;
- Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability;
- Errors in the research disseminated or advice provided by us;
- Failure of, or inadequacies in, our information technology systems upon which our business operations are highly dependent;
- Significant competition in our businesses may limit our growth and prospects;
- Dependence on a number of key management personnel and senior management personnel;
- Our risk management and internal controls, as well as the risk management tools available to us, may not be adequate or effective in identifying or mitigating risks to which we are exposed;
- Our insurance coverage could prove inadequate to cover our losses; and
- Claims by clients or actions by regulators or both for alleged mis-selling.

For a further discussion of factors that could cause the actual results to differ, see "*Risk Factors*" on page 16 of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Neither our Company nor the Lead Manager 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 SEBI and Stock Exchange' requirements, our Company and Lead Manager shall ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – LETTER OF OFFER SUMMARY

Summary of Business

We are a Non-Deposit taking Non-Banking Financial Company registered with RBI carrying on the NBFC activities under Section 45IA of the Reserve Bank of India Act, 1934. We are engaged in a diverse range of businesses catering to the financial services sector directly through our own Company and also through our Subsidiary.

Objects of the Issue:

The issue proceeds are to be utilized for financing the following objects:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1.	To augment the capital base of our Company	Up to 1,934.00
2.	Issue Expenses	66.00

Subscription to the Issue by our Promoter and Promoter Group

The Promoters and members of the Promoter Group of our Company through their letters dated February 18, 2021 (the "**Subscription Letters**") have confirmed that they intend to subscribe jointly and/or severally along with other Promoter group members to the full extent of their Rights Entitlement in the Issue and to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or promoter group member and to the extent of unsubscribed portion (if any) of the Issue.

Further, the Promoters and Promoter Group may also apply for additional shares along with their Rights Entitlement and/or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the Takeover Regulations. The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI LODR Regulations.

In case the rights issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Financial Information:

The following table sets forth summary financial information derived from the Audited Consolidated Financial Statements, prepared in accordance with Ind AS and the Companies Act as of and for the Fiscal ended March 31, 2018, March 31, 2019, March 31, 2020 and for the six months period September 30, 2020.

(₹ in lakhs)

Particulars	For six months period ended September 30, 2020	For the Fiscal		
		2020	2019	2018
Share Capital	904.37	904.37	904.37	304.50

Particulars	For six months period ended September 30, 2020	For the Fiscal		
		2020	2019	2018
Net Worth	1511.96	1471.03	1386.78	523.42
Total Income	170.55	786.78	671.93	438.49
Profit / (loss) after tax	47.12	129.04	118.48	56.44
Basic EPS (in ₹)	0.52	1.43	1.31	1.85
Diluted EPS (in ₹)	0.52	1.43	3.12	0.63
Net asset value per share (in ₹)	16.72	16.27	23.12	17.19
Total borrowings	284.62	258.51	93.61	83.07

Notes:

1. The Financial Statements for the financial years ended March 31, 2018, March 31, 2019, March 31, 2020 and for the six months period ended September 30, 2020 have been audited by our Statutory Auditors M/s K. Singh & Associates.

2. The Financial Statements for March 31, 2018, March 31, 2019, March 31, 2020 and for the six (6) months period ended September 30, 2020 have been prepared in accordance with Ind-AS.

The Financial Statements for the Fiscal ended March 31, 2018, March 31, 2019, March 31, 2020 and for the six (6) months period ended September 30, 2020 referred to above are presented under "*Financial Statements*" on page 62 of this Letter of Offer. The summary financial information presented below should be read in conjunction with the Financial Statements and the accompanying notes, schedules and annexures included in "*Financial Statements*" on page 62 of this Letter of Offer.

Auditor Qualifications

No reservations, qualifications and adverse remarks have been made by our Auditors in their reports which have not been given effect to in the Financial Statements for Fiscals March 31, 2018, March 31, 2019, March 31, 2020 and for the six (6) months period ended September 30, 2020.

Outstanding Litigations:

There are no outstanding litigations.

For details, please refer to chapter titled "***Outstanding Litigations and Material Developments***" on page 111 of this Letter of Offer.

Risk Factors:

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see "*Risk Factors*" on page 16 of this Letter of Offer.

Contingent Liabilities:

As on September 30, 2020, our Company does not have any contingent liabilities and commitments that have not been provided for.

Related Party Transactions:

For details of the related party transactions, as reported in the Financial Statements, see "*Financial Statements*" on page 62 of this Letter of Offer.

Financing Arrangements:

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of the Letter of Offer.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued Equity Shares for consideration other than cash during the last one (1) year immediately preceding the date of filing the Letter of Offer.

SECTION III - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to the country, the industry in which our Company operates in India, our Company or our Equity Shares. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of an investment in this Issue.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including merits and risks involved.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in "Forward Looking Statements" on page 12 of this Letter of Offer. To obtain a better understanding of our business, you should read this section in conjunction with the section titled "Financial Statements" on page 62, together with all other financial information contained in this Letter of Offer. Unless otherwise stated, the financial data in this section is derived from and should be read in conjunction with our audited consolidated financial statements for the Six (6) months period ended September 30, 2020 and for the financial year ended March 31, 2020.

I. INTERNAL RISK FACTORS

1. Our Promoters have been penalised by Adjudicating Officer, SEBI for violation of SAST Regulations, 1997.

Our Promoters, Mr. Sanjay Aggarwal and Mr. Ram Swaroop Aggarwal had received a show cause notice dated November 13, 2019 from the Adjudicating Officer, SEBI to show cause as to why penalty under Section 15H(ii) of the SEBI Act, 1992 should not be imposed for alleged delay of 2,600 days in making public announcement under SAST Regulations, 1997 to the shareholders of the Company. By an order dated April 15, 2020, the Adjudication Officer, SEBI has imposed a monetary penalty of INR 5,00,000/- jointly and severally on the Promoters. The Promoters have paid the said penalty on June 2, 2020. We cannot however assure you that no other proceedings will be initiated by SEBI against the Promoters for the violation which in turn may have a material adverse effect on our reputation and business.

For further details pertaining to outstanding litigations, kindly refer to the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 111 of this Letter of Offer.

2. As an NBFC, we have to adhere to several regulatory norms prescribed by RBI from time to time. Any non-compliance with such norms or any adverse change in the norms could negatively affect our Company's operations, business, financial condition and the trading price of Equity Shares.

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business. Such approvals, licenses, registrations and permissions must be maintained / renewed over time and we may have to comply with certain conditions in relation to these approvals. Moreover, the applicable

requirements may change and we may not be aware of or may comply with all requirements all of the time. We are required to obtain and maintain a certificate of registration for carrying on business as an NBFC. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/ criteria as and when required. Inability to meet the prescribed norms/ criteria, can adversely affect the operations and profitability of our Company.

3. ***The objects of the Issue are based on the internal estimates of our management and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue Proceeds could adversely affect our financial results.***

The funds raised under this Issue will be used to augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities. The objects of the Issue are based on management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financial results. Utilization of Issue proceeds would be disclosed to our Company's shareholders in the manner required under the SEBI LODR Regulations. For further details, please refer to the section titled "*Objects of the Issue*" on page no. 45 of this Letter of Offer.

4. ***We provide unsecured loans to our borrowers. If our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.***

Our Company mainly provides unsecured loans i.e., loans without any security. Hence, we run the risk of recovery by defaulters. Further, any deterioration in the quality of our borrowers in terms of their financial worth may also expose us to difficulties in timely recovery of interest and principal amount from such borrowers. In the event of such deterioration in our Company's asset portfolio, there could be an adverse impact on our business and our future financial performance. Further, any default in repayment by our borrowers, will result in losses to our Company. While we have been very selective and conservative in our lending policies and are generally satisfying ourselves with credit worthiness and repayment capacities of our borrowers, there can be no assurance that we will be able to timely recover the interest and / or principal of loans advanced by us.

5. ***Failure by our Company to adhere to the regulatory framework prescribed by RBI may result in action being taken against our Company.***

Our Company has during the financial year 2020-21 introduced a new product wherein we offer micro finance lending by way of ultra-short term loans i.e. for a tenure of less than 15 days with a ticket size ranging from INR 1,000 to INR 20,000. The provisions of the Master Direction – Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 No. DNBR.PD007/03.10.119/2016-17 issued by the Reserve Bank of India on September 1, 2016, as amended from time to time, provide that an NBFC which does not qualify as an NBFC-MFI shall not extend loans to micro finance sector, which in aggregate exceed 10% of its total assets. If such limit is breached, the NBFC is required to obtain and maintain certificate of registration for carrying on business as an NBFC-MFI subject to the conditions mentioned in the Master Circular.

As on September 30, 2020, we have not breached such threshold limit. However, we cannot assure you that the said limit would not be crossed in the future and in case our Company does breach such limit at any point of time then our Company will be required to take necessary actions to comply with the relevant RBI Regulations, failing which action may be taken by RBI against our Company for violation of the regulatory framework which may have a material adverse effect on our reputation and business.

6. ***Our Company has experienced negative cash flows. Any negative cash flow in future could affect our results of operations.***

Our Company has experienced negative cash flows, the details of which are summarized below:

(₹ in lakhs)

Particulars (Consolidated)	For six months period ended September 30, 2020	FY ended March 31, 2020	FY ended March 31, 2019	FY ended March 31, 2018
Net Cash from operating activities	(93.34)	(370.61)	(494.14)	7.51
Net cash used in investing activities	(0.04)	(21.76)	(6.69)	(9.25)

Any negative cash flows in future could adversely affect our Company's results of operation and financial condition. For further details please see the section titled "*Financial Information*" on page no 62 of this Letter of Offer.

7. ***Our business is vulnerable to interest rate risk and volatility in interest rates which could adversely affect our income from our operations and adversely affect our financial performance and profitability.***

Our business is dependent on interest income from the loans disbursed. Accordingly, we are affected by volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility.

If interest rates rise, we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors who may have access to low-cost deposit funds. This could have a material adverse effect on our Company's results of operations and financial condition.

8. ***The micro, small and medium scale enterprises to which we provide loans may not perform and we may not be able to control the non-performance of such companies. Further, the segment to which we cater are more likely to be affected by declining economic conditions than larger corporate borrowers.***

A significant majority of our customer base belongs to the micro, small and medium enterprises sector. We do not manage, operate or control such companies and have no control over their functions or operations. The repayment of the loans extended to such companies will depend to a significant extent on the specific management team of the relevant debtor company. Failure to maintain sufficient credit assessment policies, particularly for micro, small and medium enterprise borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on its results of operations and/or financial condition.

9. ***We through our subsidiary act as Direct Selling Agent (DSA) for various Banks and NBFCs. Cancellation of same would adversely affect our financial performance and profitability.***

We through our subsidiary company are associated with several banks and NBFCs as a Direct Selling Agent. Commission earned from the said business is one of our major contributions to our consolidated revenue.

To obtain the bank codes for specific loan products, detailed process is required to be followed. Further, the business targets set by the banks / NBFC's is to be achieved consistently. Any delay in the above-mentioned activities would lead to cancellation/termination of our subsidiary's DSA Agreement, which in turn would adversely affect our financial performance and profitability.

10. ***Our Company has not complied with certain applicable provisions of securities law.***

Being a listed entity, our Company is required to comply with the provisions of securities laws *inter alia* SEBI LODR Regulations. Our Company has, on certain occasions in the past, failed to

make requisite disclosures (other than those required to be filed periodically in the last three years) such as those relating to outcome of certain board meetings, prior intimation to stock exchange for certain events, etc. or has made the same with delay(s) under SEBI LODR Regulations. There can be no assurance that no action will be taken by any regulatory authority in relation to such delayed / non-compliances or any other non-compliances under these regulations. In case of action by any regulatory authority in relation to the aforementioned delayed / non-compliances, the same may have an adverse effect on the reputation, business and financials of our Company.

11. There have been some instances of non-filing/ delayed filings/ incorrect filings and certain other non-compliance under the Companies Act which may attract penalties.

Our Company is required to make filings from time to time with RoC in compliance with the provisions of the Companies Act, some of which may either have not been done or have been done with certain discrepancies, inaccuracies, clerical mistakes and/ or delays such as inadvertent errors in the annual filings and in the disclosures made to Stock Exchange. Further, there have been instances of non-compliance with some of the other provisions of the Companies Act such as non-adoption of certain mandatory policies at the relevant time.

Although, there have been no penalty levied on the Company for such non-compliances/ defaults till date, however, there can be no assurance that even in future no action or penalty shall be levied. If the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors / officers in relation to the same, our business, financial condition and results of operations could be adversely affected.

12. We do not own our Registered cum Corporate Office.

We do not own the premises on which our Registered cum Corporate Office is situated. We have taken our Registered cum Corporate Office on rental/ leave & license basis from Mr. Sanjay Aggarwal, Promoter of our Company for a period of 11 months presently from October 29, 2020 which can be renewed from time to time. We cannot be sure of continuity of the said premises after expiry of the current rental period and if such agreement is not renewed, there may be temporary disruption in our operations due to relocation of our office. Further, the terms and conditions on which the said premises may be renewed on rental basis may not be favourable to us.

13. Certain agreements may be inadequately stamped or may not have been registered or may not have necessary disclosure as a result of which our operations may be adversely affected.

Some of our agreements such as those relating to immovable properties, may not be adequately stamped or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration of documents that are required to be registered, is that such document will not have any effect on the property or be eligible to be received as evidence in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

14. Our success depends upon our management team and skilled personnel and our ability to attract and retain such persons.

Our future performance will be affected by the continued service of our management team and skilled personnel. We face a continuing challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in the various segments of the financial services industry in which we operate, and it may be difficult to attract and retain the personnel we need in the future. The loss of key personnel may have a material and adverse effect on our business, future financial performance, results of operations and ability to grow in line with our strategy and future plans.

15. ***We have in past entered into related party transactions and may continue to do so in future.***

We have, in the course of our business, entered into transactions with related party forming part our Promoter / Promoter Group. There can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Such related party transactions may give rise to potential conflicts of interest with respect to dealings between us and the related parties.

16. ***Our Promoters, Directors and Key Managerial Persons may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Apart from receipt of remuneration and re-imbursement of expenses incurred by them, our Promoters, Directors and Key Management Personnel may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Company, and benefits deriving from their directorship in our Company. Further, our Promoter, Mr. Sanjay Aggarwal, may also be regarded as interested to the extent of rent paid by our Company for leasing out premises on which our Registered cum Corporate office is located. For further details, please refer to the chapters titled "*Our Management*" and the Annexure titled "*Related Party Transactions*" under chapter titled "*Financial Statements*" beginning on page 59 and 62 of this Letter of Offer.

17. ***The financing industry is becoming increasingly competitive and our Company's growth and profitability will inter alia depend on its ability to compete effectively.***

Our Company faces increasing competition from public and private sector Indian commercial banks, and from other financial institutions that provide financial products or services. Some of our Company's competitors have greater resources than our Company does. The competition our Company faces from banks is increasing as more banks are targeting products and services similar to ours. Competition in our industry depends on, among other things, the ongoing evolution of government policies relating to the industry, the entry of new participants in the industry and the extent to which there is consolidation among banks and financial institutions in India.

As our Company enters new markets in the financial services industry, our Company is likely to face additional competition from entities who may be better capitalized, have longer operating histories, a greater retail and brand presence, and more experienced management. If our Company is unable to compete with these entities effectively in these new markets, its operations and/or profitability may be adversely affected.

18. ***The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.***

The World Health Organization declared the 2019 novel coronavirus ("**COVID-19**") outbreak a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020. Governments and municipalities around the world instituted measures to control the spread of COVID-19, including quarantines, shelter-in-place orders, closure of schools, travel restrictions, and closure of non-essential businesses. The COVID-19 pandemic has caused an economic downturn on a global scale, including closure of many businesses and reduced consumer spending, as well as significant market disruption and volatility. A number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19.

The Government of India initially announced a 21-day country-wide lockdown starting on March 25, 2020, which was further extended in several phases with certain modifications and relaxations, till date, and there can be no assurance that such lockdowns will not be extended further on one or more occasions.

Financial markets were volatile during the Financial Year 2020 due to domestic economic slowdown, concerns on fiscal slippage and geopolitical tensions. Weaknesses in overall economic activity also put pressure on business growth of lenders including NBFCs. The spread of COVID-

19 in March 2020, further increased the uncertainties for the financial services sector. While various parts of the world, including India, have commenced calibrated easing of lockdown measures, the effects of the eventual outcome remain uncertain and contingent on the future path of the pandemic and the effectiveness of the measures to counter it.

In addition, the RBI has issued guidelines on March 27, 2020 and April 17, 2020 in an effort to contain the impact of the COVID-19 pandemic. Under these guidelines, all loans were eligible for moratoriums on instalments due during a period of three months, i.e. from March 1, 2020 to May 31, 2020. This was subsequently extended by another period of three months, i.e. until August 31, 2020. Accordingly, banks and other financial institutions were permitted to provide a moratorium of three months to be extended for another three months for all term loan instalments which were due for payment. In line with these guidelines, we provided a moratorium to eligible borrowers, even if overdue, as on February 29, 2020, on the payment of all principal amounts and/ or interest, as applicable, falling due between March 1, 2020 to August 31, 2020, resulting in a decline in our collections during such period. Additionally, the matter of declaring accounts as NPAs if such accounts were not declared as NPAs till August 31, 2020, has been kept on hold by the Supreme Court of India vide orders dated September 3, 2020. However, provision for such borrowers of our Company have been made considering them as net NPA (net stage 3 assets) in accordance with our Company's expected credit loss policy.

The impact of the pandemic on our business, operations and future financial performance include, but are not limited to:

• ***Operations and business continuity****:* Pursuant to the lockdown, we temporarily closed our office. With the easing of the lockdown, we have gradually resumed business operations, following hygiene checks and sanitization. However, a surge in the number of COVID-19 cases in the future could result in a complete or partial closure of, or other operational issues at our offices resulting from government action.

• ***Collections****:* The lockdown resulted in an inability to physically collect from the retail customers on-field due to several restricted activities. Further, our collections were affected owing to the restrictions on gathering of more than certain number of people specifically in relation to micro loans where collections are undertaken through a meeting. Since the gradual relaxations in the lockdown, we have recommenced our collection efforts and increased our workforce dedicated to collection efforts. However, such efforts could be adversely affected in case there is a surge in COVID-19 cases.

• ***Net interest income and Fee income****:* With the slowdown in disbursement and maintenance of additional liquidity, there was a substantial drop in fee income and net interest income in the first quarter of Financial Year 2021. The fees earned by way of processing fees, cross-selling could be further impacted due to slower economic activity on account of the pandemic.

• ***Non-payment or defaults by customers****:* Due to economic slowdown caused by the COVID-19, there could be delays and defaults associated with repayment of advance from customers which may adversely affect our cash flows.

• ***Security****:* There was an increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware, and impersonation tactics, resulting from the increase in numbers of individuals working from home.

• ***Productivity****:* Inherent productivity, connectivity, and oversight challenges due to an increase in number of individuals working from home may affect our business and results of operations.

The impact of the COVID-19 pandemic on our business will depend on a range of factors which we are not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity in India, and the nature and severity of measures adopted by governments. Other factors include, but are not limited to: (i) significant volatility in financial markets and measures adopted by governments and central banks

that further restrict liquidity, which may limit our access to funds, leading to shortages of cash or increase the cost of raising such funds; (ii) our stress testing, changes in loan disbursement, and other measures to address the effects of the COVID-19 pandemic may fail; (iii) in the event a member or members of our management team contracts COVID-19, it may potentially affect our business operations; and (iv) our branch level and other operations may be disrupted by social distancing, split-team, work from home and quarantine measures.

As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. Adverse consequences of, and conditions resulting from, the COVID-19 may remain prevalent for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID-19 outbreak has subsided. While the rural demand is expected to strengthen further, RBI estimates real GDP growth in Financial Year 2021 to remain in negative territory (*Source:* RBI Governor Statement dated December 4, 2020). Further, if the outbreak of any of these epidemics or other severe epidemics, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, and could materially and adversely affect our business, cash flows, financial condition and results of operations. Similarly, any other future public health epidemics or outbreak of avian or swine influenza or other contagious disease in India could also materially and adversely affect our business, cash flows, results of operations and financial condition.

II. RISKS RELATED TO OUR EQUITY SHARES AND EQUITY SHARE HOLDERS

19. ***We will not distribute this 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, SEBI Rights Issue Circulars and the MCA Circular, our Company will send, only through email, 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 thereunder 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.

20. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.

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 January 22, 2020, May 6, 2020 and January 19, 2021, 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 123.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, 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 (namely, **"EMERALD LEASING FIN AND INV CO. LTD RIGHTS ENTITLEMENT SUSPENSE ESCROW DEMAT ACCOUNT OPERATED BY RTA"**) 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.

21. No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchange during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchange, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

22. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2012/13 dated January 19, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at **www.masserv.com.**), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "*Terms of the Issue − Procedure for Application through the R-WAP*" on page 123. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

23. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

Our revenues are dependent on various factors such as future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Our business is capital intensive as we require a large amount of money to pursue our NBFC business and activities. The combination of these factors may result in significant variations in our revenues and profits and thereby may impact our ability to pay dividends.

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

Capital gains arising from the sale of the equity shares of our Company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT (Security Transaction Tax) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are transacted. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the equity shares of our Company will be exempt from taxation in India in cases where an 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 jurisdictions on gain upon a sale of the Equity Shares.

25. Volatility in the stock market may have an impact on the market price and trading of our Equity Shares.

Stock markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Equity Shares. There may be significant volatility in the market price of our Equity Shares.

If we are unable to operate profitably or as profitably as we have in the past, investors could sell our Equity Shares when it becomes apparent that the expectations of the market may not be realized, resulting in a decrease in the market price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

26. *There are restrictions on daily movements in the price of our Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

We are subject to a daily 'circuit breaker' imposed by the Stock Exchange, which may not allow transactions beyond specified increases or decreases in the price of our Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchange. The percentage limit on our circuit breakers is set by the stock exchange based on the historical volatility in the price and trading volume of our Equity Shares.

This circuit breaker will limit the upward and downward movements in the price of our Equity Shares during the day. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

27. ***Any future issuance of Equity Shares may dilute the investor's shareholding and sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares by the Company could dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

28. ***Any trading closure at the BSE may adversely affect the trading price of our Equity Shares.***

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on the BSE Platform could adversely affect the trading price of the Equity Shares.

III. EXTERNAL RISK FACTORS

29. ***Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

30. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

31. ***Terrorist attacks, civil unrests and other acts of violence in India and around in the world could adversely affect the financial markets, result in a loss of consumer confidence and adversely affect our business, financial condition and cash flows.***

Terrorist attacks, civil unrests and other acts of violence or war in India and around in the world may adversely affect worldwide financial markets and result in a loss of client's confidence and ultimately adversely affect our business, financial condition and cash flows. India has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighboring countries. Political tensions could create a perception that an investment in Indian companies

involves higher degrees of risk and on our business and price of our Equity Shares.

32. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favorable terms or at all.

33. The occurrence of natural calamities or man-made disasters could have a negative effect on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods, drought, fires, explosions, tornadoes, pandemic disease and man-made disasters including acts of terrorism and military actions in the past few years. The extent and severity of these natural and man-made disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

SECTION IV - INTRODUCTION

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Consolidated Audited Financial Information for the year ended March 31, 2020 and for the six (6) months period ended September 30, 2020 and Statement of Unaudited Financial Results for the Quarter and Nine Months period ended December 31, 2020 prepared in accordance with recognition and measurement principles of Ind AS 34 and Regulation 33 of SEBI (LODR) Regulations, 2015. The summary of financial information presented below should be read in conjunction with our Financial Information and the notes thereto in the section titled "Financial Statements" on page 62 on this Letter of Offer.

Summary of Consolidated Audited Financial Information for the year ended March 31, 2020

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

	PARTICULARS	NOTE	As at 31st March, 2020 (₹ in Lakh)	As at 31st March, 2019 (₹ in Lakh)
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	3	7.96	7.84
			7.96	7.84
(2)	**Current assets**			
	(a) Financial Assets			
	(i) Trade receivables	4	92.78	125.24
	(ii) Cash and cash equivalents	5	159.39	430.99
	(iii) Loans	6	1630.73	999.64
	(iv) Others (to be specified)	7	38.90	22.53
	(v) Security Deposits	8	6.00	6.00
	(vi) Defferred Tax Assets (Net)	9	0.34	0.31
	(b) Misc Expenditure	10	20.45	6.72
			1948.59	1601.43
	Total Assets		1956.55	1609.27
	EQUITY AND LIABILITIES			
(1)	**Equity**			
	(a) Equity Share capital	11	904.37	904.37
	(b) Other Equity	12	587.11	489.13
	(c) Minority Interest		34.09	20.76
			1525.57	1414.26
(2)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	13	258.51	93.61
			258.51	93.61
(3)	**Current liabilities**			
	(a) Other current liabilities	14	137.53	56.67
	(b) Provisions	15	34.92	44.73
	(c) Current Tax liabilities (net)	16	0.02	0.00
			172.47	101.40
	Total Equity and Liabilities		1956.55	1609.27
	Significant Accounting Policies & Notes on Financial Statements	1 to 36		

As per our report of even date attached.

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS FRN M. No. 91673 CHANDIGARH

Kultar Singh
Partner
Membership No. - 091673

Place : Chandigarh
Dated : 15-07-2020

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580828

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

Anju Sharma
Company Secretary

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

	PARTICULARS	NOTE	Year Ended 31st March, 2020 (` In Lakh)	Year Ended 31st March, 2019 (` In Lakh)
I	Revenue from Operations	16	782.14	670.36
II	Other income	17	4.64	1.57
III	**Total Income**		**786.78**	**671.93**
IV	**EXPENSES**			
	Employee-benefits expenses	18	106.01	54.60
	Finance costs	19	44.13	16.21
	Depreciation and amortization expenses	20	3.12	2.60
	Other expenses	21	469.57	435.66
	Total expenses		622.83	509.07
V	**Profit/ (Loss) before Exceptional Items & Tax (I-IV)**		**163.95**	**162.86**
VI	**Exceptional Items**		-	
VII	**Profit/(Loss) Before Tax (V-VI)**		163.95	162.86
VIII	**Tax expense**			
	(1)Current Tax	15	34.92	44.73
	(2)Deferred tax	22	(0.01)	(0.35)
IX	**Profit/(Loss) for the period from continuing operations (VII-VIII)**		**129.04**	**118.48**
X	**Profit/(Loss) for the period from discontinued operations**		-	-
XI	**Tax expense of discontinued operations**		-	-
XII	**Profit/(Loss) for the period from discontinuing operations after tax (X-XI)**		-	-
XIII	**Profit/(Loss) for the period (IX+XII)**		**129.04**	**118.48**
XIV	**Other comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss	23	-	-
	(ii) Income tax realting 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 realting to items that will be reclassified to profit or loss		-	-
XV	**Total compehensive Income for the period (XIII+XIV)** (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**129.04**	**118.48**
XVI	**Earning per equity share** (from continuing operation)			
	(1)Basic		**1.43**	**1.31**
	(2)Diluted		**1.43**	**3.12**
XVII	**Earning per equity share** (from discontinued operation)			
	(1)Basic		-	-
	(2)Diluted		-	-
XVIII	**Earning per equity share** (from discontinued and continuing operation)			
	(1)Basic		**1.43**	**1.31**
	(2)Diluted		**1.43**	**3.12**
	Significant Accounting Policies & Notes on Financial Statements	1 to 35		

As per our report of even date attached

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

Kultar Singh
Partner
Membership No. - 091673

Place : Chandigarh
Dated : : 15/07/2020

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580828

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

Anju Sharma
Company Secretary

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW (Pursuant to INDAS-7) Indirect Method
FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS		Year Ended 31st March, 2020 ('000)	Year Ended 31st March, 2019 ('000)
1. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX		**163.95**	**162.86**
Add:			
Depreciation		3.12	2.60
Miscellaneous Expenses Written Off		4.61	0.94
Financial Expenses		44.13	16.21
		51.86	**19.75**
Less:			
Deferred Tax Liability		(0.01)	(0.35)
Provision for Tax		34.92	44.73
Income Tax Adjustment during the year		(2.78)	
Movement during the year		1.07	
Provision for Standard Asset		2.57	
Provision for Dividend		13.84	11.07
Tax On Dividend		2.85	2.27
		52.46	**57.72**
Operating profit for working capital changes		**163.35**	**124.89**
(Increase) / Decrease in trade receivable		32.46	(1.04)
(Increase) / Decrease in Loans & Advances		(637.49)	(619.39)
Increase / (Decrease) in Trade Payables & Others		71.07	1.40
Cash Generated from / (used in) operating activities		**(370.61)**	**(494.14)**
Direct Taxes paid / deducted at source		-	-
Net cash generated from / (used in) operating activities	**(A)**	**(370.61)**	**(494.14)**
2. CASH FLOW FROM INVESTING ACTIVITES			
Misc Expenditure		(18.35)	
Purchase of Fixed Assets		(3.41)	(6.69)
Purchase of Investment in subsidiary		-	-
Interest Received		-	
Net Cash from / (used in) Investing Activities	**(B)**	**(21.76)**	**(6.69)**
3. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share capital			760.62
Proceeds from Unsecured Loans		164.90	10.54
Interest Paid		(44.13)	(16.21)
Net Cash from / (used in) Financing Activities	**(C)**	**120.77**	**754.95**
4. NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	**(A)+(B)+(C)**	**(271.60)**	**254.12**
5. CASH & CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		430.99	176.87
6. CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR		**159.39**	**430.99**
Cash and Cash equivalents (Year end)		159.39	430.99
FLDG With Banks		11.87	
Balances with banks with restatement (including cc & od balances)		76.58	172.35
Cheque/Drafts in hand		67.41	-
Cash in Hand		3.53	15.94
Reconciliation of Cash and Cash equivalents			
Cash and Cash equivalents as per Balance Sheet		159.39	430.99
Balances with banks in CC Accounts		-	-
Balances with banks in OD Accounts		-	-
		159.39	**430.99**

For and on behalf of the Board

Sanjay Aggarwal **Managing Director** **DIN No. 02580828**	**Anubha Aggarwal** **Director** **DIN No. 02557154**
Sheetal Kapoor **CFO**	**Anju Sharma** **Company Secretary**

Place : Chandigarh
Dated : 15-07-2020

Auditor's Certificate

We have examined the attached cash flow statement of Emerald Leasing Finance & Investment Company Limited for the year ended 31st March, 2020. The Statement has been prepared by the company in accordance with the requirement of the listing agreement Clause 32 with Stock Exchange and is based on and derived from the audited accounts of the Company for the year ended 31st March, 2020.

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

Kultar Singh
Partner
Membership No. - 091673

Place : Chandigarh
Dated : 15-07-2020

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Summary of Consolidated Audited Financial Information for six months period ended September 30, 2020

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2020

	PARTICULARS	NOTE	As at 30th Sept, 2020 (INR in Lakh)	As at 31st March, 2020 (INR in Lakh)
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	3	8.000	7.963
			8.000	7.963
(2)	**Current assets**			
	(a) Financial Assets			
	(i) Trade receivables	4	23.007	92.788
	(ii) Cash and cash equivalents	5	73.838	159.395
	(iii) Loans	6	1,799.142	1,633.295
	(iv) Others (to be specified)	7	52.215	38.895
	(v) Security Deposits	8	5.998	5.998
	(vi) Defferred Tax Assets (Net)	9	0.339	0.339
	(b) Misc Expenditure	10	20.452	20.452
			1,974.991	1,951.162
	Total Assets		1,982.991	1,959.125
	EQUITY AND LIABILITIES			
(1)	**Equity**			
	(a) Equity Share capital	11	904.365	904.365
	(b) Other Equity	12	628.045	587.115
	(c) Minority Interest		36.993	34.086
			1,569.403	1,525.566
(2)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	13	284.615	258.516
			284.615	258.516
(3)	**Current liabilities**			
	(a) Other current liabilities	14	72.705	137.528
	(b) Provisions	15	56.248	37.495
	(c) Current Tax liabilities (net)	16	0.020	0.020
			128.973	175.043
	Total Equity and Liabilities		1,982.991	1,959.125
	Significant Accounting Policies & Notes on Financial Statements	1 to 35	-	-

As per our report of even date attached

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

Kultar Singh
Partner
Membership No. - 091873

Place : Chandigarh
Dated : 31/10/2020

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580828

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 30TH SEPTEMBER 2020

	PARTICULARS	NOTE	As at 30th Sept, 2020 (INR in Lakh)		As at 31st March, 2020 (INR in Lakh)
I	Revenue from Operations	17	170.306		782.141
II	Other income	18	0.248		4.647
III	**Total Income**		**170.554**		**786.788**
IV	**EXPENSES**				
	Employee-benefits expenses	19	32.205		106.008
	Finance costs	20	18.278		44.130
	Depreciation and amortization expenses	21	-		3.125
	Other expenses	22	57.021		469.578
	Total expenses		107.504		622.841
V	**Profit/ (Loss) before Exceptional Items & Tax (I-IV)**		**63.050**		**163.947**
VI	**Exceptional Items**		-		
VII	**Profit/(Loss) Before Tax (V-VI)**		63.050		163.947
VIII	**Tax expense**				
	(1)Current Tax	15	15.933	-	37.495
	(2)Deferred tax	23	-	-	(0.004)
IX	**Profit/(Loss) for the period from continuing operations (VII-VIII)**		**47.117**		**126.456**
X	**Profit/(Loss) for the period from discontinued operations**		-		-
XI	**Tax expense of discontinued operations**		-		-
XII	**Profit/(Loss) for the period from discontinuing operations after tax (X-XI)**		-		-
XIII	**Profit/(Loss) for the period (XI+XII)**		**47.117**		**126.456**
XIV	**Other comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss	23	-		-
	(ii) Income tax realting 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 realting to items that will be reclassified to profit or loss		-		-
XV	**Total compehensive income for the period (XIII+XIV)** (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**47.117**		**126.456**
XVI	**Earning per equity share** (from continuing operation)				
	(1)Basic		**0.521**		**1.427**
	(2)Diluted		**0.521**		**1.427**
XVII	**Earning per equity share** (from discontinued operation)				
	(1)Basic		-		-
	(2)Diluted		-		-
XVIII	**Earning per equity share** (from discontinued and continuing operation)				
	(1)Basic		**0.521**		**1.427**
	(2)Diluted		**0.521**		**1.427**
	Significant Accounting Policies & Notes on Financial Statements	1 to 35			

As per our report of even date attached

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

Kultar Singh
Partner
Membership No. - 0918

Place : Chandigarh
Dated : 31/10/2020

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580828

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

Regd. Office: SCO 7 Industrial Area Phase 2 Chandigarh 160002

CIN : L65993CH1983PLC041774

CONSOLIDATED CASH FLOWS FOR THE HALF YEAR ENDED 30.09.2020

PARTICULARS		Year Ended 30th Sept 2020 (INR in Lakhs)	Year Ended 31st March 2020 (INR in Lakhs)
1. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX		63.050	163.947
Add:			
Depreciation		-	3.125
Miscellaneous Expenses Written Off		-	4.612
Financial Expenses		18.278	44.130
		18.278	51.867
Less:			
Deferred Tax Liability		-	(0.004)
Provision for Tax		15.933	34.916
Income Tax Adjustment during the year		-	(2.781)
Provision for Standard Asset		2.820	2.579
Provision for Dividend		-	13.840
Tax On Dividend		-	2.851
Others		0.460	1.070
		19.213	52.471
Operating profit for working capital changes		62.115	163.343
(Increase) / Decrease in trade receivable		69.781	32.460
(Increase) / Decrease in Loans & Advances		(179.167)	(637.490)
Increase / (Decrease) in Trade Payables & Others		(46.070)	71.073
Cash Generated from / (used in) operating activities		(93.341)	(370.614)
Direct Taxes paid / deducted at source		-	-
Net cash generated from / (used in) operating activities	(A)	(93.341)	(370.614)
2. CASH FLOW FROM INVESTING ACTIVITES			
Misc Expenditure		-	(18.348)
Purchase of Fixed Assets		(0.037)	(3.410)
Purchase of Investment in subsidiary		-	-
Interest Received		-	-
Net Cash from / (used in) Investing Activities	(B)	(0.037)	(21.758)
3. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share capital		-	
Proceeds from Unsecured Loans		26.099	164.900
Interest Paid		(18.278)	(44.130)
Net Cash from / (used in) Financing Activities	(C)	7.821	120.770
4. NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(A)+(B)+(C)	(85.557)	(271.602)
5. CASH & CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		159.395	430.997
6. CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR		73.838	159.395
Cash and Cash equivalents (Year end)		73.838	159.395
FDLG		23.867	11.867
Balances with banks with restatement (including cc & od balances)		43.364	76.583
Cheque/Drafts in hand		-	67.414
Cash in Hand		6.607	3.531
Reconciliation of Cash and Cash equivalents			
Cash and Cash equivalents as per Balance Sheet		73.838	159.395
Balances with banks in CC Accounts		-	-
Balances with banks in OD Accounts		-	-
		73.838	159.395

Sanjay Aggarwal
Managing Director
DIN No. 02580828

Anubha Aggarwal
Director
DIN No. 02557154

Sheetal Kapoor
CFO

Place : Chandigarh
Dated : 31/10/2020

Auditor's Certificate

We have examined the attached cash flow statement of Emerald Leasing Finance & Investment Company Limited for the year ended 30th September, 2020. The Statement has been prepared by the company in accordance with the requirement of the listing agreement Clause 32 with Stock Exchange and is based on and derived from the audited accounts of the Company for the year ended 30th September, 2020.

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No. 012582N

Kulwant Singh
Partner
Membership No. 089673

Place : Chandigarh
Dated : 31/10/2020.

Summary of Consolidated Unaudited Financial Results for nine months period ended December 31, 2020

EMERALD

###

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

Regd. Office: SCO 7 Industrial Area Phase 2 Chandigarh 160002

CIN : L65993CH1983PLC041774

CONSOLIDATED STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31.12.2020

(INR in lakhs except eps data)

S.No.		Quarter Ended			Period Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2019
		Un- Audited	Un- Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	Income from Operations	-	-	-	-	-	-
	a) Fees Based Income	100.165	41.222	139.886	165.379	403.644	578.499
	b) Interest Income	57.344	54.171	50.604	162.436	137.009	192.394
2	Dividend	4.500	-	11.250	4.500	11.250	11.250
3	Other Income	0.231	0.233	0.180	0.479	3.060	4.646
4	**Total Revenue (1+2+3)**	**162.240**	**95.626**	**201.920**	**332.794**	**554.963**	**786.789**
5	**Expenditure**						
	a) Employees Cost	20.825	14.982	28.008	53.029	77.592	103.508
	b) Finance charges	10.044	8.390	8.836	28.038	26.090	44.130
	c) Depreciation	-	-	-	-	-	3.125
	d) Other Expenditure	69.738	28.682	111.308	127.042	300.721	472.080
	Total Expenses	**100.607**	**52.054**	**148.152**	**208.109**	**404.403**	**622.843**
6	Profit before Exceptional & extraordinary items (3-4)	**61.633**	**43.572**	**53.768**	**124.685**	**150.560**	**163.946**
7	Exceptional Items			-			-
8	Profit before extraordinary items & tax (5-6)	61.633	43.572	53.768	124.685	150.560	163.946
9	Extraordinary Items	-	-	-	-	-	-
10	Profit Before Tax (7-8)	61.633	43.572	53.768	124.685	150.560	163.946
11	**Tax Expenses:**						
	a) Current Tax	15.505	11.362	11.169	31.381	35.533	34.916
	b) Deferred tax	-	-	-	-	-	(0.004)
12	Profit(+)/Loss (-) for the period from continuing operations (9-10)	**46.128**	**32.210**	**42.599**	**93.304**	**115.027**	**129.034**
13	**Other Comprehensive Income**	-	-	-	-	-	-
	Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-
	Tax on above	-	-	-	-	-	-
	Total Other comprehensive Income, net of tax	-	-	-	-	-	-
14	**Total comprehensive Income, for the period**	46.128	32.210	42.599	93.304	115.027	129.034
15	Paid up equity share capital	904.365	904.365	904.365	904.365	904.365	904.365
	(Face value of ` 10/- each per share)						
16	Basic and diluted Earning Per Share (EPS) before Extra Ordinary Items						
	-Basic	0.510	0.356	0.471	1.032	1.272	1.427
	-Diluted	0.510	0.356	0.471	1.032	1.272	1.427

Notes:

. The above Financial Results have been reviewed and recommended by the Audit Committee and thereafter approved and taken on record by the Board of Directors at the meeting held on 12th February 2021.

: The figures of the previous quarter/year have been regrouped or reclassified wherever necessary to make them comparable with current year figures.

: The company adopted Indian Accounting Standard ("IND AS") from April 1,2017 and accordigly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 Inteim Financial Reporting prescribed under Section 133 of the Companies Act 2013 read with relevent rules issued there under and other accounting principles generally accepted in India.The figures of the previous period have been restated, regrouped and reclassified wherever required to comply with the INDAS.

Based on the guiding principles given in Ind AS 108 on "Operating Segments:" the Company's business activity falls within a Single Operating Segment namely "Non Banking Finance Company", hence the disclosure requirements of Ind AS 108 are not applicable.

Place: Chandigarh
Date : 12.02.2021

(Sanjay Aggarwal)
Managing Director
DIN NO-02580828

EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED
CIN - L65993CH1983PLC041774
Regd. off. : S.C.O 7, Industrial Area Phase II, Chandigarh (India), 160002
Ph. : +91-172-4005659, +91-172-4603859 | E-mail : info@emeraldfin.com | Website : www.emeraldfin.com

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THE ISSUE

The Issue has been authorised by way of a resolution passed by our Board on March 8, 2019 and by the way of special resolution passed by the shareholders in its EGM held on April 8, 2019, pursuant to section 62 of the Companies Act, 2013.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in "*Terms of the Issue*" on page 123 of this Letter of Offer.

Equity Shares outstanding prior to the Issue	90,43,650 Equity Shares
Rights Equity Shares offered in the Issue	2,00,00,000 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	2,90,43,650 Equity Shares
Rights Entitlement	42 Equity Shares for every 19 fully paid-up Equity Shares held on the Record Date
Record Date	Thursday, January 28, 2021
Face Value per Equity Share	₹ 10/- each
Issue Price per Equity Share	₹10/- each
Issue Size	Upto ₹2,000 Lakhs
Terms of the Issue	Please see "*Terms of the Issue*" on page 123 of this Letter of Offer.
Use of Issue Proceeds	Please see "*Objects of the Issue*" on page 45 of this Letter of Offer.
Security Code	ISIN: INE030Q01015 BSE: 538882 ISIN for Rights Entitlements: INE030Q20015

Terms of Payment

The full amount of ₹10/-per Equity Share is payable on application.

Issue Schedule

Issue Opening Date:	Monday, March 22, 2021
Last date for On Market Renunciation of Rights	Thursday, April 1, 2021
Issue Closing Date:	Monday, April 5, 2021

GENERAL INFORMATION

Our Company was originally incorporated in New Delhi as Emerald Leasing Finance and Investment Company Limited under the Companies Act, 1956 vide certificate of incorporation no. 16993 of 1983-84 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana on November 22, 1983. Our Company obtained certificate of Commencement of Business on December 16, 1983. Our Company was granted certificate of registration dated November 20, 2015 by the Reserve Bank of India to carry on the business of Non- Banking Financial Institution.

Registered Office cum Corporate Office of our Company

Emerald Leasing Finance and Investment Company Limited
SCO 7, Industrial Area, Phase II,
Chandigarh – 160 002, India
Tel: 0172 - 4005659; **Fax:** 0172 - 4603859
Website:www.emeraldfin.com
Email:info@emeraldfin.com
Corporate Identification No.: L65993CH1983PLC041774

Changes in Registered Office of our Company

Effective date	Address	Reason for change
November 22, 1983	29 A/1, Asif Ali Road, New Delhi- 110002	Administrative convenience
September 20, 2004	144 Sant Nagar, East of Kailash, New Delhi 110065	
April 4, 2013	A 35, New Multan Nagar, Paschim Vihar, New Delhi- 110063	
January 06, 2014	M 63 Third Floor, Lajpat Nagar, New Delhi-110024	
September 15, 2016	59, First Floor, Uday Park, Gautam Nagar, New Delhi-110049	
October 26, 2017	SCO 7, Industrial Area, Phase II, Chandigarh -160002	

Address of the Registrar of Companies

The Registrar of Companies, Punjab, Chandigarh
Corporate Bhawan, Plot No. 4 B,
Sector 27 B, Madhya Marg,
Chandigarh – 160 019

Board of Directors

The following table sets out the current details regarding our Board of Directors as on the date of filing of this Letter of Offer:

Name	Designation	DIN	Address
Mr. Sanjay Aggarwal	Managing Director	02580828	3054, Sector 28 D Chandigarh 160002
Mrs. Anubha Aggarwal	Non-executive Director	02557154	3054, Sector 28 D Chandigarh 160002
Mr. Raman Aggarwal	Independent Non-executive Director	00116103	F- 1/17, Model Town, Delhi
Mr. Deepak Gaur	Independent Non-executive Director	06445299	Flat No 29 Defence Apartment Paschim Vihar Delhi -110087

For further details of our Board of Directors, see "*Our Management*" on page 59.

Company Secretary and Compliance Officer	Lead Manager to the Issue
Mrs. Amarjeet Kaur SCO 7, Industrial Area, Phase II, Chandigarh 160 002, India **Tel:** 0172 - 4603859 **Fax:** 0172 - 4603859 **E-mail:** cs@emeraldfin.com	**Keynote Financial Services Limited** The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai- 400 028 **Tel**: +91 22 6826 6000 **E-mail:** mbd@keynoteindia.net **Website:** www.keynoteindia.net **Contact Person**: Ms. Pooja Sanghvi **SEBI Registration No**: INM 000003606
Legal Advisor to the Issue	**Registrar and Share Transfer Agent**
Alliance Law 801, 8th Floor, Raheja Center, Free Press Journal Marg, Nariman Point, Mumbai – 400 021 **Tel:** +91 22 2204 0822/23/24 **E-mail:** info@alliancelaw.in **Contact Person:** Mr. Ankur Loona	**Mas Services Limited** T-34, II Floor, Okhla Industrial Area, Phase-II New Delhi - 110020. **Tel:** +91-11- 2638 7281-83 **Fax:** +91-11- 2638 7384 **E-mail:**info@masserv.com **Website:**www.masserv.com **Contact Person:** Mr. Sharwan Mangla **SEBI Registration Number:** INR 000000049
Banker to the Issue	
HDFC Bank Limited FIG-OPS Department Lodha I, Think Techno Campus, Level O-3 Opp. Crompton Greaves Next to Kanjurmarg Railway Station Kanjurmarg (E), Mumbai - 400 042 **Tel:** +91 22 30752927/28/2914 **Email:**Vincent.Dsouza@hdfcbank.com/Siddharth.Jadhav@hdfcbank.com/Prasanna.Uchil@hdfcbank.com / Neerav.Desai@hdfcbank.com **Website:** www.hdfcbank.com **Contact Person:**Mr. Vincent Dsouza/ Mr. Siddharth Jadhav/Mr. Prasanna Uchil/ Mr. Neerav Desai **SEBI Registration No.:** INBI00000063	
Statutory Auditor	
K. Singh & Associates 6, Sector 19 A Chandigarh 160019 **Tel:** +91 98158 76011 **Email:** ksingassociates24@gmail.com, kultarsingh@caks.in **Contact Person:** Mr. Kultar Singh	

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

For further details on the ASBA process, please refer to details given in ASBA form and also see "*Terms of the Issue*" on page 123 of this Letter of Offer.

Investors may please contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue /post-Issue related matter such as non-receipt of letter of Allotment, credit of Rights Equity Shares or Refund Orders and such other matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA account number and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Investors.

Allocation of responsibilities

Keynote Financial Services Limited is the sole Lead Manager to this issue and hence Inter-se allocation of responsibilities is not applicable. However, the list of major responsibilities of Keynote Financial Services Limited inter alia, is as follows:

Sr. No.	Activity
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments.
2.	Drafting and design of the offer document and of advertisement / publicity material including newspaper advertisements and brochure / memorandum containing salient features of the offer document. To ensure compliance with the SEBI Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchange and SEBI.
3.	Marketing of the issue will cover, inter alia, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) bankers to the issue, (iii) collection centres (iv) distribution of publicity and issue material including Application form, Abridged Letter of Offer and the Letter of Offer to the extent applicable.
4.	Selection of various agencies connected with the issue, namely Registrar to the Issue, Bankers to the Issue, printers, and advertisement agencies, etc.
5.	Follow-up with bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.
6.	The post-issue activities will involve essential follow-up steps, which must include finalization of basis of allotment/weeding out of multiple applications, listing of instruments and refunds, with the various agencies connected with the work such as registrars to the issue, bankers to the issue. Even if many of these post-issue activities would be handled by other intermediaries, the Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Issuer.

Credit rating

As the Issue is a rights issue of equity shares, no credit rating is required.

Monitoring agency

Since the Issue size does not exceed ₹ 10,000 Lakhs, the appointment of a monitoring agency as per Regulation 82(1) of the SEBI Regulations is not required.

Appraising agency

The objects of this Issue have not been appraised by any bank or any other independent financial institution.

Experts

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement Of Tax Benefits, included in the Letter of Offer, our Company has not obtained any expert opinions.

Underwriting

This Issue of Equity Shares is not being underwritten and no standby support is being sought for the said Issue.

Debenture Trustee

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

Minimum Subscription

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90%, of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (i.e., 15 days after the Issue Closing Date), or such other period as prescribed by applicable law, our Company shall pay interest for the delayed period, at rates prescribed under applicable law.

Filing

The Draft Letter of Offer was filed with the Regional Director of SEBI, located at 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi – 110 001, India for its observations and with the stock exchange. Subsequently, SEBI vide email dated April 29, 2020 has communicated that in terms of Clause 2 (C) of SEBI circular no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, the minimum threshold limit of Rights Issue for filing draft letter of offer with SEBI as specified in SEBI (ICDR) Regulations has been increased from ₹10 Crore to ₹25 Crore. These relaxations are applicable for Right Issues that open on or before March 31, 2021. In light of the above, the Company was advised that it may open the Rights Issue if the size is less than ₹25 Crores subject to the following conditions:

1. The issuer shall prepare the final letter of offer in accordance with requirements as specified in SEBI ICDR Regulations, 2018 and file the same with the Stock Exchange and SEBI
2. The eligibility and general conditions as specified in Regulation 61 & 62 SEBI ICDR Regulations, 2018 respectively shall be complied with.
3. All other provisions in SEBI LODR Regulations, 2015 and SEBI Circulars shall continue to apply.
4. Abridged letter of offer and the Application Form shall be sent to all the shareholders on record date as specified in SEBI ICDR Regulations, 2018 and Circulars issued thereunder.

Further, this Letter of Offer is being filed with the Designated Stock Exchange i.e. BSE as per the provisions of SEBI ICDR Regulations and submitted with SEBI.

Issue Schedule:

Last date for Credit of Rights Entitlement:	Thursday, March 11, 2021
Issue Opening Date:	Monday, March 22, 2021
Last date for on market renunciation of rights	Thursday, April 1, 2021
Issue Closing Date:	Monday, April 5, 2021
Finalization of Basis of Allotment:	Monday, April 19, 2021
Date of Allotment (on or about):	Tuesday, April 20, 2021
Date of Credit (on or about):	Thursday, April 22, 2021
Date of Listing (on or about):	Monday, April 26, 2021

Please note the 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

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date. No withdrawal of application by eligible shareholders shall be allowed after Issue Closing Date.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

(₹in lakhs except per share data)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorized share capital:		
4,00,00,000 Equity Shares of ₹ 10/- each	4,000,00	4,000,00
Issued, subscribed and paid up capital before the Issue		
90,43,650 Equity Shares of ₹ 10/- each	904.37	904.37
Present Issue in terms of this Letter of Offer		
2,00,00,000 Equity Shares of face value of ₹ 10/- each	2,000.00	2,000.00
Issued, subscribed and paid up capital after the Issue[(1)]		
2,90,43,650 Equity Shares of ₹ 10/- each	2,904.37	2,904.37
Securities premium account		
Before the Issue	NIL	
After the Issue[(2)]	NIL	

[(1)]The present issue has been authorised by our Board of Directors pursuant to the resolution passed in their meeting held on March 8, 2019 and by our shareholders pursuant to the special resolution passed in the EGM held on April 8, 2019 under section 62(1)(a) of the Companies Act, 2013:

[(2)]Assuming full subscription for and allotment of Rights Entitlement

Notes to the Capital Structure

1. As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with option to convert or securities which are convertible at a later date into Equity Shares.

2. Our Company does not have a stock option scheme.

3. The shareholding pattern of our Company as on December 31, 2020 is as follows:

a. Summary statement holding of specified securities:

Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Voting Rights		Number of equity shares held in dematerialized form
					Number	Total as a % of total voting rights	
(A) Promoter & Promoter Group	4	60,06,452	60,06,452	66.42	60,06,452	66.42	60,06,452
(B) Public	751	30,37,198	30,37,198	33.58	30,37,198	33.58	25,50,897
(C) Non- Promoter – Non-Public	0	0	0	0	0	0.00	0
(C1) Shares Underlying DRs	0	0	0	0	0	0.00	0
(C2) Shares Held by Employee Trust	0	0	0	0	0	0.00	0
Grand Total	**755**	**90,43,650**	**90,43,650**	**100.00**	**90,43,650**	**100.00**	**85,57,349**

Source: BSE

b. Aggregate Shareholding of our Promoter Group for the quarter ended December 31, 2020 is as follows:

Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (As a % of A+B+C2)	Number of equity shares held in dematerialized form
A1) Indian					
Individuals/ Hindu undivided family					
Sanjay Aggarwal	1	19,28,500	19,28,500	21.32	19,28,500
Anubha Aggarwal	1	19,02,452	19,02,452	21.04	19,02,452
Ram Swaroop Aggarwal	1	17,30,000	17,30,000	19.13	17,30,000
Anu Aggarwal	1	4,45,500	4,45,500	4.93	4,45,500
Sub Total A1	**4**	**60,06,452**	**60,06,452**	**66.42**	**60,06,452**
A2) Foreign	**0**				
A= A1+A2	**4**	**60,06,452**	**60,06,452**	**66.42**	**60,06,452**

c. Details of Public shareholders holding more than 1% of the pre-Issue paid up capital of our Company for the quarter ended December 31, 2020 is as follows:

Category and name of the shareholder	No. of share holder	No. of fully paid up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957. As a percentage of (A+B+C2)	No. of voting rights	Total as a % of voting rights	No. of equity shares held in dematerialized form
(B) Public							
AGR Investments Limited	1	7,50,000	7,50,000	8.29	7,50,000	8.29	7,50,000
Emily Bosco Menezes	1	1,75,332	1,75,332	1.94	1,75,332	1.94	1,75,332
Radha Krishna Agarwal	1	1,50,000	1,50,000	1.66	1,50,000	1.66	1,50,000
Nidhi Arora	1	1,48,500	1,48,500	1.64	1,48,500	1.64	1,48,500
Bosco Armando Menezes	1	1,40,983	1,40,983	1.56	1,40,983	1.56	1,40,983
Navneet Kaur Ahluwalia	1	1,40,000	1,40,000	1.55	1,40,000	1.55	1,40,000
Shweta Ahluwalia	1	1,10,000	1,10,000	1.22	1,10,000	1.22	1,10,000
Atul Arora	1	1,00,000	1,00,000	1.11	1,00,000	1.11	1,00,000
Dimple Singla	1	1,00,000	1,00,000	1.11	1,00,000	1.11	1,00,000
Total (B)	**9**	**18,14,815**	**18,14,815**	**20.07**	**18,14,815**	**20.07**	**18,51,045**

4. No Equity Shares held by our Promoter or members of our Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

5. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of this Letter of Offer.

6. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

7. As on the date of this letter of offer, our company has not issued any SR equity shares and there are no outstanding SR equity shares.

8. There have been no acquisition of specified securities by the Promoter and Promoter Group in the last one (1) year immediately preceding the date of filing of this Letter of Offer.

9. The ex-rights price arrived in accordance with the formula prescribed under Clause 4 (b) of Regulation 10 of the SAST Regulations, 2011 in connection with the Issue is ₹10.84.

10. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in the rights issue, except for fees or commission for services rendered in relation to the Issue.

11. **Details for subscription of Rights Equity Shares by Promoter & Promoter Group/ Intention and extent of participation by our Promoter & Promoter Group**

    The Promoters and members of the Promoter Group of our Company through their letters dated February 18, 2021 (the "**Subscription Letters**") have confirmed that they intend to subscribe jointly and/or severally along with other Promoter group members to the full extent of their Rights Entitlement in the Issue and to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or promoter group member and to the extent of unsubscribed portion (if any) of the Issue.

    Further, the Promoters and Promoter Group may also apply for additional shares along with their Rights Entitlement and/or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the Takeover Regulations. The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI LODR Regulations.

In case the rights issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilise the Net Proceeds to:

- Augment of our capital base; and
- Meet issue related expenses.

The details of the proceeds of the Issue are summarized below:

Particulars	Amount (₹ in lakhs)
OBJECTS OF THE ISSUE	
Augment capital base	1,934.00
Issue related expenses	66.00
MEANS OF FINANCE	
Rights issue	Upto 2,000.00

Augment Capital Base:

We are a Non Deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI. Our Company's business model is centered around lending activities (granting of loans & advances). As an NBFC, we operate in the business of providing loans to MSMEs and retail customers. We also help in facilitating finance to some of our customers through other banks and NBFCs. We through our Subsidiary Company are also engaged in the business of acting as a Direct Selling Agent for various Banks and NBFCs.

Our Company has during the current financial year 2020-21 introduced ultra-short term loans i.e. for a tenure of upto 15 days with a ticket size ranging from ₹ 1,000 to ₹ 20,000. This product will be targeted to young salaried individuals and the entire process will be completed through a user friendly mobile application. With a cutting edge technology our Company aims to offer 24/7 services.

In the past we have granted loans ranging upto ₹ 125 Lakhs to known and credit worthy clients after analysing their financials, past track records and promoter's credibility. Mostly these clients are such with whom we have had long relationships. For the six months period ended September 30, 2020, out of the total equity of ₹1,532.41 lakhs an amount of ₹284.62 lakhs has been advanced as loans to various parties. Our interest income for the FY 2020 has increased to ₹192.39 lakhs from ₹82.87 lakh during FY19.

Our Company intends to utilize approximately ₹ 1,934 lakhs from the Issue Proceeds towards the expansion of the financing business and /or to provide for funding of fresh loans to our customers. We plan to utilise the network established by our subsidiary which works as a DSA for various banks and NBFCs across the country to deploy the funds we raise.

The objects clause of our Memorandum of Association enables us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any banks or financial institutions. These are based on current conditions and are subject to change in light of changes in external circumstances or costs.

The fund requirements set out in the Objects of the Issue are proposed to be met entirely from the Proceeds of the Rights Issue and internal accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under SEBI ICDR Regulations.

Issue Expenses

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹66 lakhs towards these expenses, a break-up of the same is as follows:

(₹ in lakhs)

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Lead Manager's fees	20.00	30.30	1.00
Selling Commission and upload fees	0.10	0.15	0.01
Registrar to the Issue fees	1.90	2.88	0.10
Legal Advisors fees	4.50	6.82	0.23
Advertising fees	5.00	7.58	0.25
Statutory, Regulations fees including Stock Exchange fees	20.00	30.30	1.00
Printing and distribution of issue stationary	3.50	5.30	0.18
Miscellaneous Expenses	11.00	16.67	0.55
Total	**66.00**	**100.00**	**3.30**

Proposed schedule of implementation and deployment of the Net Proceeds

The Net Proceeds are currently expected to be deployed in Fiscal Year 2021-2022.

Sources of financing of funds already deployed

Our Company has deployed INR 30.28 lakhs as on February 19, 2021 towards "Objects of the Issue" as certified by K. Singh and Associates, Chartered Accountants vide certificate dated February 19, 2021. The details of which are as under:

(₹ in lakhs)

Particulars	Amount
DEPLOYMENT OF FUNDS	
- Fees of the Intermediaries	10.00
- Statutory and other miscellaneous expenses	20.28
Total	**30.28**
SOURCES OF FUNDS	
- Internal accruals	30.28
Total	**30.28**

Strategic and/ or Financial Partners

There are no Strategic and Financial partners to the objects of the issue.

Bridge Financing Facilities

We have not availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

Interim Use of Funds

The Issue Proceeds pending utilization for the objects described above shall be deposited with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

Monitoring of Utilization of Funds

Our Board of Directors will monitor the utilization of the Issue Proceeds. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue

Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchange, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue 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.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized 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 shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other Confirmations

No part of the proceeds from the Issue will be paid by the Company as consideration to our Promoters, Promoter Group Companies, our Directors, or Key Managerial Personnel.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Emerald Leasing Finance & Investment Company Limited
Chandigarh
India

Dear Sirs,

Sub: Proposed Right Issue of Equity Shares (the "Issue") by Emerald Leasing Finance & Investment Company Limited (the "Company")

We report that there are no possible special direct tax benefits available to the Company and its shareholders under the Income-tax Act, 1961, presently in force in India.

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 Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

Yours faithfully,
For K.Singh & Associates
Chartered Accountants

Kultar Singh (Partner)
Membership No: 091673
Firm Registration No.: 012458N
Peer Review Certificate No.: 009586

Place: Chandigarh
Date :19/02/2021

SECTION VI- ABOUT THE COMPANY

INDUSTRY OVERVIEW

Introduction to Indian Financial Service Industry

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payments banks to be created recently thereby adding to the types of entities operating in the sector.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by both government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

(Source: https://www.ibef.org/industry/financial-services-india.aspx)

Reforms in Indian Financial Services Industry

Until the early 1990s, the role of the financial system in India was primarily restricted to the function of channeling resources from the surplus to deficit sectors. Whereas the financial system performed this role reasonably well, its operations came to be marked by some serious deficiencies over the years. The banking sector suffered from lack of competition, low capital base, low productivity and high intermediation cost. After the nationalization of large banks in 1969 and 1980, public ownership dominated the banking sector. The role of technology was minimal and the quality of service was not given adequate importance. Banks also did not follow proper risk management system and the prudential standards were weak. All these resulted in poor asset quality and low profitability. Among non-banking financial intermediaries, development finance institutions (DFIs) operated in an over-protected environment with most of the funding coming from assured sources at concessional terms. In the insurance sector, there was little competition. The mutual fund industry also suffered from lack of competition and was dominated for long by one institution, viz., the Unit Trust of India.

Non-banking financial companies (NBFCs) grew rapidly, but there was no regulation of their asset side. Financial markets were characterized by control over pricing of financial assets, barriers to entry, high transaction costs and restrictions on movement of funds/participants between the market segments. Apart from inhibiting the development of the markets, this also affected their efficiency.

Against this backdrop, wide-ranging financial sector reforms in India were introduced as an integral part of the economic reforms initiated in the early 1990s. Financial sector reforms in India were grounded in the belief that competitive efficiency in the real sectors of the economy will not be realized to its full potential unless the financial sector was reformed as well. Thus, the principal objective of financial sector reforms was to improve the allocative efficiency of resources and accelerate the growth process of the real sector by removing structural deficiencies affecting the performance of financial institutions and financial markets.

The main thrust of reforms in the financial sector was on the creation of efficient and stable financial institutions and markets. Reforms in respect of the banking as well as non-banking financial institutions focused on creating a deregulated environment and enabling free play of market forces while at the same time strengthening the prudential norms and the supervisory system. In the banking sector, the focus was on imparting operational flexibility and functional autonomy with a view to enhancing efficiency, productivity and profitability, imparting strength to the system and ensuring accountability and financial soundness. The restrictions on activities undertaken by the existing institutions were gradually relaxed and barriers to entry in the banking sector were removed. In the case of non-banking financial intermediaries, reforms focused on removing sector-specific deficiencies. Thus, while reforms in respect of Development Financial Institutions focused on imparting market orientation to their operations by withdrawing assured sources of funds, in the case of NBFCs, the reform measures brought their asset side also under the regulation of the Reserve Bank. In the case of the insurance sector and mutual funds, reforms attempted to create a competitive environment by allowing private sector participation.

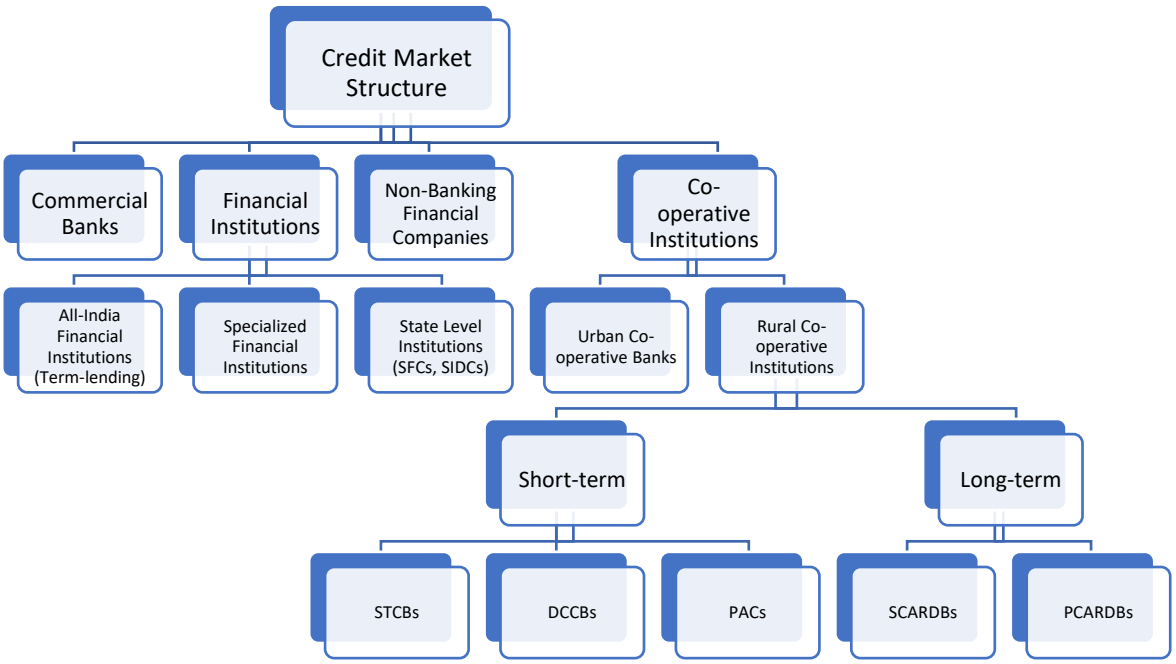
Reforms in financial markets focused on removal of structural bottlenecks, introduction of new players/instruments, free pricing of financial assets, relaxation of quantitative restrictions, improvement in trading, clearing and settlement practices, more transparency, ***etc***. Reforms encompassed regulatory and legal changes, building of institutional infrastructure, refinement of market microstructure and technological upgradation. In the various financial market segments, reforms aimed at creating liquidity and depth and an efficient price discovery process.

(Source: https://www.rbi.org.in/scripts/PublicationsView.aspx?id=14945)

Structure of Credit Market in India

Credit markets perform the critical function of intermediation of funds between savers and investors and improve the allocative efficiency of resources. Banks, which are major players in the credit market, play an important role in providing various financial services and products, including hedging of risks. Credit markets also play a key role in the monetary transmission mechanism.

The credit market in India has traditionally played a predominant role in meeting the financing needs of various segments of the economy. Credit institutions range from well developed and large sized commercial banks to development finance institutions (DFIs) to localised tiny co-operatives. They provide a variety of credit facilities such as short-term working loans to corporates, medium and long-term loans for financing large infrastructure projects and retail loans for various purposes. Unlike other segments of the financial market, the credit market is well spread throughout the country and it touches the lives of all segments of the population.



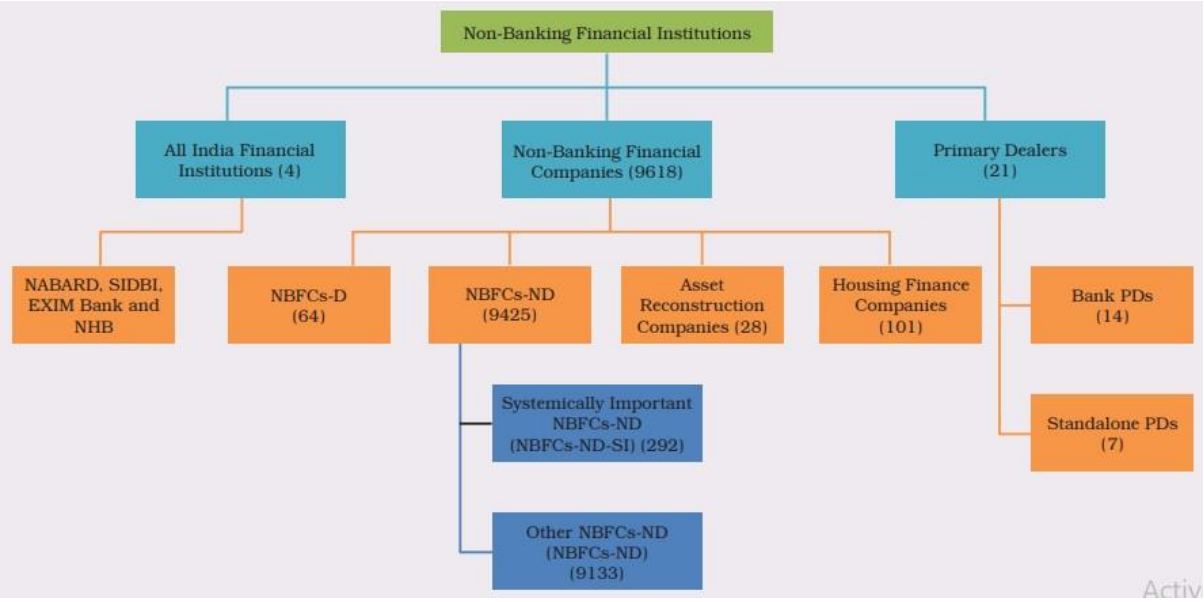
The credit market structure in India has evolved over the years. A wide range of financial institutions exist in the country to provide credit to various sectors of the economy. These include commercial banks, regional rural banks (RRBs), cooperatives [comprising urban cooperative banks (UCBs), State co-operative banks (STCBs), district central co-operative banks (DCCBs), primary agricultural credit societies (PACS), state co-operative and agricultural rural development banks (SCARDBs) and primary co-operative and agricultural rural development banks (PCARDBs)], financial institutions (FI) (term-lending institutions, both at the Centre and State level, and refinance institutions) and non-banking financial companies (NBFCs)

(Source: https://www.rbi.org.in/SCRIPTs/PublicationReportDetails.aspx?UrlPage=ReportonCurrencyandFinance&ID=502)

Structure of Non Banking Financial Institutions (NBFIs) in India

Non-banking financial institutions (NBFIs) play an important role in facilitating credit intermediation in India as an alternative to bank financing, in addition to niche financing and last mile outreach. NBFIs regulated by the Reserve Bank comprise nonbanking financial companies (NBFCs), housing finance companies (HFCs), all-India financial institutions (AIFIs), and primary dealers (PDs). AIFIs, i.e., the National Bank for Agriculture and Rural Development (NABARD), the EXIM Bank of India, the Small Industries Development Bank of India (SIDBI) and the National Housing Bank (NHB) are apex financial institutions that play an important role in meeting the long-term funding requirements of agriculture and the rural sector, foreign trade, small industries, HFCs, NBFCs, Micro Finance Institutions (MFIs) and other specialised segments and institutions. NBFCs are government/public/private limited companies that play an important role in credit delivery and financial intermediation. They specialise in delivering credit to a wide variety of specific segments, ranging from infrastructure to consumer durables and vehicle financing. HFCs extend housing finance to individuals, co-operative societies, corporate bodies and lease commercial and residential premises to support housing activity in the country. PDs came into existence in 1995 and act as market makers in the government securities (G-secs) market, besides ensuring subscription to primary issuances.

Structure of NBFIs under the Reserve Bank's Regulations
(As on July 16, 2020)



(Source: RBI's Report on Trend and Progress of Banking in India – 2019-20)

Non-banking financial companies (NBFCs)

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

In terms of Section 45-IA of the RBI Act, 1934, no Non-banking Financial company can commence or carry on business of a non-banking financial institution without a) obtaining a certificate of registration from the Bank and without having a Net Owned Funds of ₹ 25 lakhs (₹ 2 crore since April 1999). However, in terms of the powers given to the Bank, to obviate dual regulation, certain categories of NBFCs which are regulated by other regulators are exempted from the requirement of registration with RBI viz. Venture Capital Fund/Merchant Banking companies/Stock broking companies registered with SEBI, Insurance Company holding a valid Certificate of Registration issued by IRDA, Nidhi companies as notified under Section 620A of the Companies Act, 1956, Chit companies as defined in clause (b) of Section 2 of the Chit Funds Act, 1982,Housing Finance Companies regulated by National Housing Bank, Stock Exchange or a Mutual Benefit company.

(Source: https://www.rbi.org.in/Scripts/FAQView.aspx?Id=92)

NBFCs serve as an alternative channel of finance to the commercial sector. The credit growth extended by Schedule Commercial Banks (**SCBs**) to this sector moderated during the last decade and almost halved in 2017-18 as compared to 2007-08. Credit growth to this sector declined substantially from November 2016, though the sector witnessed an uptick in 2018-19. The credit growth extended by the SCBs to this sector moderated in 2019-20 due to the liquidity stress and rating downgrades faced by the NBFCs in the aftermath of the Infrastructure Leasing and Financial Services (IL&FS) crisis in August 2018 with banks turning cautious over funding to this sector. Consequently, NBFC sector witnessed a decelerated credit growth in March 2020. The lockdown compounded the slowdown with credit growth to this sector further decelerating in November 2020.

The Reserve Bank has taken a number of steps to address the liquidity issues faced by this sector, including recent introduction of targeted long-term repo operations (TLTROs) aimed at liquidity support to NBFCs, especially smaller ones, and micro-finance institutions (MFIs). The inclusion of NBFCs in TLTRO on tap scheme by the Reserve Bank in its monetary policy statement of February 5, 2021 is expected to facilitate lending by NBFCs to various sectors of the economy.

(Source: RBI Bulletin – February 2021)

Classification of NBFCs:

NBFCs can be classified on the basis of:

a) asset/liability structures;
b) systemic importance; and
c) the activities they undertake.

In terms of **liability structures**, NBFCs are subdivided into deposit-taking NBFCs (NBFCs-D) - which accept and hold public deposits - and non-deposit taking NBFCs (NBFCs-ND) - which source their funding from markets and banks. Among non-deposit taking NBFCs, those with asset size of Rs. 500 crore or more are classified as non-deposit taking **systemically important** NBFCs (NBFCs-ND-SI). As on July 16, 2020, there were 64 NBFCs-D and 292 NBFCs-ND-SI as compared to 88 and 263, respectively, at end-March 2019.

Based on **activities**, there are 11 categories of NBFCs. In 2018-19, three categories of NBFCs namely, asset finance companies (AFCs), loan companies (LCs) and investment companies (ICs) were merged into a new category called investment and credit companies (ICCs) for harmonisation and operational flexibility.

Regulatory guidelines mandate that only those NBFCs with minimum net owned funds (NOF) of Rs. 2 crore can be allowed to operate. Compared to 2018-19, when there was a record number of cancellations/surrender of licenses of non-compliant NBFCs, both registrations and cancellations were lower during 2019-20.

Classification of NBFCs by Activity:

Sr. No.	Type of NBFCs	Activity
1.	Investment and Credit Company (ICC)	Lending and investment
2.	NBFC-Infrastructure Finance Company (NBFC-IFC)	Provision of infrastructure loans
3.	NBFC-Systemically Important Core Investment Company (CIC-ND-SI)	Investment in equity shares, preference shares, debt or loans in group companies

Sr. No.	Type of NBFCs	Activity
4.	NBFC-Infrastructure Debt Fund (NBFC-IDF)	Facilitation of flow of long-term debt into infrastructure projects
5.	NBFC-Micro Finance Institution (NBFC-MFI)	Credit to economically dis-advantaged groups
6.	NBFC-Factor	Acquisition of receivables of an assignor or extending loans against the security interest of the receivables at a discount
7.	NBFC-Non-Operative Financial Holding Company (NBFC-NOFHC)	Facilitation of promoters/ promoter groups in setting up new banks
8.	Mortgage Guarantee Company (MGC)	Undertaking of mortgage guarantee business
9.	NBFC-Account Aggregator (NBFC-AA)	Collecting and providing information about a customer's financial assets in a consolidated, organised and retrievable manner to the customer or others as specified by the customer
10.	NBFC–Peer to Peer Lending Platform (NBFC-P2P)	Providing an online platform to bring lenders and borrowers together to help mobilise funds
11.	Housing Finance Companies (HFC)	Financing for housing

(Source: RBI's Report on Trend and Progress of Banking in India – 2019-20)

NBFC Sector-Performance

Balance Sheet

The year 2019-20 marked a significant moderation in NBFCs' financial performance, after double digit balance sheet growth in the previous three years. A challenging macroeconomic environment, weak demand compounded by risk aversion, liquidity stress and rising borrowing costs in the wake of the IL&FS default resulted in a substantial deceleration in asset growth in 2019-20. The impact was particularly pronounced for NBFCs-ND-SI. On the other hand, NBFCs-D weathered this difficult period and continued to grow at a healthy pace. In view of the pandemic as well as to maintain adequate liquidity, NBFCs increased their cash and bank balances significantly during the year, which was marked in the case of NBFCs-D. Nevertheless, in 2020-21 (up to September), balance sheet growth of NBFCs, especially that of NBFCs-ND-SI, gained traction due to pick-up in loans and advances and base effect.

With the harmonisation of major NBFC categories, NBFCs-D now comprise only ICCs. Public deposits remained a stable source of funding. On the assets side, investments continue to grow at an accelerated pace, while loans and advances slowed.

(Rs. in crores)

Sr. No.	Items	Year ended March 31, 2019	Year ended March 31, 2020	Six months period ended September 30, 2020
1	Share capital & Reverses	7,13,228	7,88,633	8,84,138
2	Public Deposits	40,057	50,033	55,665
3	Debentures	9,19,314	9,40,499	9,15,293
4	Bank Borrowings	6,26,495	7,08,035	7,34,322
5	Commercial Paper	1,59,158	70,066	89,065
6	Others	6,54,646	8,32,000	9,07,371
	Total Liabilities / Assets	**31,12,899**	**33,89,267**	**35,85,854**
1	Loans & advances	23,15,608	23,60,504	24,63,279
2	Investments	4,83,759	5,41,863	6,14,408
3	Cash and Bank Balances	99,763	1,38,746	1,50,775
4	Other current assets	1,33,450	2,49,345	2,33,979
5	Other assets	80,317	98,809	1,23,414

In order to mitigate the impact of COVID-19, the Reserve Bank allowed lending institutions to grant a moratorium on payment of instalments of term loans due between March 1, 2020, and May 31, 2020, which was later extended till August 31, 2020. NBFCs also extended the benefit to their customers.

Financial Performance of NBFCs

NBFCs' income growth decelerated in 2019-20, but they continued to grow on the back of fund income of NBFCs-ND-SI. On the other hand, their expenditures plummeted as businesses cut costs to trudge through the slump. Net profits of NBFCs-ND-SI witnessed a sharp revival, attributable to low base effects in the aftermath of the IL&FS crisis and moderation in their cost to income ratio. Conversely, NBFCs-D experienced a moderation in their income, coupled with ballooning interest payments and operating expenditures, which led to a decline in their profits.

(Rs. in crores)

Sr. No.	Items	Year ended March 31, 2019	Year ended March 31, 2020	Six months period ended September 30, 2020
A	**Figures**			
1	Income	3,39,057	3,82,800	1,88,357
2	Expenditure	2,99,104	3,19,285	1,36,943
3	Net Profit	17,106	45,720	42,391
4	Total Assets	31,12,899	33,89,267	35,85,854
B	**Financial Ratios (as % of Total Assets)**			
1	Income	10.9	11.3	5.3
2	Expenditure	9.6	9.4	3.8
3	Net Profit	0.5	1.3	1.2
C	**Cost to Income Ratio (%)**	88.2	83.4	72.7

Overall Assessment:

Growth in NBFCs' balance sheets decelerated considerably in 2019-20; however, NBFCs remained well capitalised with resilient asset quality vis-à-vis that of SCBs. In first half of fiscal 2020-21, green shoots were visible as loans and advances rebounded. Challenges faced by the sector were exacerbated by the COVID-19 pandemic, causing funding constraints and triggering asset-quality concerns. The Reserve Bank and the Government undertook various liquidity and regulatory measures to augment liquidity and restore market confidence.

Due to loan moratoria and asset classification standstill, asset quality shored up. However, many NBFCs have made additional provisioning as per expected credit loss (ECL) norm; and bolstered their capital position by ploughing back dividends. Going forward, profitability of NBFCs may be dampened due to loan impairment, lower credit demand and a tendency to preserve cash. Though economic activity is expected to remain muted in FY 2020-21, strong NBFCs maintain a 'cautiously optimistic' view and are expected to perform well as many have reported strong revival, almost to pre-COVID levels, in disbursements and collections. The Reserve Bank, on its part, remains steadfast and resolute in maintaining the sector's long-term resilience and preserving financial stability.

(Source: RBI's Report on Trend and Progress of Banking in India – 2019-20)

Recent developments in NBFC sector

The NBFC segment has been struggling to cope with liquidity stress and risk aversion of lenders since issues relating to IL&FS emerged in the second half of 2018. While measures taken by the Reserve Bank and the government helped in containing the systemic implications of this stress event, their credit growth remained anaemic. During 2019-20 and 2020-21 so far, the Reserve Bank continued to take calibrated regulatory measures to make available sufficient liquidity to the sector.

Special Liquidity Scheme for NBFCs/HFCs: The GoI announced the Special Liquidity Scheme (SLS) of Rs. 30,000 crore under which a Special Purpose Vehicle (SPV) will purchase investment grade CPs/ non-convertible debentures (NCDs) of residual maturity up to 90 days issued by NBFCs/HFCs to provide them liquidity support. On July 1, 2020 the Reserve Bank specified the eligibility criteria and other operational details for NBFCs/HFCs under the scheme, which are required to use the proceeds received solely for the purpose of extinguishing existing liabilities. The facility was available for any paper issued on or before September 30, 2020, while the SPV is required to recover all dues by December 31, 2020.

Resolution of NBFCs: The Reserve Bank received additional powers for resolution of erring or insolvent NBFCs (including HFCs) following amendments to the RBI Act. The government notified Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules in November 2019. These rules empowered the Reserve Bank to make application for initiating Corporate Insolvency Resolution Proceedings (CIRP) under IBC for NBFCs (including HFCs) having total assets of Rs. 500 crore or more, which are in default.

Implementation of Indian Accounting Standards (Ind-AS) for NBFCs and ARCs: In order to promote high quality and consistent implementation of Ind-AS, as also to facilitate comparison, the Reserve Bank issued instructions to NBFCs and ARCs implementing Ind-AS on March 13, 2020. The guidelines cover governance framework, a prudential floor for expected credit losses including impairment reserve and principles for computation of regulatory capital and regulatory ratios.

NBFCs as Financial Institutions under SARFAESI Act, 2002: Earlier, NBFCs with asset size of Rs. 500 crore and above were treated as Financial Institutions under the SARFAESI Act, 2002 and these could take recourse to the SARFAESI Act for enforcement of security interest in secured debts of Rs.100 lakh and above. On February 24, 2020 the GoI notified NBFCs with asset size of Rs.100 crore and above as Financial Institutions under the SARFAESI Act, 2002. Eligible NBFCs can now take recourse to the SARFAESI Act for enforcement of security interest in secured debts of Rs. 50 lakh and above.

(Source: RBI's Report on Trend and Progress of Banking in India – 2019-20)

OUR BUSINESS

We are a Non-Deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI to carry on the NBFI activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-06.00615. We are engaged in a diverse range of products catering to the financial services sector directly through our own Company and also through our Subsidiary.

Our Company was incorporated on November 22, 1983 as Emerald Leasing Finance and Investment Company Limited under the Companies Act, 1956. We have got certificate of Commencement of Business on December 16, 1983.

Our Company is promoted by Mr. Sanjay Aggarwal, Mrs. Anubha Aggarwal, Mr. Ram Swaroop Aggarwal and Mrs. Anu Aggarwal. As a Non-Banking Financial Company (NBFC) we are involved in providing financial services with focus on micro, small and medium enterprises **("MSMEs")** in corporate and non-corporate sector and retail customers. Our loan portfolio as of September 30, 2020, is INR 1127.89 Lakhs.

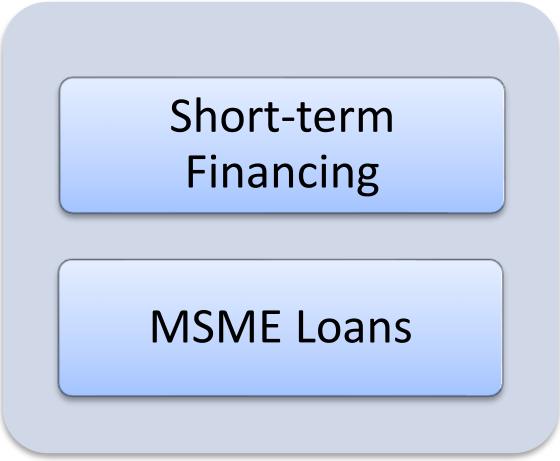
Our Company's net-worth as on March 31, 2020 was INR 1007.62 Lakhs on a standalone basis and INR 1471.03 Lakhs on a consolidated basis, compared to INR 963.87 lakhs on a standalone basis and INR 1386.78 lakhs on a consolidated basis, respectively, for Fiscal 2019.

BUSINESS MODEL

Our Company's business model is centered around lending activities (granting of loans & advances). As an NBFC, we operate in the business of providing loans to MSMEs and retail customers. We provide finance to our clients after satisfying ourselves about the credit worthiness and repayment capacity of our borrowers after evaluating the material risks associated with the business/ project/ proposal for which loan has been sought. Our Company has during the current financial year 2020-21 introduced ultra-short term loans i.e. for a tenure of upto 15 days with a ticket size ranging from INR 1,000 to INR 20,000. This product is targeted towards young salaried individuals. We also help in facilitating finance to some of our customers through other banks and NBFCs. We through our Subsidiary Company are also engaged in the business of acting as a Direct Selling Agent for various Banks and NBFCs.

OUR PRODUCTS

The various financial products that we offer are as follows:



(i) **Short-term financing:** Our Company provides short term loans for a tenure ranging between 7 days to 1 month usually of a ticket size upto INR 20,000.

(ii) **MSME Loans:** Our Company provides loans to corporate and non-corporate MSMEs for a tenure ranging between 12 to 84 months usually of a ticket size upto INR 1.25 Crore.

OUR OPERATIONS

Our business broadly involves the following processes which have been briefly discussed as under:

1. **Customer Origination**

   Our customer base typically includes micro, small and medium enterprises. Our Promoters and Directors have past experience in the fields of Corporate Finance, Loan Syndication, Banking and Project Finance.

2. **Customer Evaluation**

   We follow certain procedures for the evaluation of the customers based on a set of qualitative and quantitative factors for determining the creditworthiness of our potential borrowers. Upon sourcing a customer, a marketing executive assesses the customer based on several parameters.

3. **Credit Appraisal and approval**

   We carry out credit appraisal of every application as per our organizational and credit policies and the credit assessment and evaluation is conducted in accordance with our terms and condition. After the credit evaluation, approval is accorded to the prospective customers.

4. **Loan Disbursement**

   Post execution of satisfactory documentation by the borrower, disbursement of the loan, in one or more tranches, takes place.

5. **Loan administration and monitoring**

   Our tenure for financial assistance varies dependent on customers' profile and their business model. We track loan repayment schedules of our customers on a regular basis.

BUSINESS STRENGTHS

1. **Strong professional and experienced execution/ management team allows the Company to develop a strong business**

   Our Company's business is supported by an experienced and professional management team with strong background in Financial services. Our Company derives strength from the expertise of its Promoter & Managing Director, Sanjay Aggarwal, having more than twenty (20) years of experience in the fields of Corporate Finance, Loan Syndication & Capital Restructuring.

   Our management team is backed by our Promoters who are having more than a decade of experience in varied business segments like Project Finance, Loan syndication, Capital Restructuring, Steel Trading and Banking. We believe that the relevant experience of our management and KMPs would provide us a competitive advantage as compared to other unorganized players in the financial sector.

2. **Focus on a disciplined business philosophy with internal controls and risk management**

   Our Company is focused on providing short term and medium term loans. Our Company does not give industry specific loans but gives weightage to the borrowers' repayment capacity. Our Company believes that it has necessary internal controls and risk management systems to assess and monitor risks.

OUR STRATEGIES

Our key strategic priorities are as follows:

1. **Leverage on our experience and relationships**

   We have steadily grown our business in recent years. We intend to continue to leverage our experience and relationships with our customers to expand and diversify.

2. **Focus on customer services by efficient use of technology**

   We believe that our customer service initiatives coupled with the effective use of technology can help us enhance our recognition and business operations. We intend to continue investing in technology to improve our operational efficiencies, functionality, reduce errors and improve our productivity. We also believe in deploying strong technology systems that will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, and improve our risk management capabilities. We intend to remain committed to technological innovation to ensure our ability to respond to our increasingly sophisticated and competitive market and to mitigate the risks we face as a NBFC.

3. **Maintain and expand long term relationship with client**

   Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time. Our Company believes that a long term relationship with clients fetches better dividends.

4. **Attract and retain experienced professionals**

   Our Company believes in recruiting qualified professionals with experience in financial services sector, credit evaluation, risk management, technology and marketing.

OUR MANAGEMENT

Board of Directors

Our Company currently has four directors on its Board, including two (2) independent directors and one (1) woman director.

The following table sets forth details regarding the Board of Directors as on the date of this Letter of Offer:

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN	Age (years)	Other directorships
Mr. Sanjay Aggarwal **Designation:** Managing Director **Address:** 3054, Sector 28 D Chandigarh 160002 **Occupation:** Business **Term:** 3 years with effect from August 14, 2019 **Nationality:** Indian **Date of Birth:** March 14, 1967 **DIN:** 02580828	53	**Public Limited Companies** Eclat Capital and Finance Limited. **Private Limited Companies** Eclat Net Advisors Private Limited.
Mrs. Anubha Aggarwal **Designation:** Non-Executive Director **Address:** 3054 Sector 28 D Chandigarh 160002 **Occupation:** Business **Term:** Liable to retire by rotation **Nationality:** Indian **Date of Birth:** August 9, 1970 **DIN:** 02557154	50	**Public Limited Companies** Eclat Capital and Finance Limited. **Private Limited Companies** Eclat Net Advisors Private Limited.
Mr. Raman Aggarwal **Designation:** Independent Non-Executive Director **Address:** F- 1/17, Model Town, Delhi **Occupation:** Business **Term:** 5 years from September 28, 2019 . **Nationality:** Indian **Date of Birth:** March 12, 1965 **DIN:**00116103	55	**Public Limited Companies** Paisalo Digital Limited. **Non Profit Companies** Finance Industry Development Council; Association of Leasing & Financial Services Company.

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN	Age (years)	Other directorships
Mr. Deepak Gaur **Designation:** Independent Non-Executive Director **Address:** Flat No 29 Defence Apartment Paschim Vihar Delhi 110087 **Occupation:** Professional **Term:** 5 years from September 28, 2019 **Nationality:** Indian **Date of Birth:** August 1, 1984 **DIN:**06445299	36	**Public Limited Companies** NIL **Private Limited Companies** NIL

Relationship between Directors

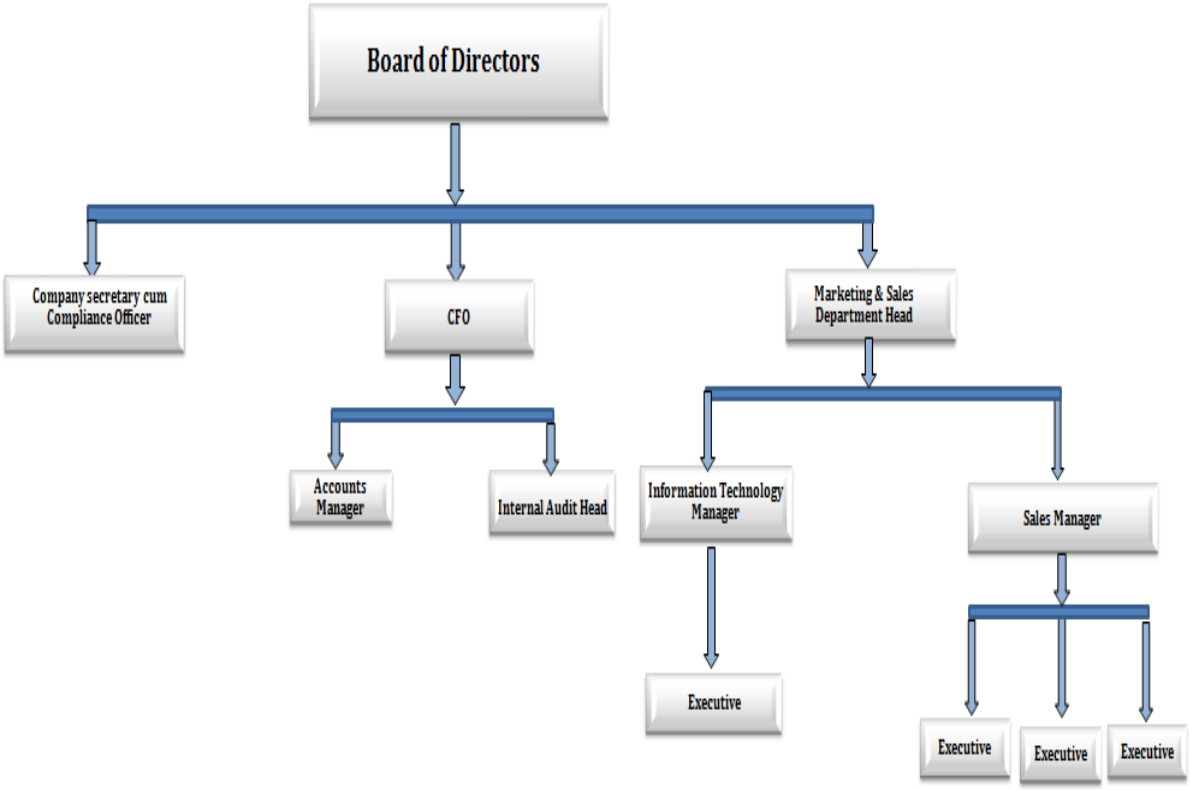
Except as stated below, none of the directors are related to each other:

Name of the directors	Relationship between directors
Mr. Sanjay Aggarwal- Mrs. Anubha Aggarwal	Husband- wife

Senior and Key Management

Sr. No.	Name of the Personnel	Designation	Age	PAN	Address
1	Mrs. Amarjeet Kaur	Company secretary cum Compliance Officer	45	ALTPK 5846 N	3051, Sector 71, Mohali, Punjab 160071
2	Ms. Sheetal Kapoor	Chief Financial Officer	31	BZGPK 8926 D	1179, Sector 25, Panchkula, Haryana 134116
3	Mr. Devender Vatsal	Marketing & Sales Head	54	ABFPV 3445 C	HL 154, Phase 2 Mohali, Sector 55, Punjab 160055

Management Organisation Structure



Confirmations

None of the Directors is or was a director of any listed company in India during the last five years preceding the date of filing of the Letter of Offer, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company, which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

SECTION VII– FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Consolidated Audited Financial Statements for the Financial Year March 2020	**69**
Independent Auditor's Report for the period ended September 30, 2020	**82**
Consolidated Audited Financial Statements for the period ended September 30, 2020	**88**
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Independent Auditor's Report for the Financial Year March 2020

K. SINGH & ASSOCIATES
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of

Emerald Leasing Finance and Investment Co. Limited.

Report on the Consolidated Financial Statements as per Ind AS

We have audited the accompanying Consolidated financial statements of **Emerald Leasing Finance and Investment Co. Limited** ("the Company"), which comprise Consolidated the Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, Consolidated Statement of change in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, , the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its Profit and its Cash Flow for the year ended on that date.

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. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* 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 statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other Consolidated comprehensive income, Consolidated cash flows and Consolidated change in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standard Ind AS specified under Section 133 of the Act, read with the provision of the Companies (Indian accounting Standards) Rules, 2015 as amended . This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentations of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the company ability to continue as a going concern disclosing as applicable, matter relating to going concern and using the going concern basis of accounting unless management either intents to liquidate the company or to cease operation, or has no realistic alternative but to do so.

Those respective board of directors of the companies included in the Group and of its associates are also responsible for overseeing the company's financial reporting process of the Group and its associates.

Auditor's Responsibility on Consolidated Ind As Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements 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

K. SINGH & ASSOCIATES CHANDIGARH ACCOUNTANTS M.No. 91573

Office: 2706/B, MIG Super, Sector 70, Mohali 160 070. Ph.: 5071399, 5075399, 4646068
Regd. Office: H.No. 6, Sector 19-A, Chandigarh - 160 019
Website: www.caks.in, e-mail : kultarsingh@caks.in, ksinghassociates@rediffmail.com

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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 statements.

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 statements, 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 statements 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.

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

K. SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS
M. No. 91673
CHANDIGARH

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Other Matters

We did not audit the financial statements / financial information of two (1) subsidiaries, whose financial statements / financial information reflect total assets of Rs. 828.55 Lacs as at 31st March, 2020, total revenues of Rs. 606.06 and net cash flows amounting to Rs.(41.04) Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. NIL for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of NIL associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirement's

1. As required by section 143(3) of the Act, based on our audit report and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries as noted in the "other matters" paragraph we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated IND AS financial statements

b In our opinion proper books of account as required by law have been kept by the Holding Company, including relevant records relating to the preparation of the aforesaid consolidated IND AS financial statements so far as it appears from our examination of those books and records of the Holding Company and report of the other auditors).

c)The Consolidated Balance Sheet, Consolidated Statement of Consolidated Profit and Loss, Consolidated Cash Flow Statement , consolidated statement of Changes in the Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Ind AS Financial Statements;

d) In our opinion the Consolidated financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies(Accounts) Rules,2014;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies, its associates incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in Annexure "A and

g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors)Rules, 2014 in our opinion and to the best of our information and according to explanations given to us:

i. The Holding Company nor its subsidiary as per report of other auditor has no pending litigations.

ii. The Holding company nor its subsidiary have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There no amounts which required to be transferred, to the Investor Education and Protection Fund by the Holding company.

h) The Holding Company is NBFC and registered under section 45-IA of the Reserve Bank of India Act, 1934.

[i] (a) The holding Company has been granted certificate of registration from Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934.

(b) The holding company is entitled to continue and hold the certificate of registration in terms of asset/income pattern as at 31st March 2020.

K SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

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(c) Considering the asset/income pattern of the holding company we are of the opinion that the company is not an Asset Finance Company.

[ii] As per information and explanation given to us the Board of Directors have passed a resolution for the non-acceptance of any deposits from public.

[iii] As it appears from our examination of the books of account, the company has not accepted any deposits from public during the year under review.

[iv} The Company has given Loans & Advances and has complied with the Prudential Norms relating to income recognition accounting standards, asset classification and provisioning for bad and doubtful debts as applicable as on 31-03-2020

FOR K SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm No. 012158N

K SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

Kultar Singh
Partner
Membership No. 091673
UDIN: 20091673AAAAAE7292

PLACE: Chandigarh
DATED:15/07/2020

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Annexure – "A" to the Auditors' Report

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Emerald Leasing Finance and Investment Co. Limited** ("the Holding Company") and its subsidiaries as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and the subsidiaries, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

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Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

for **K Singh & Associates**
Chartered Accountants
Firm's Registration Number: 012458N

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

CA. Kulltar Singh
Partner
Membership Number: 091673
Place of Signature: New Delhi
Date: 15th July, 2020
UDIN: 20091673AAAAAE7292

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Consolidated Audited Financial Statements for the Financial Year March 2020

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

	PARTICULARS	NOTE		As at 31st March, 2020 (`in Lakh)		As at 31st March, 2019 (`in Lakh)
	ASSETS					
(1)	**Non-current assets**					
	(a) Property, Plant and Equipment	3		7.96		7.84
				7.96		7.84
(2)	**Current assets**					
	(a) Financial Assets					
	(i) Trade receivables	4		92.78		125.24
	(ii) Cash and cash equivalents	5		159.39		430.99
	(iii) Loans	6		1630.73		999.64
	(iv) Others (to be specified)	7		38.90		32.53
	(v) Security Deposits	8		6.00		6.00
	(vi) Defferred Tax Assets (Net)	9		0.34		0.31
	(b) Misc Expenditure	10		20.45		6.72
				1948.59		1601.43
	Total Assets			1956.55		1609.27
	EQUITY AND LIABILITIES					
(1)	**Equity**					
	(a) Equity Share capital	11		904.37		904.37
	(b) Other Equity	12		587.11		489.13
	(c) Minority Interest			34.09		20.76
				1525.57		1414.26
(2)	**Non-current liabilities**					
	(a) Financial Liabilities					
	(i) Borrowings	13		258.51		93.61
				258.51		93.61
(3)	**Current liabilities**					
	(a) Other current liabilities	14		137.53		56.67
	(b) Provisions	15		34.92		44.73
	(c) Current Tax liabilities (net)	16		0.02		0.00
				172.47		101.40
	Total Equity and Liabilities			1956.55		1609.27
	Significant Accounting Policies & Notes on Financial Statements	1 to 36				

As per our report of even date attached.

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

Kultar Singh
Partner
Membership No. - 091673

Place : Chandigarh
Dated : 15-07-2020

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580828

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

Anju Sharma
Company Secretary

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

	PARTICULARS	NOTE		As at 31st March, 2020 (` in Lakh)		As at 31st March, 2019 (` in Lakh)
	ASSETS					
(1)	**Non-current assets**					
	(a) Property, Plant and Equipment	3		7.96		7.84
				7.96		7.84
(2)	**Current assets**					
	(a) Financial Assets					
	(i) Trade receivables	4		92.78		125.24
	(ii) Cash and cash equivalents	5		159.39		430.99
	(iii) Loans	6		1630.73		999.64
	(iv) Others (to be specified)	7		38.90		32.53
	(v) Security Deposits	8		6.00		6.00
	(vi) Defferred Tax Assets (Net)	9		0.34		0.31
	(b) Misc Expenditure	10		20.45		6.72
				1948.59		1601.43
	Total Assets			1956.55		1609.27
	EQUITY AND LIABILITIES					
(1)	**Equity**					
	(a) Equity Share capital	11		904.37		904.37
	(b) Other Equity	12		587.11		489.13
	(c) Minority Interest			34.09		20.76
				1525.57		1414.26
(2)	**Non-current liabilities**					
	(a) Financial Liabilities					
	(i) Borrowings	13		258.51		93.61
				258.51		93.61
(3)	**Current liabilities**					
	(a) Other current liabilities	14		137.53		56.67
	(b) Provisions	15		34.92		44.73
	(c) Current Tax liabilities (net)	16		0.02		0.00
				172.47		101.40
	Total Equity and Liabilities			1956.55		1609.27
	Significant Accounting Policies & Notes on Financial Statements	1 to 36				

As per our report of even date attached.

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

Kultar Singh
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Place : Chandigarh
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Sanjay Aggarwal
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Director
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Anju Sharma
Company Secretary

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

	PARTICULARS	NOTE		Year Ended 31st March, 2020 (` In Lakh)		Year Ended 31st March, 2019 (` In Lakh)
I	Revenue from Operations	16		782.14		670.36
II	Other income	17		4.64		1.57
III	**Total Income**			**786.78**		**671.93**
IV	**EXPENSES**					
	Employee-benefits expenses	18		106.01		54.60
	Finance costs	19		44.13		16.21
	Depreciation and amortization expenses	20		3.12		2.60
	Other expenses	21		469.57		435.66
	Total expenses			622.83		509.07
V	**Profit/ (Loss) before Exceptional Items & Tax (I-IV)**			**163.95**		**162.86**
VI	**Exceptional Items**			-		
VII	**Profit/(Loss) Before Tax (V-VI)**			163.95		162.86
VIII	**Tax expense**					
	(1)Current Tax	15		34.92	-	44.73
	(2)Deferred tax	22		(0.01)	-	(0.35)
IX	**Profit/(Loss) for the period from continuing operations (VII-VIII)**			**129.04**		**118.48**
X	**Profit/(Loss) for the period from discontinued operations**			-		-
XI	**Tax expense of discontinued operations**			-		-
XII	**Profit/(Loss) for the period from discontinuing operations after tax (X-XI)**			-		-
XIII	**Profit/(Loss) for the period (IX+XII)**			**129.04**		**118.48**
XIV	**Other comprehensive Income**					
	A (i) Items that will not be reclassified to profit or loss	23		-		-
	(ii) Income tax realting 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 realting to items that will be reclassified to profit or loss			-		-
XV	**Total compehensive Income for the period (XIII+XIV)** (Comprising Profit (Loss) and Other Comprehensive Income for the period)			**129.04**		**118.48**
XVI	**Earning per equity share** (from continuing operation)					
	(1)Basic			**1.43**		**1.31**
	(2)Diluted			**1.43**		**3.12**
XVII	**Earning per equity share** (from discontinued operation)					
	(1)Basic			-		-
	(2)Diluted			-		-
XVIII	**Earning per equity share** (from discontinued and continuing operation)					
	(1)Basic			**1.43**		**1.31**
	(2)Diluted			**1.43**		**3.12**
	Significant Accounting Policies & Notes on Financial Statements	1 to 35				

As per our report of even date attached

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

Kultar Singh
Partner
Membership No. - 091673

Place : Chandigarh
Dated : : 15/07/2020

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580828

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

Anju Sharma
Company Secretary

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

3. FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31ST MARCH, 2020

S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		AS ON 01.04.2019	ADDITION DURING THE YR.	AJUSTMENT/S OLD DURING THE YEAR	AS ON 31.03.2020	AS ON 01.04.2019	PROVIDED DURING THE YR.	TRANSFER TO GENERAL RESERVE	ON SALE / ADJUSTMENTS DURING THE YR.	TOTAL UP TO 31.03.2020	AS ON 31-03-2020	AS ON 31-03-2019
FIXED ASSETS												
1.	Computers	8.77	0.98	-	9.75	4.94	1.52	0.05	0.00	6.51	3.24	3.83
2.	Printer	2.69	1.65	-	4.34	0.81	0.87	0.08	0.00	1.76	2.58	1.88
3	Air Conditioner	1.41	0.30	-	1.71	0.57	0.24	0.02	0.00	0.83	0.88	0.84
4	UPS	0.33	0.03	-	0.36	0.02	0.11	0.00	0.00	0.13	0.23	0.31
5.	Mobile	0.96	0.17	-	1.13	0.11	0.31	0.01	0.00	0.43	0.70	0.85
6.	Invertor	-	0.24		0.24	0.00	0.00	0.01	0.00	0.01	0.23	0.00
6.	Software	0.18	0.04	-	0.22	0.05	0.07	0.00	0.00	0.12	0.10	0.13
	TOTAL	14.34	3.41	0.00	17.75	6.50	3.12	0.17	0.00	9.79	7.96	7.84
	PREVIOUS YEAR	9.11	6.69	1.46	14.34	5.04	2.60	0.32	1.46	6.50	7.84	4.07

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M.No. 91673 CHANDIGARH

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 Continued

The Previous year figures have been regrouped/reclassified,where ever necessary to conform to the current year presentation

	PARTICULARS	As at 31st March, 2020 (₹ in Lakh)		As at 31st March, 2019 (₹ in Lakh)
4	**TRADE RECEIVABLES**			
	(Unsecured and Considered Good)			
	Over Six Months	-		-
	Other			-
	Accrued Interest on Unsecured Loans	70.55		14.23
	Commission Receivables	22.23		111.01
	TOTAL	**92.78**		**125.24**
5	**Cash and Cash Equivalents**			
	Cash in hand	3.53		15.94
	Balance with banks	76.58		242.70
	Cheques Received but not yet Credited	67.41		172.35
	FLDG With Agile Finserv and Usha Financial Services Ltd	11.87		
	TOTAL	**159.39**		**430.99**
6	**Loans**			
	Unsecured:			
	Loans to Body corporates/ Firms/ Individuals	1,647.99		999.64
	Less : Provision for Standard Asset (0.25% of outstanding loans) .	2.57		-
	Total	**1,630.73**		**999.64**
7	**Others**			
	TDS Receivables	38.90		30.65
	Income Tax Refund	-		1.88
	TOTAL	**38.90**		**32.53**
8	**Security Deposits**			
	Security Deposits	6.00		6.00
	TOTAL	**6.00**		**6.00**
9	**Defferred Tax Assets**			
	Defferred Tax Asset	0.34		0.31
	TOTAL	**0.34**		**0.31**
10	**Misc Expenditure**			
	Misc Expenditure	20.45		6.72
	TOTAL	**20.45**		**6.72**

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 51673 CHANDIGARH

Statement of Change in Equity

For the period ended 31st March, 2020

11 A.Equity Share Capital

Balance as at 1st April ,2019	Change in Equity Share Capital during the year	Balance as at 31st March, 2020
904.37	0	904.37
Balance as at April 1,2018	**Change in Equity Share Capital during the year**	**Balance as at 31st March, 2019**
304.50	599.87	904.37

12 B.Other Equity

(Amount in Rupees)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve/P&L Reserve	Retained Earning	Debt Instruments through other comprehensive income	
Balance as at March-31,2019	-	288.74	-	175.23	25.16	-	489.13
Change in accounting policy/ prior period errors	-	-	-	-	-	-	-
Restated balance at the begning of the reporting period	-	288.74	-	175.23	25.16	-	489.13
Profit (loss)for the year	-	-	-	129.04	-	-	129.04
Residual value of assets				(0.17)			(0.17)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	128.87	-	-	128.87
Transactions with owners in capacity as owners							
Dividends	-	-	-	(16.69)	-	-	(16.69)
Transferred to retained earnings Reserve fund u/s	-	-	-	(25.81)	25.81	-	0.00
Bonus Shares	-	-	-	-	-	-	-
Provision for Standard Asset				(2.57)			(2.57)
Previous Year Provision Add Back				2.78			2.78
Others	-	-	-	(1.07)	-	-	(1.07)
Minority Interest				(13.33)			(13.33)
Balance as at March 31, 2020	-	288.74	-	247.41	50.97	-	587.11

(Amount in Rupees)

Particulars	Reserves and Surplus						Total
	Capital	Securities	Revaluation	General	Retained	Debt	
Balance as at March 31,2018	-	131.00	-	94.11	1.46	-	226.57
Change in accounting policy/ prior period errors	-	-	-	-	-	-	-
Restated balance at the begning of the reporting period	-	131.00	-	94.11	1.46	-	226.57
Profit (loss)for the year	-	-	-	118.48	-	-	118.48
Residule Value of Asset				(0.32)			(0.32)
Other comprehensive income for the year		157.74	-	-	-	-	157.74
Total comprehensive income for the year	-	157.74	-	118.16	-	-	275.90
Transactions with owners in capacity as owners							
Dividends	-	-	-	(13.34)	-	-	(13.34)
Transferred to retained earnings	-	-	-	(23.70)	23.70	-	-
Bonus Shares	-	-	-	-	-	-	-
Movement during the year	-	-	-	-	-	-	-
Balance as at March 31,2019	-	288.74	-	175.23	25.16	-	489.13

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 01673 CHANDIGARH

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 Continued

The Previous year figures have been regrouped/reclassified,whereever necessary to conform to the current year presentation

	PARTICULARS	As at 31st March, 2020 (₹ in Lakh)		As at 31st March, 2019 (₹ in Lakh)
11	**SHARE CAPITAL**			
	AUTHORISED			
	3,500,00,000 Equity Shares of ` 10/- each (Previous Year 110,00,000 Equity Shares of ₹ 10/- each	3,500.00		1,100.00
		3,500.00		**1,100.00**
	ISSUED, SUBSCRIBED AND PAID UP CAPITAL 9043650 Equity Shares ₹ 10/- Each fully paid (Previous year 9043650 Equity Shares ` 10/- each)	904.37		904.37
	TOTAL	**904.37**		**904.37**

The detail of Shareholders holding more than 5% shares:

	Name of the Shareholders	As at 31st March, 2020		As at 31st March,2019	
		No of Shares	% held	No of Shares	% held
1	Sanjay Aggarwal	1928500	21.32%	1928500	21.32%
2	Anubha Aggarwal	1902452	21.04%	1902452	21.04%
3	R.S Aggarwal	1730000	19.13%	1730000	19.13%
4	AGR Investment Limited	750000	8.29%	750000	8.29%

The reconciliation of number of shares outstanding is set out below.

Particulars	As at 31st March, 2020		As at 31st March,2019
	No of Shares		No of Shares
Equity Shares at the beginning of the year	9043650		3045000
Add : Shares issued during the year			5998650
Equity Shares at the end of the year	9043650		9043650

Note : 1. The proceeds from the Rights Issue were utilised in funding of fresh loans to our customers in the form of Unsecured Loans. The object of the Issue was fulfilled as mentioned in the Letter of Offer submtted with SEBI.

13	**LONG TERM BORROWINGS**			
	Unsecured			
	Loans from Financial Institutions	160.34		51.42
	Loans from Banks	98.17		42.19
	Total	**258.51**		**93.61**
14	**OTHER CURRENT LIABILITIES**			
	Duties and Taxes	27.45		28.83
	Audit Fees Payable	0.73	-	0.68
	Income Tax Deducted as Source Payable	15.29	-	1.92
	Expenses Payble	87.11	-	25.24
	Salaries Payble	6.91		
	Cheques issued but not presented for payment	0.04		-
	Total	**137.53**	**-**	**56.67**
15	**PROVISIONS**			
	Provison for taxation	34.92		44.73
	Total	**34.92**	**-**	**44.73**
16	**CURRENT TAX LIABILITIES**			
	Deffered Tax Liabilities	0.02		
	Total	**0.02**	**-**	**-**

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 Continued

The Previous year figures have been regrouped/reclassified,whereever necessary to conform to the current year presentation

	PARTICULARS	As at 31st March, 2020 (₹ in Lakh)		As at 31st March, 2019 (₹ in Lakh)
17	**Revenue from Operations**			
	Interest Income	192.39		82.87
	Dividend	11.25		9.00
	Commission and Fees Based Income	578.50		578.49
	TOTAL	782.14	-	670.36
18	**OTHER INCOME**			
	Other Operating Income	3.80	-	1.57
	Interest on Income Tax Refund	0.41		-
	S.balaces w/off	0.02	-	-
	Interest On FLDG	0.41		
	TOTAL	4.64		1.57
19	**EMPLOYEE BENEFITS EXPENSE**			
	Salary	103.51	-	54.60
	Salary to Managing Director	2.50		
	TOTAL	106.01		54.60
20	**FINANCE COSTS**			
	Interest on Loan from Banks	8.23	-	16.21
	Interest on Loan from NBFC	35.90		
	TOTAL	44.13		16.21
21	**DEPRECIATION AND AMORTIZATION EXPENSE**			
	Depreciation on Tangible Assets	3.12	-	2.60
	TOTAL	3.12		2.60
22	**OTHER EXPENSES**			
	Administrative Overheads			
	Advertisement & Promotion	0.87		3.28
	Annual Listing Fee	3.63		2.50
	Audit fee	0.68		0.68
	Other Allied Fees	0.25		0.25
	Bad debts written off	6.87		-
	Balance written off	0.14		0.32
	Commission Paid	390.59		379.19
	Corporate Social Responsibility	-		2.10
	Donation	-		0.43
	Electricity & Water expenses	1.55		2.02
	Financial Overheads	0.39		0.76
	Gensent Rent	0.72		0.72
	Internet Marketing Expenses	19.44		4.89
	Income tax Adjustment	2.00		0.32
	Misc Exp W/off	4.61		0.94
	Office Expenses	3.97		4.24
	Postage & Telegraph	1.15		1.33
	Printing & Stationery	1.56		2.89
	Processing Fee	4.27		0.53
	Professional/Legal Fees	7.91		9.02
	Rates Fees & Taxes	12.05		9.94
	Rent	1.20		1.20
	Repair & Maintenance	1.43		2.19
	Service Charge	0.02		
	Telephone Expenses	0.85		1.24
	Travelling Expenses	3.42		4.68
	GRAND TOTAL	469.57		435.66

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 Continued

* The Previous year figures have been regrouped/reclassified,whereever necessary to conform to the current year presentation

	PARTICULARS	As at 31st March, 2020 (` in Lakh)		As at 31st March, 2019 (` in Lakh)
23	**DEFERRED TAX**			
	Deferred Tax Asset	(0.01)		(0.35)
	TOTAL	(0.01)		(0.35)
24	**OTHER COMPREHENSIVE INCOME**			
	Remeasurements (Acturial gain/loss)	0.00		0.00
	TOTAL	0.00		0.00

25	**Contingent Liabilities not provided for**	Current Year		Previous Year
	Particulars			
a)	Bills Discounted with bank since not realized	Nil		Nil
b)	Bank Guarantees/Counter Guarantee issued	Nil		Nil
c)	Estimated amount of contract remaining to be executed	Nil		Nil
d)	Letter of Credit un-expired	Nil		Nil

26 Related Party Disclosures

As per INDAS 24, the disclosure of transactions with the related parties are given below.

(I) List of related parties with whom transactions have taken place.

S.No.	Name of the Related Party	Relationship
1	Eclat Net Advisors Private Limited	Subsidiary
2	Mr. Sanjay Aggarwal	Key Managerial Personnel
3	Mrs. Anubha aggarwal	Key Managerial Personnel
4	Ms. Anju Sharma	Key Managerial Personnel
5	Ms. Sheetal Kapoor	Key Managerial Personnel

(II) Disclosure in Respect of Material Related Party Transactions during

1 Rent paid to Managing Director Mr. Sanjay Aggarwal during the year - INR 1,20,000 for the premises of registered cum corporate office taken on rent.

2 Salary Paid to Managing Director Mr. Sanjay Aggarwal during the year - INR 2,50,000.

3 Investment received by way of Equity :

a.	R.S. Aggarwal	:	Rs. 17300000 (1730000 Equity shares of Rs. 10/- each)
b.	Anu Aggarwal	:	Rs. 445500 (4455000 Equity shares of Rs. 10/- each)
c.	Sanjay Aggarwal	:	Rs. 19285000 (1928500 Equity Shares of Rs. 10/- each)
d.	Anubha Aggarwal	:	Rs. 19024520 (1902452 Equity Shares of Rs. 10/- each)

4 Company has granted a Short term loan to Eclat Net Advisors Private Limites, which is a Subsidiary of the company. Outstanding amount of which as on 31-03-2020 is INR 14.69 Lakhs

27 Disclosure as required under INDAS 108 -Operating Segments

The company has only one reportable primary segment i.e. NBFC Activity and hence no separate segment disclosures made.

Particulars	Total	
	As on 31.03.2020	As on 31.03.2019
Revenue		
External Sales	782.14	670.36
Inter-segment sales	-	-
Total Revenue	782.14	670.36
Result		
Segment result	(622.83)	(509.07)
Operating Profit	159.31	161.29
Interest expenses	-	-
Interest income	-	-
Other income	4.64	1.57
Foreign exchange gain/(loss)	-	-
Income tax (Current+Deferred)	(34.91)	(44.38)
Net Profit (inclusive other comprehensive income)	129.04	118.48

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 Continued

The Previous year figures have been regrouped/reclassified,where ever necessary to conform to the current year presentation

Other Information	As on 31.03.2020	As on 31.03.2019
Segment assets	1,956.55	1,609.27
Unallocated corporate assets	-	-
Total assets	**1,956.55**	**1,609.27**
Segment liabilities	430.98	195.01
Unallocated corporate liabilities	-	-
Total liabilities	**430.98**	**195.01**
Capital Expenditure	-	-
Depriciation	3.12	2.60

28 **Financial Instruments-Accounting classifications and fair value measurements**

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between willing parties,othe than in force or liquidation sale.

The following methods an assuptions were used to estimate the fair values:

1. Fair Value of cash and short-term deposits,trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instrumnets.

2. Financial Instruments with fixed and variable intrest rates are evaluated by the company based on parameters such as interest rates and indivisual credit wothiness of the counterparty.Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

28.1

Particulars	Carrying amount As at 31 March 2019	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at fair value through profit or loss				
Investments in debt instruments	-	-	-	-
Total	-	-	-	-
Financial assets at fair value through other comprehensive income				
Investments in debt instruments	-	-	-	-
Investments in equity instruments	-	-	-	-
Total	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Investments in debt instruments	-	-	-	-
Investments in subsidiaries and joint venture	-	-	-	-
Bank deposits		-	-	-
Trade receivables		-	-	-
Cash and Bank balances	125.24	-	-	-
	430.99			
Total	556.23	-	-	-
Financial liabilities at amortised cost				
Term loans	-	-	-	-
Finance lease obligations	-	-	-	-
Short term borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other financial liabilities (non-current)	93.61	-	-	-
Other financial liabilities (current)	56.67	-	-	-
Total	150.28	-	-	-

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 Continued

The Previous year figures have been regrouped/reclassified,whereever necessary to conform to the current year presentation

28.2

Particulars	Carrying amount As at 31 March 2020	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at fair value through profit or loss				
Investments in debt instruments				
Total	-	-	-	-
Financial assets at fair value through other comprehensive income				
Investments in debt instruments				
Investments in equity instruments				
Total	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Investments in debt instruments	-	-	-	-
Investments in subsidiaries and joint venture	-	-	-	-
Bank deposits	-	-	-	-
Trade receivables	92.78	-	-	-
Cash and Bank balances	159.39			
Total	**252.17**	-	-	-
Financial liabilities at amortised cost				
Term loans	-	-	-	-
Finance lease obligations	-	-	-	-
Short term borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other financial liabilities (non-current)	258.51	-	-	-
Other financial liabilities (current)	137.55	-	-	-
Total	**396.06**	-	-	-

29 **Financial Risk Management Objectives and Policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that aff ect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The Board provides oversight and reviews the Risk management policy on a quarterly basis.

Interest rate risk

The company is not exposed to significant interest rate risk as at the respective reporting dates.

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 financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occuring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the company.

Liquidity Risk

Liquidity risk is defi ned as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.The Company's treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

Maturity profile of financial liabilities

The table below provides details regarding the maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2020	Less than 1 year/ On Demand	1 to 5 years	More than 5 years
Finance lease obligations	-	-	-
Deposits payable	-	-	-
Long term borrowings	-	258.51	-
Short term borrowings	-	-	-
Trade payables	137.55	-	-
Other financial liabilities	34.92	-	-

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

The Previous year figures have been regrouped/reclassified,wherever necessary to conform to the current year presentation

The Previous year figures have been regrouped/reclassified,wherever necessary to conform to the current year presentation

As at March 31,2019	Less than 1 year/ On Demand	1 to 5 years	More than 5 years
Finance lease obligations	-	-	-
Deposits payable	-	-	-
Long term borrowings	-	93.61	-
Short term borrowings	-	-	-
Trade payables	56.67	-	-
Other financial liabilities	44.73	-	-

	Particulars	Foreign Currency		Local Currency	
30	**Exposure in Foreign Currency**				
(A)	Outstanding overseas exposure not being hedged against adverse currency fluctuation				
	i) Export Receivable	CY	USD	-	-

31 **Disclosure as required by INDAS 33- Earning Per Share.**

Particulars	**Year ended 31st March.2020**	**Year ended 31st March.2019**
Net Profit After tax	115.71	118.48
Weighted Average number of equity shares for Basic EPS(Nos.)	9,043,650	9,043,650
Face Value Per share	` 10/-	` 10/-
Basic EPS (`)	1.28	1.31
Diluted EPS (`)	1.43	3.12

32 As per INDAS 36 impairment of Assets, the company has assessed the conditions of all assets used in its operation and is of the opinion that there is no impairment of assets, hence no provision was made.

33 In the opinion of the management current assets, loan and advances are of the value stated, if realized in the ordinary course of business.

34 **Assets Taken on Operating Lease**

The office premises has been taken on operating lease on annual basis and is annually renewable. The lease Agreements does not have any escalation clause for renewal of lease. There are no Sub-Leases and leases are generally cancellable in nature.

35 The Balances of debtors and creditors, loan and advances are subject to confirmation and their pending reconciliation. Such balances are reflected in the balance sheet as appearing in the books of accounts.

36 Disclosure As per Clause 32 of Listing agreement with the stock exchanges

a) Loan and advances to subsidiary.

` In Lacs

Name of Company	**Relationship**	**31-Mar-2020**	**Maximum balance outstanding during the year ended 31st March 2020**
Eclat Net Advisors Private Limited	Subsidiary	14.69	161.65

As per our report of even date attached.

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 091673 CHANDIGARH

Kultar Singh
Partner
Membership No. - 091673

Place : Chandigarh
Dated : ; 15-07-2020

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580828

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

Anju Sharma
Company Secretary

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW (Pursuant to INDAS-7) Indirect Method

FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS		Year Ended 31st March, 2020 ('000)	Year Ended 31st March, 2019 ('000)
1. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX		**163.95**	**162.86**
Add:			
Depreciation		3.12	2.60
Miscellaneous Expenses Written Off		4.61	0.94
Financial Expenses		44.13	16.21
		51.86	**19.75**
Less:			
Deferred Tax Liability		(0.01)	(0.35)
Provision for Tax		34.92	44.73
Income Tax Adjustment during the year		(2.78)	
Movement during the year		1.07	
Provision for Standard Asset		2.57	
Provision for Dividend		13.84	11.07
Tax On Dividend		2.85	2.27
		52.46	**57.72**
Operating profit for working capital changes		**163.35**	**124.89**
(Increase) / Decrease in trade receivable		32.46	(1.04)
(Increase) / Decrease in Loans & Advances		(637.49)	(619.39)
Increase / (Decrease) in Trade Payables & Others		71.07	1.40
Cash Generated from / (used in) operating activities		**(370.61)**	**(494.14)**
Direct Taxes paid / deducted at source		-	-
Net cash generated from / (used in) operating activities	**(A)**	**(370.61)**	**(494.14)**
2. CASH FLOW FROM INVESTING ACTIVITES			
Misc Expenditure		(18.35)	
Purchase of Fixed Assets		(3.41)	(6.69)
Purchase of Investment in subsidiary		-	-
Interest Received		-	
Net Cash from / (used in) Investing Activities	**(B)**	**(21.76)**	**(6.69)**
3. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share capital			760.62
Proceeds from Unsecured Loans		164.90	10.54
Interest Paid		(44.13)	(16.21)
Net Cash from / (used in) Financing Activities	**(C)**	**120.77**	**754.95**
4. NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	**(A)+(B)+(C)**	**(271.60)**	**254.12**
5. CASH & CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		430.99	176.87
6. CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR		**159.39**	**430.99**
Cash and Cash equivalents (Year end)		159.39	430.99
FLDG With Banks		11.87	
Balances with banks with restatement (including cc & od balances)		76.58	172.35
Cheque/Drafts in hand		67.41	-
Cash in Hand		3.53	15.94
Reconciliation of Cash and Cash equivalents			
Cash and Cash equivalents as per Balance Sheet		159.39	430.99
Balances with banks in CC Accounts		-	-
Balances with banks in OD Accounts		-	-
		159.39	**430.99**

For and on behalf of the Board

Sanjay Aggarwal	**Anubha Aggarwal**
Managing Director	**Director**
DIN No. 02580828	**DIN No. 02557154**
Sheetal Kapoor	**Anju Sharma**
CFO	**Company Secretary**

Place : Chandigarh
Dated : 15-07-2020

Auditor's Certificate

We have examined the attached cash flow statement of Emerald Leasing Finance & Investment Company Limited for the year ended 31st March, 2020. The Statement has been prepared by the company in accordance with the requirement of the listing agreement Clause 32 with Stock Exchange and is based on and derived from the audited accounts of the Company for the year ended 31st March, 2020.

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No. 012428N

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

Kultar Singh
Partner
Membership No. - 091673

Place : Chandigarh
Dated : 15-07-2020

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Independent Auditor's Report for the period ended September 30, 2020

K. SINGH & ASSOCIATES
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of

Emerald Leasing Finance and Investment Co. Limited.

Report on the Consolidated Financial Statements as per Ind AS

Opinion

We have audited the accompanying Consolidated financial statements of **Emerald Leasing Finance and Investment Co. Limited** ("the Company"), which comprise Consolidated the Balance Sheet for half year as at Sept 30th 2020, and the Consolidated Statement of Profit and Loss, Consolidated Statement of change in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, , the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at Sept 30, 2020 and its Profit and its Cash Flow for the year ended on that date.

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. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* 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 statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other Consolidated comprehensive income, Consolidated cash flows and Consolidated change in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standard Ind AS specified under Section 133 of the Act, read with the provision of the Companies (Indian accounting Standards) Rules, 2015 as amended . This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentations of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the company ability to continue as a going concern disclosing as applicable, matter relating to going concern and using the going concern basis of accounting unless management either intents to liquidate the company or to cease operation, or has no realistic alternative but to do so.

Those respective board of directors of the companies included in the Group and of its associates are also responsible for overseeing the company's financial reporting process of the Group and its associates.

Auditor's Responsibility on Consolidated Ind As Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements 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

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS No. 9673 CHANDIGARH

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Regd. Office: H.No. 6, Sector 19-A, Chandigarh - 160 019
Website: www.caks.in, e-mail : kultarsingh@caks.in, ksinghassociates@rediffmail.com

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 statements.

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 statements, 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 statements 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.

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M No. 91673 CHANDIGARH

Other Matters

We did not audit the financial statements / financial information of One (1) subsidiaries, whose financial statements / financial information reflect total assets of Rs. 8.00 Lacs as at 30st Sept, 2020, total revenues of Rs.170.554 and net cash flows amounting to Rs.73.838 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. NIL for the year ended 30th Sept, 2020, as considered in the consolidated financial statements, in respect of NIL associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirement's

1. As required by section 143(3) of the Act, based on our audit report and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries as noted in the "other matters" paragraph we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated IND AS financial statements

b In our opinion proper books of account as required by law have been kept by the Holding Company, including relevant records relating to the preparation of the aforesaid consolidated IND AS financial statements so far as it appears from our examination of those books and records of the Holding Company and report of the other auditors).

c)The Consolidated Balance Sheet, Consolidated Statement of Consolidated Profit and Loss, Consolidated Cash Flow Statement , consolidated statement of Changes in the Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Ind AS Financial Statements;

d) In our opinion the Consolidated financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies(Accounts) Rules,2014;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies, its associates incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in Annexure "A and

g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors)Rules, 2014 in our opinion and to the best of our information and according to explanations given to us:

i. The Holding Company nor its subsidiary as per report of other auditor has no pending litigations.

ii. The Holding company nor its subsidiary have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There no amounts which required to be transferred, to the Investor Education and Protection Fund by the Holding company.

h) The Holding Company is NBFC and registered under section 45-IA of the Reserve Bank of India Act, 1934.

[i] (a) The holding Company has been granted certificate of registration from Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934.

(b) The holding company is entitled to continue and hold the certificate of registration in terms of asset/income pattern as at 30th Sept 2020.

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M No. 91673 CHANDIGARH

(c) Considering the asset/income pattern of the holding company we are of the opinion that the company is not an Asset Finance Company.

[ii] As per information and explanation given to us the Board of Directors have passed a resolution for the non-acceptance of any deposits from public.

[iii] As it appears from our examination of the books of account, the company has not accepted any deposits from public during the year under review.

[iv} The Company has given Loans & Advances and has complied with the Prudential Norms relating to income recognition accounting standards, asset classification and provisioning for bad and doubtful debts as applicable as on 30-09-2020

FOR K SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm No. 012458N

Kultar Singh
Partner
Membership No. 091673

PLACE: Chandigarh
DATED:31/10/2020

Annexure – "A" to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Emerald Leasing Finance and Investment Co. Limited** ("the Holding Company") and its subsidiaries as of 30th Sept 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and the subsidiaries, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 0673 CHANDIGARH

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 30th Sept, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

for **K Singh & Associates**
Chartered Accountants
Firm's Registration Number: 012458N

CA. Kulltar Singh
Partner
Membership Number: 091673
Place of Signature: Chandigarh
Date: 31th Oct 2020

Consolidated Audited Financial Statements for the period ended September 30, 2020

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2020

	PARTICULARS	NOTE		As at 30th Sept, 2020 (INR in Lakh)		As at 31st March, 2020 (INR in Lakh)
	ASSETS					
(1)	**Non-current assets**					
	(a) Property, Plant and Equipment	3		8.000		7.963
				8.000		7.963
(2)	**Current assets**					
	(a) Financial Assets					
	(i) Trade receivables	4		23.007		92.788
	(ii) Cash and cash equivalents	5		73.838		159.395
	(iii) Loans	6		1,799.142		1,633.295
	(iv) Others (to be specified)	7		52.215		38.895
	(v) Security Deposits	8		5.998		5.998
	(vi) Defferred Tax Assets (Net)	9		0.339		0.339
	(b) Misc Expenditure	10		20.452		20.452
				1,974.991		1,951.162
	Total Assets			1,982.991		1,959.125
	EQUITY AND LIABILITIES					
(1)	**Equity**					
	(a) Equity Share capital	11		904.365		904.365
	(b) Other Equity	12		628.045		587.115
	(c) Minority Interest			36.993		34.086
				1,569.403		1,525.566
(2)	**Non-current liabilities**					
	(a) Financial Liabilities					
	(i) Borrowings	13		284.615		258.516
				284.615		258.516
(3)	**Current liabilities**					
	(a) Other current liabilities	14		72.705		137.528
	(b) Provisions	15		56.248		37.495
	(c) Current Tax liabilities (net)	16		0.020		0.020
				128.973		175.043
	Total Equity and Liabilities			1,982.991		1,959.125
	Significant Accounting Policies & Notes on Financial Statements	1 to 35		-	-	-

As per our report of even date attached

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

Kultar Singh
Partner
Membership No. - 091873

Place : Chandigarh
Dated : 31/10/2020

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580828

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 30TH SEPTEMBER 2020

	PARTICULARS	NOTE	As at 30th Sept, 2020 (INR in Lakh)	As at 31st March, 2020 (INR in Lakh)
I	Revenue from Operations	17	170.306	782.141
II	Other income	18	0.248	4.647
III	**Total Income**		**170.554**	**786.788**
IV	**EXPENSES**			
	Employee-benefits expenses	19	32.205	106.008
	Finance costs	20	18.278	44.130
	Depreciation and amortization expenses	21	-	3.125
	Other expenses	22	57.021	469.578
	Total expenses		107.504	622.841
V	**Profit/ (Loss) before Exceptional Items & Tax (I-IV)**		63.050	163.947
VI	**Exceptional Items**		-	
VII	**Profit/(Loss) Before Tax (V-VI)**		63.050	163.947
VIII	**Tax expense**			
	(1)Current Tax	15	15.933	37.495
	(2)Deferred tax	23	-	(0.004)
IX	**Profit/(Loss) for the period from continuing operations (VII-VIII)**		**47.117**	**126.456**
X	**Profit/(Loss) for the period from discontinued operations**		-	-
XI	**Tax expense of discontinued operations**		-	-
XII	**Profit/(Loss) for the period from discontinuing operations after tax (X-XI)**		-	-
XIII	**Profit/(Loss) for the period (XI+XII)**		47.117	126.456
XIV	**Other comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss	23	-	-
	(ii) Income tax realting 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 realting to items that will be reclassified to profit or loss		-	-
XV	**Total compehensive income for the period (XIII+XIV)** (Comprising Profit (Loss) and Other Comprehensive Income for the period)		47.117	126.456
XVI	**Earning per equity share** (from continuing operation)			
	(1)Basic		0.521	1.427
	(2)Diluted		0.521	1.427
XVII	**Earning per equity share** (from discontinued operation)			
	(1)Basic		-	-
	(2)Diluted		-	-
XVIII	**Earning per equity share** (from discontinued and continuing operation)			
	(1)Basic		0.521	1.427
	(2)Diluted		0.521	1.427
	Significant Accounting Policies & Notes on Financial Statements	1 to 35		

As per our report of even date attached

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

Kultar Singh
Partner
Membership No. - 091678

Place : Chandigarh
Dated : 31/10/2020

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580828

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

3. FIXED ASSETS SCHEDULE FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		AS ON 01.04.2020	ADDITION DURING THE YR.	AJUSTMENT/S OLD DURING THE YEAR	AS ON 30.09.2020	AS ON 01.04.2020	PROVIDED DURING THE YR.	TRANSFER TO GENERAL RESERVE	ON SALE / ADJUSTMENTS DURING THE YR.	TOTAL UP TO 30.09.2020	AS ON 30.09.2020	AS ON 31-03-2020
FIXED ASSETS												
1.	Computers	9.750	-	-	9.750	6.510	-	-	-	6.510	3.240	3.243
2.	Printer	4.340	-	-	4.340	1.759	-	-	-	1.759	2.581	2.580
3	Air Conditioner	1.710	-	-	1.710	0.830	-	-	-	0.830	0.880	0.880
4	UPS	0.360	-	-	0.360	0.130	-	-	-	0.130	0.230	0.230
5.	Mobile	1.130	-	-	1.130	0.429	-	-	-	0.429	0.701	0.700
6.	Invertor	0.240	-	-	0.240	0.010	-	-	-	0.010	0.230	0.230
6.	Software	0.220	0.037	-	0.257	0.119	-	-	-	0.119	0.138	0.100
	TOTAL	17.750	0.037	-	17.787	9.787	-	-	-	9.787	8.000	7.963
		14.340	3.410	-	17.750	6.500	3.118	0.169	-	9.787	7.963	7.840

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020 Continued

The Previous year figures have been regrouped/reclassified,where ever necessary to conform to the current year presentation

	PARTICULARS	As at 30th Sept, 2020 (INR In Lakh)		As at 31st March, 2020 (INR In Lakh)
4	**TRADE RECEIVABLES**			
	(Unsecured and Considered Good)			
	Over Six Months	-		-
	Other	0.110		-
	Accrued Interest on Unsecured Loans	0.600		70.553
	Commission Receivables	22.297		22.235
	TOTAL	**23.007**		**92.788**
5	**Cash and Cash Equivalents**			
	Cash in hand	6.607		3.531
	Balance with banks	43.364		76.583
	Cheques Received but not yet Credited	-		67.414
	FLDG With Agile Finserv and Usha Financial Services Ltd	23.867		11.867
	TOTAL	**73.838**		**159.395**
6	**Loans**			
	Unsecured:			
	Loans to Body corporates/ Firms/ Individuals	1,799.142	-	1,633.295
	Total	**1,799.142**	**-**	**1,633.295**
7	**Others**			
	TDS Receivables	50.972		38.895
	Income Tax Refund	1.243		-
	TOTAL	**52.215**		**38.895**
8	**Security Deposits**			
	Security Deposits	5.998		5.998
	TOTAL	**5.998**		**5.998**
9	**Defferred Tax Assets**			
	Defferred Tax Asset	0.339		0.339
	TOTAL	**0.339**		**0.339**
10	**Misc Expenditure**			
	Misc Expenditure	20.452		20.452
	TOTAL	**20.452**		**20.452**

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 81673 CHANDIGARH

Statement of Change in Equity
For the period ended 31st March, 2020

11 **A.Equity Share Capital**

Balance as at 1st April ,2020	Change in Equity Share Capital during the year	Balance as at 30th September, 2020
904.365	-	904.365
Balance as at April 1,2019	**Change in Equity Share Capital during the year**	**Balance as at 31st March, 2020**
904.365	-	904.365

12 **B.Other Equity**

(Amount in Rupees)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve/P&L Reserve	Retained Earning	Debt instruments through other comprehensive income	
Balance as at April 1,2020	-	288.739	-	247.407	50.969	-	587.115
Change in accounting policy/ prior period errors	-	-	-	-	-	-	-
Restated balance at the begning of the reporting period	-	288.739	-	247.407	50.969	-	587.115
Profit (loss)for the year	-	-	-	47.117	-	-	47.117
Residual value of assets				-			-
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	47.117	-	-	47.117
Transactions with owners in capacity as owners							
Dividends	-	-	-	-	-	-	-
Transferred to retained earnings Reserve fund u/s 45IC @20%	-	-	-	(9.423)	9.423	-	-
Bonus Shares	-	-	-	-	-	-	-
Provision for Standard Asset				(2.820)			(2.820)
Previous Year Provision Add Back				-			-
Others	-	-	-	(0.460)	-	-	(0.460)
Minority Interest				(2.907)			(2.907)
Balance as at Sept 30, 2020	-	288.739	-	278.914	60.392	-	628.045

(Amount in Rupees)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve/P&L Reserve	Retained Earning	Debt Instruments through other comprehensive income	
Balance as at April 1, 2019	-	288.739	-	175.230	25.160	-	489.129
Change in accounting policy/ prior period errors	-	-	-	-	-	-	-
Restated balance at the begning of the reporting period	-	288.739	-	175.230	25.160	-	489.129
Profit (loss)for the year	-	-	-	129.044	-	-	129.044
Residule Value of Asset				(0.169)			(0.169)
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	128.875	-	-	128.875
Transactions with owners in capacity as owners							
Dividends	-	-	-	(16.691)	-	-	(16.691)
Transferred to retained earnings Reserve fund u/s 45IC @20%	-	-	-	(25.809)	25.809	-	-
Bonus Shares	-	-	-	-	-	-	-
Provision for Standard Asset				(2.579)			(2.579)
Previous Year Provision Add Back				2.781			2.781
Others	-	-	-	(1.070)	-	-	(1.070)
Minority Interest				(13.330)			(13.330)
Balance as at March 31, 2020	-	288.739	-	247.407	50.969	-	587.115

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020 Continued

The Previous year figures have been regrouped/reclassified,whereever necessary to conform to the current year presentation

	PARTICULARS	As at 30th Sept, 2020 (INR in Lakh)		As at 31st March, 2020 (INR in Lakh)
11	**SHARE CAPITAL**			
	AUTHORISED			
	3,500,00,000 Equity Shares of INR 10/- each			
	(Previous Year 350,00,000 Equity Shares of INR 10/- each	3,500.000		3,500.000
		3,500.000		3,500.000
	ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
	9043650 Equity Shares INR 10/- Each fully paid	904.365		904.365
	(Previous year 9043650 Equity Shares INR 10/- each)			
	TOTAL	904.365		904.365

The detail of Shareholders holding more than 5% shares:

	Name of the Shareholders	As at 30th Sept, 2020		As at 31st March, 2020	
		No of Shares	% held	No of Shares	% held
1	Sanjay Aggarwal	1928500	21.32%	1928500	21.32%
2	Anubha Aggarwal	1902452	21.04%	1902452	21.04%
3	R.S Aggarwal	1730000	19.13%	1730000	19.13%
4	AGR Investment Limited	750000	8.29%	750000	8.29%

The reconciliation of number of shares outstanding is set out below.

Particulars	As at 30th Sept, 2020		As at 31st March, 2020
	No of Shares		No of Shares
Equity Shares at the beginning of the year	9043650		9043650
Add : Shares issued during the year			0
Equity Shares at the end of the year	9043650		9043650

13	**LONG TERM BORROWINGS**			
	Unsecured			
	Loans from Financial Institutions	196.937		160.340
	Loans from Banks	87.678		98.176
	Total	284.615		258.516
14	**OTHER CURRENT LIABILITIES**			
	Duties and Taxes	0.499		27.444
	Audit Fees Payable	0.725	-	0.725
	Income Tax Deducted as Source Payable	3.407	-	15.296
	Expenses Payble	16.064		87.123
	Salaries Payble	6.068		6.907
	Cheques issued but not presented for payment	0.029		0.033
	Loans from Director	45.913		-
	Total	72.705	-	137.528
15	**PROVISIONS**			
	Provison for taxation for previous year	34.916		
	Provison for taxation	15.933		34.916
	Provision of Standard Assets (0.25% of outstanding Loans)	5.399		2.579
	Total	56.248	-	37.495
16	**CURRENT TAX LIABILITIES**			
	Deffered Tax Liabilities	0.020		0.020
	Total	0.020	-	0.020

K. SING. CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

Anubha

Sheetal Kapur

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020 Continued
The Previous year figures have been regrouped/reclassified,whereever necessary to conform to the current year presentation

	PARTICULARS	As at 30th Sept, 2020 (INR in Lakh)		As at 31st March, 2020 (INR in Lakh)
17	**Revenue from Operations**			
	Interest Income	105.092		192.392
	Dividend	-		11.250
	Commission and Fees Based Income	65.214		578.499
	TOTAL	170.306		792.141
18	**OTHER INCOME**			
	Other Income			
	Interest on Income Tax Refund	0.248		3.813
	S.balaces w/off	-		0.415
	Interest On FLDG	-		0.012
	TOTAL	-		0.407
		0.248		4.647
19	**EMPLOYEE BENEFITS EXPENSE**			
	Salary	31.205		103.508
	Salary to Managing Director	1.000		2.500
	TOTAL	32.205		106.008
20	**FINANCE COSTS**			
	Interest on Loan from Banks	7.653		8.236
	Interest on Loan from NBFC	10.625		35.894
	TOTAL	18.278		44.130
21	**DEPRECIATION AND AMORTIZATION EXPENSE**			
	Depreciation on Tangible Assets	-		3.125
	TOTAL	-		3.125
22	**OTHER EXPENSES**			
	Administrative Overheads			
	Advertisement & Promotion	1.379		0.874
	Annual Listing Fee	3.000		3.625
	Audit fee	0.475		0.675
	Other Allied Fees	0.300		0.250
	Bad debts written off	-		6.875
	Balance written off	0.205		0.139
	Commission Paid	34.103		390.591
	Electricity & Water expenses	-		1.547
	Financial Overheads	0.090		0.392
	Gensent Rent	0.240		0.720
	Internet Marketing Expenses	0.626		19.437
	Income tax Adjustment	-		2.008
	Misc Exp W/off	-		4.612
	Office Expenses	1.861		3.966
	Postage & Telegraph	0.435		1.149
	Printing & Stationery	0.779		1.563
	Processing Fee	1.200		4.266
	Professional/Legal Fees	6.450		7.909
	Rates Fees & Taxes	4.075		12.053
	Rent	0.600		1.200
	Repair & Maintenance	0.455		1.426
	Telephone Expenses	0.427		0.844
	Travelling Expenses	0.321		3.457
	GRAND TOTAL	57.021		469.578

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

Sheetal Kapoor

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020 Continued

The Previous year figures have been regrouped/reclassified,whereever necessary to conform to the current year presentation

	PARTICULARS	As at 30th Sept, 2020 (INR in Lakh)		As at 31st March, 2020 (INR in Lakh)
23	**DEFERRED TAX**			
	Deferred Tax Asset	-		(0.004)
	TOTAL	-		(0.004)

24	**Contingent Liabilities not provided for**	Current Year		Previous Year
	Particulars			
a)	Bills Discounted with bank since not realized	Nil		Nil
b)	Bank Guarantees/Counter Guarantee issued	Nil		Nil
c)	Estimated amount of contract remaining to be executed	Nil		Nil
d)	Letter of Credit un-expired	Nil		Nil

25 Related Party Disclosures

As per INDAS 24, the disclosure of transactions with the related parties are given below.

(I) List of related parties with whom transactions have taken place.

S.No.	Name of the Related Party	Relationship
1	Eclat Net Advisors Private Limited	Subsidiary
2	Mr. Sanjay Aggarwal	Key Managerial Personnel
3	Mrs. Anubha aggarwal	Key Managerial Personnel
4	Ms. Anju Sharma	Key Managerial Personnel
5	Ms. Sheetal Kapoor	Key Managerial Personnel

(II) Disclosure in Respect of Material Related Party Transactions during the year:

1 Rent paid to Managing Director Mr. Sanjay Aggarwal during the year - INR 60,000 for the premises of registered cum corporate office taken on rent.

2 Salary Paid to Managing Director Mr. Sanjay Aggarwal during the year - INR 1,00,000.

3 Investment received by way of Equity :

a.	R.S. Aggarwal	:	Rs. 17300000 (1730000 Equity shares of Rs. 10/- each)
b.	Anu Aggarwal	:	Rs. 445500 (4455000 Equity shares of Rs. 10/- each)
c.	Sanjay Aggarwal	:	Rs. 19285000 (1928500 Equity Shares of Rs. 10/- each)
d.	Anubha Aggarwal	:	Rs. 19024520 (1902452 Equity Shares of Rs. 10/- each)

4 Company has granted a Short term loan to Eclat Net Advisors Private Limited, which is a Subsidiary of the company. Outstanding amount of which as on 30-09-2020 is INR 22.617 Lakhs

26 Disclosure as required under INDAS 108 -Operating Segments

The company has only one reportable primary segment i.e. NBFC Activity and hence no separate segment disclosures made.

Particulars	Total	
	As on 30.09.2020	As on 31.03.2020
Revenue		
External Sales	170.306	782.141
Inter-segment sales	-	-
Total Revenue	170.306	782.141
Result		
Segment result	(107.504)	(622.841)
Operating Profit	62.802	159.300
Interest expenses	-	-
Interest income	-	-
Other income	0.248	4.647
Foreign exchange gain/(loss)	-	-
Income tax (Current+Deferred)	(15.933)	(37.491)
Net Profit (inclusive other comprehensive income)	47.117	126.456

Sheetal Kapoor

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED
CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020 Continued

The Previous year figures have been regrouped/reclassified,where ever necessary to conform to the current year presentation

Other Informaton	As on 30.09.2020	As on 31.03.2020
Segment assets	1,982.991	1,959.125
Unallocated corporate assets	-	-
Total assets	**1,982.991**	**1,959.125**
Segment liabilities	413.588	433.559
Unallocated corporate liabilities	-	-
Total liabilities	**413.588**	**433.559**
Capital Expenditure	-	-
Depriciation	-	3.125

27 **Financial Instruments-Accounting classifications and fair value measurements**

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between willing parties,othe than in force or liquidation sale.

The following methods an assuptions were used to estimate the fair values:

1. Fair Value of cash and short-term deposits,trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instrumnets.

2. Financial Instruments with fixed and variable intrest rates are evaluated by the company based on parameters such as interest rates and indivisual credit wothiness of the counterparty.Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

27.1

Particulars	Carrying amount As at 31-March-2020	Fair Value Level 1	Level 2	Level 3
Financial Assets at fair value through profit or loss				
Investments in debt instruments	-	-	-	-
Total	-	-	-	-
Financial assets at fair value through other comprehensive income				
Investments in debt instruments	-	-	-	-
Investments in equity instruments	-	-	-	-
Total	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Investments in debt instruments	-	-	-	-
Investments in subsidiaries and joint venture	-	-	-	-
Bank deposits		-	-	-
Trade receivables	92.788	-	-	-
Cash and Bank balances	159.395			
Total	**252.183**	-	-	-
Financial liabilities at amortised cost				
Term loans	-	-	-	-
Finance lease obligations	-	-	-	-
Short term borrowings	258.516	-	-	-
Trade Payables	137.528	-	-	-
Other financial liabilities (non-current)	-	-	-	-
Other financial liabilities (current)	37.515	-	-	-
Total	**433.559**	-	-	-

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91073 CHANDIGARH

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

The Previous year figures have been regrouped/reclassified,whereever necessary to conform to the current year presentation

The Previous year figures have been regrouped/reclassified,whereever necessary to conform to the current year presentation

As at March 31, 2020	Less than 1 year/ On Demand	1 to 5 years	More than 5 years
Finance lease obligations	-	-	-
Deposits payable	-	-	-
Long term borrowings	-	-	-
Short term borrowings	-	258.516	-
Trade payables	137.528	-	-
Other financial liabilities	37.515	-	-

	Particulars	Foreign Currency		Local Currency	
29 (A)	**Exposure in Foreign Currency**				
	Outstanding overseas exposure not being hedged against adverse currency fluctuation				
	i) Export Receivable	CY	USD	-	-

30 **Disclosure as required by INDAS 33- Earning Per Share.**

Particulars	Period ended 30th Sept 2020	Year ended 31st March, 2020
Net Profit After tax	47.117	126.456
Weighted Average number of equity shares for Basic EPS(Nos.)	9,043,650	9,043,650
Face Value Per share	INR 10/-	INR 10/-
Basic EPS (INR)	0.521	1.398
Diluted EPS (INR)	0.521	1.427

31 As per INDAS 36 impairment of Assets, the company has assessed the conditions of all assets used in its operation and is of the opinion that there is no impairment of assets, hence no provision was made.

32 In the opinion of the management current assets, loan and advances are of the value stated, if realized in the ordinary course of business.

33 **Assets Taken on Operating Lease**

The office premises has been taken on operating lease on annual basis and is annually renewable. The lease Agreements does not have any escalation clause for renewal of lease. There are no Sub-Leases and leases are generally cancellable in nature.

34 The Balances of debtors and creditors, loan and advances are subject to confirmation and their pending reconciliation. Such balances are reflected in the balance sheet as appearing in the books of accounts.

35 Disclosure As per Clause 32 of Listing agreement with the stock exchanges

a) Loan and advances to subsidiary.

Name of Company	Relationship	30-Sep-2020	INR In Lacs Maximum balance outstanding during the year ended 30th September 2020
Eclat Net Advisors Private Limited	Subsidiary	22.617	42.468

As per our report of even date attached

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No 012458N

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M.No. 091673 CHANDIGARH

Kultar Singh
Partner
Membership No. - 091673

Place : Chandigarh
Dated : 31/10/2020

For and on behalf of the Board

Sanjay Aggarwal
Managing Director
DIN No: 02580328

Sheetal Kapoor
CFO

Anubha Aggarwal
Director
DIN No. 02557154

EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

Regd. Office: SCO 7 Industrial Area Phase 2 Chandigarh 160002

CIN : L65993CH1983PLC041774

CONSOLIDATED CASH FLOWS FOR THE HALF YEAR ENDED 30.09.2020

PARTICULARS		Year Ended 30th Sept 2020 (INR in Lakhs)	Year Ended 31st March 2020 (INR in Lakhs)
1. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX		63.050	163.947
Add:			
Depreciation		-	3.125
Miscellaneous Expenses Written Off		-	4.612
Financial Expenses		18.278	44.130
		18.278	51.867
Less:			
Deferred Tax Liability		-	(0.004)
Provision for Tax		15.933	34.916
Income Tax Adjustment during the year		-	(2.781)
Provision for Standard Asset		2.820	2.579
Provision for Dividend		-	13.840
Tax On Dividend		-	2.851
Others		0.460	1.070
		19.213	52.471
Operating profit for working capital changes		62.115	163.343
(Increase) / Decrease in trade receivable		69.781	32.460
(Increase) / Decrease in Loans & Advances		(179.167)	(637.490)
Increase / (Decrease) in Trade Payables & Others		(46.070)	71.073
Cash Generated from / (used in) operating activities		(93.341)	(370.614)
Direct Taxes paid / deducted at source		-	-
Net cash generated from / (used in) operating activities	(A)	(93.341)	(370.614)
2. CASH FLOW FROM INVESTING ACTIVITES			
Misc Expenditure		-	(18.348)
Purchase of Fixed Assets		(0.037)	(3.410)
Purchase of Investment in subsidiary		-	-
Interest Received		-	-
Net Cash from / (used in) Investing Activities	(B)	(0.037)	(21.758)
3. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share capital		-	
Proceeds from Unsecured Loans		26.099	164.900
Interest Paid		(18.278)	(44.130)
Net Cash from / (used in) Financing Activities	(C)	7.821	120.770
4. NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(A)+(B)+(C)	(85.557)	(271.602)
5. CASH & CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		159.395	430.997
6. CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR		73.838	159.395
Cash and Cash equivalents (Year end)		73.838	159.395
FDLG		23.867	11.867
Balances with banks with restatement (including cc & od balances)		43.364	76.583
Cheque/Drafts in hand		-	67.414
Cash in Hand		6.607	3.531
Reconciliation of Cash and Cash equivalents			
Cash and Cash equivalents as per Balance Sheet		73.838	159.395
Balances with banks in CC Accounts		-	-
Balances with banks in OD Accounts		-	-
		73.838	159.395

Sanjay Agarwal
Managing Director
DIN No. 02580828

Anubha Agarwal
Director
DIN No. 02557154

Sheetal Kapoor
CFO

Place : Chandigarh
Dated : 31/10/2020

Auditor's Certificate

We have examined the attached cash flow statement of Emerald Leasing Finance & Investment Company Limited for the year ended 30th September, 2020. The Statement has been prepared by the company in accordance with the requirement of the listing agreement Clause 32 with Stock Exchange and is based on and derived from the audited accounts of the Company for the year ended 30th September, 2020.

For K. SINGH & ASSOCIATES
Chartered Accountants
Firm No. 012843N

Kukal Singh
Partner
Membership No. 081673

Place : Chandigarh
Dated : 31/10/2020.

Unaudited financial statements for the quarter and nine months period ended December 31, 2020

K. SINGH & ASSOCIATES
Chartered Accountants

Independent Auditor's Review Report

UDIN:21091673AAAAAM5774

To
Board of Directors,
Emerald Leasing Finance and Investment Co. Limited
Chandigarh

1. We have reviewed the accompanying statement of unaudited financial results of **Emerald Leasing Finance and Investment Co. Limited** for the period ended 31st Dec 2020 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review of the statement in accordance with the Standard on Review Engagement (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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results 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 Clause 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

K Singh & Associates
Chartered Accountants

Kultar Singh
Partner
(M. No.091673)

K. SINGH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 91673 CHANDIGARH

Place: Chandigarh
Date: 12/02/2021

Office: 2706/B, MIG Super, Sector 70, Mohali 160 070. Ph.: 5071399, 5075399, 4646068
Regd. Office: H.No. 6, Sector 19-A, Chandigarh - 160 019
Website: www.caks.in, e-mail : kultarsingh@caks.in, ksinghassociates@rediffmail.com

EMERALD

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EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

Regd. Office: SCO 7 Industrial Area Phase 2 Chandigarh 160002

CIN : L65993CH1983PLC041774

CONSOLIDATED STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31.12.2020

(INR in lakhs except eps data)

S.No.		Quarter Ended			Period Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Un- Audited	Un- Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	Income from Operations	-	-	-	-	-	-
	a) Fees Based Income	100.165	41.222	139.886	165.379	403.644	578.499
	b) Interest Income	57.344	54.171	50.604	162.436	137.009	192.394
2	Dividend	4.500	-	11.250	4.500	11.250	11.250
3	Other Income	0.231	0.233	0.180	0.479	3.060	4.646
4	**Total Revenue (1+2+3)**	**162.240**	**95.626**	**201.920**	**332.794**	**554.963**	**786.789**
5	**Expenditure**						
	a) Employees Cost	20.825	14.982	28.008	53.029	77.592	103.508
	b) Finance charges	10.044	8.390	8.836	28.038	26.090	44.130
	c) Depreciation	-	-	-	-	-	3.125
	d) Other Expenditure	69.738	28.682	111.308	127.042	300.721	472.080
	Total Expenses	**100.607**	**52.054**	**148.152**	**208.109**	**404.403**	**622.843**
6	Profit before Exceptional & extraordinary items (3-4)	**61.633**	**43.572**	**53.768**	**124.685**	**150.560**	**163.946**
7	Exceptional Items			-			-
8	Profit before extraordinary items & tax (5-6)	61.633	43.572	53.768	124.685	150.560	163.946
9	Extraordinary Items	-	-	-	-	-	-
10	Profit Before Tax (7-8)	61.633	43.572	53.768	124.685	150.560	163.946
11	**Tax Expenses:**						
	a) Current Tax	15.505	11.362	11.169	31.381	35.533	34.916
	b) Deferred tax	-	-	-	-	-	(0.004)
12	Profit(+)/Loss (-) for the period from continuing operations (9-10)	**46.128**	**32.210**	**42.599**	**93.304**	**115.027**	**129.034**
13	**Other Comprehensive Income**	-	-	-	-	-	-
	Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	Remeasurement of the net defined benefit liability/asset	-	-	-	-	-	-
	Tax on above	-	-	-	-	-	-
	Total Other comprehensive Income, net of tax	-	-	-	-	-	-
14	**Total comprehensive Income, for the period**	46.128	32.210	42.599	93.304	115.027	129.034
15	Paid up equity share capital	904.365	904.365	904.365	904.365	904.365	904.365
	(Face value of ` 10/- each per share)						
16	Basic and diluted Earning Per Share (EPS) before Extra Ordinary Items						
	-Basic	0.510	0.356	0.471	1.032	1.272	1.427
	-Diluted	0.510	0.356	0.471	1.032	1.272	1.427

Notes:

. The above Financial Results have been reviewed and recommended by the Audit Committee and thereafter approved and taken on record by the Board of Directors at the meeting held on 12th February 2021.

The figures of the previous quarter/year have been regrouped or reclassified wherever necessary to make them comparable with current year figures.

The company adopted Indian Accounting Standard ("IND AS") from April 1,2017 and accordigly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 Inteim Financial Reporting prescribed under Section 133 of the Companies Act 2013 read with relevent rules issued there under and other accounting principles generally accepted in India.The figures of the previous period have been restated, regrouped and reclassified wherever required to comply with the INDAS.

Based on the guiding principles given in Ind AS 108 on "Operating Segments:" the Company's business activity falls within a Single Operating Segment namely "Non Banking Finance Company", hence the disclosure requirements of Ind AS 108 are not applicable.

Place: Chandigarh
Date : 12.02.2021

(Sanjay Aggarwal)
Managing Director
DIN NO-02580828

EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED
CIN - L65993CH1983PLC041774
Regd. off. : S.C.O 7, Industrial Area Phase II, Chandigarh (India), 160002
Ph. : +91-172-4005659, +91-172-4603859 | E-mail : info@emeraldfin.com | Website : www.emeraldfin.com

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K. SINGH & ASSOCIATES
Chartered Accountants

Independent Auditor's Review Report On consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

UDIN: 21091673AAAAAN7684

TO
THE BOARD OF DIRECTORS OF
Emerald Leasing Finance and Investment Co. Ltd
Chandigarh

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Emerald Leasing Finance and Investment Co. Ltd** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended Dec 2020 and for the period from 1st April 2020 to 31st Dec 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended5. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended Dec 2019 and the corresponding period from 01st April 2019 to 31st Dec 2019, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent'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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. Based on our review conducted and procedures performed nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Office: 2706/B, MIG Super, Sector 70, Mohali 160 070. Ph.: 5071399, 5075399, 4646068
Regd. Office: H.No. 6, Sector 19-A, Chandigarh - 160 019
Website: www.caks.in, e-mail : kuttarsingh@caks.in, ksinghassociates@rediffmail.com

5. We did not review the interim financial statements / financial information / financial results of **One** subsidiaries included in the consolidated unaudited financial results, whose interim financial statements / financial information / financial results reflect total Fixed assets of Rs.3,68,226/- as at 31st December 2020 and total revenues of Rs. 1,82,65,312/-, total net profit after tax of Rs 26,83,099/- for the quarter ended 31st December 2020, respectively, as considered in the consolidated unaudited financial results. These interim financial statements / financial information / financial results have not been reviewed by other auditors whose reports are furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries.

6. The consolidated unaudited financial results includes the interim financial statements/ financial information/ financial results of 1 subsidiaries which have not been reviewed/audited by their auditors, interim consolidated financial statements/ financial information/ financial results reflect total Fixed assets of Rs. 8,43,448/-as at 31.12.2020 and total revenue of Rs. 3,32,31,511/-, total net profit after tax of Rs.93,30,382/- for the quarter ended 31.12.2020, respectively as considered in the consolidated unaudited financial results

Our conclusion on the Statement is not modified in respect of the above matter.

K Singh & Associates
Chartered Accountants

KULTAR SINGH
(Partner)
(M. No/.091673)

Place: Chandigarh
Date: 12/02/2021

ACCOUNTING RATIOS AND CAPITALIZATION STATEMENT

ACCOUNTING RATIOS

Following are the Key Accounting Ratios for the Financial year ended March 31, 2020 and for the Six (6) months period ended September 30, 2020

Particulars	September 30, 2020 (6 months)	March 31, 2020 (12 months)
Earnings Per Share (EPS) (Basic and Diluted) (₹)	0.52	1.43
Return on Net Worth (%)	3.12	8.77
Net Asset Value per Share (₹)	16.72	16.27
EBITDA (₹ in Lakhs)	81.33	211.20
EBITDA (%)	47.69	26.84

Formula:

1. **Earnings Per Share (₹)**: Net Profit after tax for the year attributable to Equity Shareholders divided by weighted average no of equity shares outstanding during the period.
2. **Return on Net Worth (%)**: Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
3. **Net Asset Value Per Share (₹)**: Net Assets as at the year end/ period end divided by total number of equity shares outstanding at the end of the period.
4. **EBITDA (₹ in lacs)**: Profit before tax plus finance costs plus depreciation and amortisation expense less interest income.
5. **EBITDA (%): [**EBITDA/ (Revenue-Interest Income)] * 100

CAPITALISATION STATEMENT

The capitalization statement of the Company as at September 30, 2020 and as adjusted for the Issue is as follows:

(₹ in Lakhs)

Particulars	Pre Rights Issue as at 30.09.2020	Post Rights Issue (as adjusted for the issue)
Total Borrowings		
Current Borrowings (A)		
Non-current Borrowings (including current maturity) (B)	284.62	284.62
Total Borrowings (C) = (A) + (B)	284.62	284.62
Total Equity		
Equity Share Capital (D)	904.37	2904.37
Other Equity (E)	628.04	628.04
Minority Interest (F)	36.99	36.99
Total Equity (F) = (D) + (E) + (F)	**1569.40**	**3569.40**
Ratio: Non-current Borrowings (including current maturity/ Total Equity (G) = (B) / (F)	**0.181**	**0.079**

Notes:

1. The figures disclosed above are based on the audited books of accounts of the Company as at September 30, 2020.

MARKET PRICE INFORMATION

Our Company's Equity Shares are listed on the BSE Limited.

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average closing prices recorded on the BSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Year	Date of High	High (₹)	Volume on date of High (Number of Equity Shares)	Date of Low	Low (₹)	Volume on date of low (Number of Equity Shares)	Average price for the year (₹)
2020	December 31, 2020	17.40	80,200	August 7, 2020	5.73	5,702	10.84
2019	January 3, 2019	15.95	514	March 12, 2019	6.01	13,091	10.39
2018	August 27, 2018	42.75	1	December 13, 2018	15.20	35	29.88

Source: www.bseindia.com,

Stock Prices for the last six months

The high and low prices and volume of Equity Shares traded on the respective dates on the BSE during the last six months is as follows:

Month	Date of High	High (₹)	Volume (Number of Equity Shares)	Date of Low	Low (₹)	Volume (Number of Equity Shares)	Volume of trade on monthly basis
February 2021	February 26	14.56	17,202	February 12	11.42	1,608	20,38,314
January 2021	January 01	17.35	86,120	January 19	11.40	9,854	99,30,756
December 2020	December 31	17.40	80,200	December 01	10.60	1,810	31,29,083
November 2020	November 18	12.69	2	November 26	10.04	1,091	6,01,432
October 2020	October 14	13.00	2,030	October 20	10.64	1,402	5,81,133
September 2020	September 25	13.60	600	September 01	9.02	1,310	1,20,571

Source: www.bseindia.com

Weekend closing prices of the Equity Shares for the last four weeks on BSE

Week ended on	Closing Price (₹)	High Price (₹)	Date of High	Low Price (₹)	Date of Low
March 5, 2021	13.17	14.64	March 1, 2021	12.52	March 3, 2021
February 26, 2021	13.99	14.56	February 26, 2021	12.92	February 24, 2021
February 19, 2021	13.34	14.00	February 18, 2021	12.15	February 15, 2021
February 12, 2021	12.39	13.34	February 08, 2021	10.90	February 12, 2021

Source: www.bseindia.com

The Issue Price of ₹ 10/- per equity share has been arrived at by our Company in consultation with the Lead Manager**.**

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 62. You should also read the sections titled "Risk Factors" and "Forward-Looking Statements" on page 16 and page 12, respectively, of this Letter of Offer which discuss a number of factors and contingencies that could impact our financial condition and results of operations.

Unless otherwise indicated or the context requires, the financial information for Fiscal 2020 & 2019 and for the six months ended September 30, 2020 and September 30, 2019 included herein is based on the Audited Consolidated Financial Statements forming a part of this Letter of Offer. For further information, see "Financial Statements" beginning on page 62.

Overview of the Business

We are a Non-Deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI to carry on the NBFI activities under Section 45IA of the Reserve Bank of India Act, 1934. We are engaged in a diverse range of products catering to the financial services sector directly through our own Company and also through our Subsidiary.

Our Company's business model is centered around lending activities (granting of loans & advances). As an NBFC, we operate in the business of providing loans to MSMEs and retail customers. We provide finance to our clients after satisfying ourselves about the credit worthiness and repayment capacity of our borrowers after evaluating the material risks associated with the business/ project/ proposal for which loan has been sought. Our Company has during the current financial year 2020-21 introduced ultra-short term loans i.e. for a tenure of upto 15 days with a ticket size ranging from INR 1,000 to INR 20,000. This product is targeted towards young salaried individuals. We also help in facilitating finance to some of our customers through other banks and NBFCs. We through our Subsidiary Company are also engaged in the business of acting as a Direct Selling Agent for various Banks and NBFCs.

Significant Developments after March 31, 2020 and Six months' period ended September 30, 2020

To our knowledge and belief, no circumstances other than as those disclosed in this Letter of Offer have arisen since the date of the last financial statements contained in this Letter of Offer which materially affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

Factors that may affect results of the Operations

The following important factors could cause actual results to differ materially from the expectations include among others:

- Impact of COVID-19 on our results of operations and financial condition;
- General economic and business conditions;
- Volatility in financial market;
- Increasing competition in the industry;
- Changes in the value of the Indian rupee and other currencies;
- Changes in laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates, and tax laws in India.

Discussion on Results of Operations

The following discussion on the financial operations and performance should be read in conjunction with the consolidated financial results of the company.

₹ in Lakhs

Particulars	For Six Month ended		For the Financial Year	
	September 2020	September 2019	March 2020	March 2019
Interest Income	105.09	86.41	92.39	82.87
Dividend	-	-	11.25	9.00
Commission and Fees Based Income	65.21	263.76	578.50	578.49
Other income	0.25	2.90	4.64	1.57
Total Income	**170.55**	**353.07**	**786.78**	**671.93**
Employee-benefits expenses	32.21	51.59	106.01	54.60
Finance costs	18.28	17.25	44.13	16.21
Depreciation and amortization expenses	-	-	3.12	2.60
Other expenses	57.02	187.43	469.57	435.66
Total Expenses	**107.51**	**256.27**	**622.83**	**509.07**
Profit/ (Loss) before Exceptional Items & Tax	**63.04**	**96.80**	**163.95**	**162.86**
Exceptional Items	-	-	-	-
Profit/(Loss) Before Tax	**63.04**	**96.80**	**163.95**	**162.86**
Tax expense				
Current Tax	15.93	24.37	34.92	44.73
Deferred tax	-	-	(0.01)	(0.35)
Profit After Tax	**47.11**	**72.43**	**129.04**	**118.48**
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**47.11**	**72.43**	**129.04**	**118.48**

1. ***Revenue***: Our income consists of revenue from operations only:

   - Income from Operations: Our revenues are derived from income from NBFC activities, and by acting as a Direct Selling Agent through our Subsidiary Company. Revenue is mainly segregated into three segments i.e. Commission received, Interest on unsecured loans, Dividend Received and Other Income.

2. ***Expenses***: Our expenses are majorly divided into Expenditure on Employee Benefit, Finance Cost and Other Expenses:

   - Employee Benefit Expenses: The employee costs are towards Salaries, wages and bonus, which forms the bulk of the costs and staff welfare expenses.

   - Finance Cost: The Finance cost is towards the interest on the loan

   - Other expenses: This head is for various expenses incurred by our Company and consists of Commission paid, Advertisement, Audit Fees, Office Expenses, Legal fees, Travelling Expenses, Website charges, etc.

Six months period ended September 30, 2020 compared to six months period ended September 30, 2019

Total Income

Revenue from Operations – The business of the Company was affected in view of the Covid 19 pandemic

situation. Due to COVID -19 pandemic, our Syndication business and Direct Selling Agent business of our Subsidiary was severely affected, because most of the principal lenders i.e. Banks and other Financial Institutions had drastically reduced their business. Our total income decreased by 51.70% to ₹ 170.55 Lakhs for six months period ended September 30, 2020 from ₹ 353.07 Lakhs for the six months period ended September 30, 2019. Our Commission and Fee Based Income reduced by 75.28% i.e, from 263.76 lakhs to 65.21 lakhs.

Expenditure

Employee Expenses – Employee benefit expenses decreased by 37.60% to ₹ 32.21 Lakhs for six months period ended September 30, 2020 from ₹ 51.59 Lakhs for the six months period ended September 30, 2019 mainly due to reduction in incentives paid to the staff on account of slowdown in business during the COVID-19 pandemic.

Finance Cost - As on September 30, 2020, our Company incurred finance cost of ₹ 18.28 lakhs. This finance cost was towards the interest on loan from Banks and NBFC.

Other Expenses – Other expenses decreased by 69.60% to ₹ 57.02 Lakhs for six months period ended September 30, 2020 from ₹ 187.42 Lakhs for the six months period ended September 30, 2019.

Net Profit, as Restated: As a result of the foregoing, profit for the year attributable to the shareholders of our Company decreased by 34.90% to ₹ 63.04 Lakhs for six months period ended September 30, 2020 from ₹ 96.80 Lakhs for the for the six months period ended September 30, 2019, mainly due to the impact of covid-19 on our result of operations.

Financial Year 2020 compared to Financial Year 2019

Total Income

Revenue from Operations - Total income increased by 17.10% to ₹ 786.78 Lakhs for the Financial Year 2020 from ₹ 671.93 Lakhs for the Financial Year 2019, primarily due to increase in interest income, Income from Dividend and Other Income.

Expenditure

Employee Expenses – Employee benefit expenses increased by 94.20% to ₹ 106.01 Lakhs for the Financial Year 2020 from ₹ 54.60 Lakhs for the Financial Year 2019, due to increase in the employee headcount and annual increments.

Finance Cost - Finance costs increased by 172.20% to ₹ 44.13 Lakhs for the Financial Year 2020 from ₹ 16.21 Lakhs for the Financial Year 2019, due to increase in borrowings from Banks and NBFCs during fiscal 2020. The consolidated borrowings of the Company have increased from ₹ 93.61 Lakhs to ₹ 258.51 Lakhs which shows an increment of 176.16 % in borrowings. The freshly borrowed funds were utilised for further granting loans to our clientage and meeting working capital requirements.

Other Expenses – Other expenses increased by 7.80% to ₹ 469.57 Lakhs for the Financial Year 2020 from ₹ 435.66 Lakhs for the Financial Year 2019, mainly due to increase in internet marketing expenses

Net Profit, as Restated: As a result of the above, profit for the year attributable to the shareholders of our Company increased marginally by 0.67% to ₹ 163.95 Lakhs for the Financial Year 2020 from ₹ 162.86 Lakhs for the Financial Year 2019.

Financial Condition comparison

₹ in Lakhs

Particulars	For Six Month ended		For the Financial Year	
	September 2020	September 2019	March 2020	March 2019
ASSETS				
Non-current assets				
Property, Plant and Equipment	8.00	8.18	7.96	7.84
Investment	-	-	-	-
Current assets				
Financial Assets				
Trade receivables	23.01	108.94	92.78	125.24
Cash and cash equivalents	73.84	223.71	159.39	430.99
Loans	1,799.14	1,493.67	1,630.73	999.64
Others	52.21	10.85	38.90	32.53
Security Deposits	6.00	6.00	6.00	6.00
Defferred Tax Assets (Net)	0.33	0.31	0.34	0.31
Misc Expenditure	**20.45**	**25.06**	**20.45**	**6.72**
Total Assets	**1,982.98**	**1,876.72**	**1,956.55**	**1,609.27**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	904.37	904.37	904.37	904.37
Other Equity	628.04	564.35	587.11	489.13
Minority Interest	36.99	20.76	34.09	20.76
Total Equity	**1,569.40**	**1,489.48**	**1,525.57**	**1,414.26**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	284.62	260.96	258.51	93.61
Current liabilities				
Other current liabilities	72.70	101.91	137.53	56.67
Provisions	56.24	24.37	34.92	44.73
Current Tax liabilities (net)	0.02	-	0.02	-
Total Liabilites	**413.58**	**387.24**	**430.98**	**195.01**
Total Equity and Liabilities	**1,982.98**	**1,876.72**	**1,956.55**	**1,609.27**

Our Loan Book/Portfolio as of September 30, 2020

Type of Loan	Amount (₹ in Lakhs)	Percent of total (%)	Interest Rate
Business loans	1799.14	100.00	Average 15%
Total Loans		**100.00**	

Significant factors affecting our results of operations

The World Health Organization declared the 2019 novel coronavirus ("**COVID-19**") outbreak a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020.

Several countries' governments imposed increasingly stringent restrictions to help avoid, or slow down, the spreading of COVID-19.

In India, the Government of India initially announced a 21-day country-wide lockdown starting from March 24, 2020, in a bid to contain the spread of the novel coronavirus. This was further extended in several phases with certain modifications and relaxations, till date, and there can be no assurance that this lockdown will not be extended further or re-intensified on one or more occasions. While various parts of the world, including India, have commenced calibrated easing of lockdown measures, the effects of the eventual outcome remain uncertain and contingent on the future path of the pandemic and the effectiveness of the measures to counter it.

Due to COVID-19 pandemic, our syndication business and Direct Selling Agent business of our Subsidiary was severely affected, because most of the principal lenders i.e. Banks and other Financial Institutions had drastically reduced their business. However, most of the companies have now resumed their operations and we expect to extend our business at Pre COVID level very soon.

In an effort to contain the effect of COVID-19, the RBI issued guidelines on March 27, 2020 and April 17, 2020, which had a higher impact on the financial services sector. Under these guidelines, all standard loans, whose instalments were due during a period of three months, i.e. from March 1, 2020 to May 31, 2020, were eligible for moratorium. This was subsequently extended by another period of three months, i.e. until August 31, 2020.

Accordingly, banks and other financial institutions were permitted to provide a moratorium of three months to be extended for another three months for all term loan instalments which were due for payment. In line with these guidelines, we provided an option of moratorium to eligible borrowers, even if overdue, as on February 29, 2020, on the payment of all principal amounts and/ or interest, as applicable, falling due between March 1, 2020 to August 31, 2020. This resulted in a decline in our collections during such period.

For further details in relation to the impact of COVID 19, see "*Risk Factors*" beginning on page *16*.

Apart from the significant impact of COVID-19 factors on our operations as mentioned above, an analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1) S***easonality of Business*** **-** Our business is not seasonal in nature.
2) ***Unusual or infrequent events or transactions*** **-** There have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".
3) ***Significant economic/regulatory changes that materially affected or are likely to affect income from continuous operations*** **-** Our business of giving loans & advances and acting as Direct Selling Agent are dependent on the conditions in the Capital Market as well as Debt Market, the regulatory environment & on general economic conditions in the market we operate.
4) ***Known trends or uncertainties*** **-** To our knowledge, there are no other known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.
5) ***Future relationship between costs and revenues*** **-** There are no known factors affecting the future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.
6) ***Dependence on a single or few customers*** **-** Our revenue is not dependent on a single or a few customers.
7) ***Competitive Conditions*** **-** Please refer to the sections "*Our Business*" and "*Risk Factors*" on pages 56 and 16 respectively, of this Letter of Offer, for discussions regarding competition.

SECTION VIII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below) involving our Company, its Subsidiary, Directors or Promoters;

In relation to (iv) above, our Board, at its meeting held on February 14, 2020 has determined Material Litigation as:

a. the aggregate amount involved in such individual litigation exceeds 5% of the consolidated profit after tax of the Company, as per the last audited financial statements; or where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed the abovementioned thresholds, if similar litigations put together collectively exceed 5% of the consolidated profit after tax of the Company;

b. any such litigation wherein the monetary liability is not quantifiable but which is expected to be material from the perspective of the Company's business, operations, prospects or reputation.

shall be considered as "Material Litigation".

B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) pending proceedings initiated against our Company for economic offences;

A. LITIGATION INVOLVING OUR COMPANY

1. Litigation against our Company

1.1. Civil

NIL

1.2. Criminal

NIL

1.3. Taxation

1.3.1. *Direct Tax Proceedings*

NIL

1.3.2. *Indirect Tax Proceedings*

NIL

2. Litigation by our Company

2.1. Civil

NIL

2.2. Criminal

NIL

2.3. Taxation

2.3.1. *Direct Tax Proceedings*

NIL

2.3.2. *Indirect Tax Proceedings*

NIL

B. OTHER MATERIAL LITIGATIONS

1. Litigation against our Promoters

Our Promoters Mr. Sanjay Aggarwal and Mr. Ram Swaroop Aggarwal had received a show cause notice (No. SEBI/EAD-3/VSSCM/29969/2019) dated November 13, 2019 under rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 from the Adjudicating Officer, SEBI to show cause as to why penalty under Section 15H(ii) of the SEBI Act, 1992 should not be imposed against them for alleged delay of 2600 days in making public announcement under SAST Regulations 1997 to the shareholders of the Company. Subsequently, by an order dated April 15, 2020, the Adjudication Officer, SEBI has imposed a monetary penalty of Rs. 5,00,000/- jointly and severally on our Promoters. The Promoters have paid the said penalty on June 2, 2020.

Disclosures pertaining to wilful defaulters

Neither our Company, our Directors or our Promoters are or have been declared as wilful defaulters by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

Material development since the date of the last audited accounts

To our knowledge no circumstances have arisen since the date of the latest audited balance sheet i.e. period ended September 30, 2020, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

GOVERNMENT AND OTHER APPROVALS

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. Our Company has received the necessary material consents, licenses, registrations, permissions and approvals from the Government of India and various governmental agencies and other statutory and/or regulatory authorities required to undertake this Issue and for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals and licenses are valid as of the date of this Letter of Offer and in case of licenses and approvals which have expired; we have either made application for renewal or are in the process of making an application for renewal. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

Except for the following, no further material approvals from any governmental or regulatory authority are pending to undertake the Issue or continue its business activities:

Material licenses/ approvals for which applications have been made by our Company, but are currently pending grant:

Nil

Material licenses/ approvals for which renewal applications have been made by our Company:

Nil

Material approvals which have expired and for which renewal applications are yet to be made by our Company:

Nil

Material approvals required for which no application has been made by our Company:

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue of Equity Shares to the Eligible Equity Shareholders is being made in accordance with the

1. Resolution passed by our Board of Directors under Sections 62(1)(a) and other provision of the Companies Act, at their meeting held on March 8, 2019.

2. Resolution passed by the members of our Company under Sections 62(1)(a) and other provision of the Companies Act, at their meeting held on April 8, 2019.

3. In-principle approval from BSE pursuant to its letter dated June 22, 2020.

The Board of Directors in their meeting held on January 21, 2021 have determined the Issue Price as ₹10/- per Equity Share and the Rights Entitlement as 42 Rights Equity Share(s) for every 19 Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has been allotted the ISIN INE030Q20015 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see *"Terms of the Issue"* beginning on page 123.

Prohibition by SEBI and various agencies/ other regulatory bodies

Our Company, Promoters, members of Promoter Group and Directors, have not been or are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the companies with which our Promoter or our Directors are associated as promoter or directors have been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Company, nor any of our Promoter or Director have been identified as willful Defaulters by the RBI.

None of our Directors are associated with the securities market in any manner.

Neither our Promoter nor our Directors are declared as Fugitive Economic Offenders.

None of our Directors hold current or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on BSE or the NSE or in a listed company which has been / was delisted from any stock exchange.

We confirm that there are no proceedings initiated by SEBI, Stock Exchange or ROC, etc on our Company/Promoters/Directors/Group Companies.

Eligibility for the Issue

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. It is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with requirements of Regulation 61 and 62 of the SEBI ICDR Regulations to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBIICDR Regulations, our Company undertakes to make an application to BSE for listing of the Rights Equity Shares to be issued pursuant to the Issue.

Compliance with 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 the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last three years immediately preceding the date of filing of the Letter of Offer with the SEBI and until date.
2. The reports, statements and information referred to above are available on the websites 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 is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (5) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED / CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGER, KEYNOTE FINANCIAL SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, KEYNOTE FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 30, 2020 WHICH READS AS FOLLOWS:

WE CONFIRM THAT:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATIONS LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

a. **THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
b. **ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI,**

THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

c. THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOT APPLICABLE AS THE RIGHTS ISSUE IS NOT PROPOSED TO BE UNDERWRITTEN.

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER - NOT APPLICABLE.

6. WE CERTIFY THAT REGULATION 15 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN DRAFT LETTER OF OFFER - NOT APPLICABLE.

7. WE UNDERTAKE THAT SUB-REGULATION (3) OF REGULATION 14 AND CLAUSE (C) AND (D) OF SUB-REGULATION (9) OF REGULATION 25 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2018 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.

8. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40(3) OF THE COMPANIES ACT 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE

BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 90 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

9. **WE CERTIFY THAT THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT IN THE LAST 10 YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE.**

10. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:**

    a. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING SR EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SR EQUITY SHARES; AND (COMPLIED WITH TO THE EXTENT APPLICABLE)**

    b. **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**

11. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2018 WHILE MAKING THE ISSUE - NOTED FOR COMPLIANCE.**

12. **WE CONFIRM THAT THE ISSUER IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2018 – NOT APPLICABLE.**

13. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE COMPANY, THE RISKS IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTION ENTERED INTO FOR THE PERIOD DISCLOSED IN THE LETTER OF OFFER HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH THE APPLICABLE LAWS. – COMPLIED WITH**

14. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. COMPLIED WITH**

THE FILING OF THISLETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this 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 and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Caution

Our Company and the Lead Managers shall make all relevant information available to the Eligible Equity Shareholders in accordance with 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 of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be BSE Limited.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer, is set out as below:

"BSE Limited **("the Exchange")** has given vide its letter dated June 22, 2020, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

i Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
ii Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
iii Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Filing

The Draft Letter of Offer was filed with the Regional Director of SEBI, located at 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi – 110 001, India for its observations and with the stock exchange. Subsequently, SEBI vide email dated April 29, 2020 communicated that in terms of Clause 2 (C) of SEBI circular no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, the minimum threshold limit of Rights Issue for filing draft letter of offer with SEBI as specified in SEBI (ICDR) Regulations has been increased from ₹10 Crore to ₹25 Crore. These relaxations are applicable for Right Issues that open on or before March 31,

2021. In light of the above, it is advised that the company may open the Rights Issue if the size is less than ₹25 Crores subject to the following conditions:

1. The issuer shall prepare the final letter of offer in accordance with requirements as specified in SEBI ICDR Regulations, 2018 and file the same with the Stock Exchange and SEBI.
2. The eligibility and general conditions as specified in Regulation 61 & 62 SEBI ICDR Regulations, 2018 respectively shall be complied with.
3. All other provisions in SEBI LODR Regulations, 2015 and SEBI Circulars shall continue to apply.
4. Abridged letter of offer and the common application form shall be sent to all the shareholders on record date as specified in SEBI ICDR Regulations, 2018 and Circulars issued thereunder.

Further, this Letter of Offer is being filed with the Designated Stock Exchange i.e. BSE as per the provisions of SEBI ICDR Regulations and submitted with SEBI.

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form may come are required to inform themselves about and observe such restrictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders who are (i) within the United States and to U.S. Persons that are U.S. QIBs, pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also QPs in reliance upon section 3(c)(7) of the U.S. Investment Company Act, and (ii) outside the United States and to non-U.S. Persons in offshore transactions in reliance on Regulation S located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer/ Abridged Letter of Offer and Application Form 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 Letter of Offer is being filed with SEBI and the Stock Exchange.

Accordingly, the Equity Shares and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer and the Application Form or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This 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 in part, for any purpose.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. 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 e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their e-mail address, the Letter of Offer will be sent only to their registered e-mail address and in case such 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.

If this 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 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 receipt of this 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

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY 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 OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S, EXCEPT FOR THESE PURPOSES, U.S. PERSONS INCLUDE PERSONS WHO WOULD OTHERWISE HAVE BEEN EXCLUDED FROM SUCH TERM SOLELY BY VIRTUE OF RULE 902(K)(1)(VIII)(B) OR RULE 902(K)(2)(I)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD (I) WITHIN THE UNITED STATES OR TO U.S. PERSONS THAT ARE U.S. QIBS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET OUT IN SECTION 4(A)(2) OF THE U.S. SECURITIES ACT, THAT ARE ALSO QPS IN RELIANCE UPON SECTION 3(C)(7) OF THE U.S. INVESTMENT COMPANY ACT AND (II) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR. OUR COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS OF THE U.S. INVESTMENT COMPANY ACT. THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES MAY NOT BE RE- OFFERED, RE-SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S TO A PERSON OUTSIDE THE UNITED STATES AND NOT REASONABLY KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE (INCLUDING, FOR THE AVOIDANCE OF DOUBT, A BONA FIDE SALE ON THE STOCK EXCHANGES).

Neither our Company, nor any person acting on behalf of our Company, 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 behalf of our Company, has reason to believe is, in the United States when the buy order is made (other than persons in the United States who are both U.S. QIBs and QPs). No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States (in each case, other than from persons in the United States who are both U.S. QIBs and QPs) or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any 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 (unless the Application Form is submitted by a U.S. QIB in the United States who is also a QP) or other jurisdictions where the offer and sale of the Equity Shares is not permitted

under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND 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 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.

Investor Grievances and Redressal System

We have adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI LODR Regulations as well as a well-arranged correspondence system developed for letters of routine nature. The share transfer and dematerialization for our Company is being handled by the Registrar and Share Transfer Agent, MAS Services Limited. The Redressal norm for response time for all correspondence including shareholders complaints is within 7 (seven) to 10 (ten) days.

The Stakeholders' Relationship Committee consists of Mrs. Anubha Aggarwal as Chairperson and Mr. Raman Aggarwal and Mr. Sanjay Aggarwal as members of the said committee. All investor grievances received by our Company have been handled by the Registrar and Share Transfer agent in consultation with the Compliance Officer.

The contact details of the Registrar and Share Transfer agent to the company are as follows:

MAS Services Limited
T-34, II Floor Okhla Industrial Area, Phase-II,
New Delhi 110020,
Tel: +91 11 2638 7281-83;
Fax: +91 11 2638 7384;
Email: info@masserv.com;
Website:www.masserv.com
Contact Person: Mr. Sharwan Mangla;
SEBI Registration No: INR 000000049

Investor grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by MAS Services Limited, who is the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact telephone / cell numbers, email id of the first applicant, number and type of shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be 7-10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the compliance officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Additionally, 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. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Investors may contact the Compliance Officer in case of any pre-Issue/ post -Issue related problems such as non receipt of Allotment advice/demat credit. The contact details of the Compliance Officer are as follows:

Mrs. Amarjeet Kaur
SCO 7, Industrial Area, Phase II,
Chandigarh 160 002, India
Tel: +91 172-4005659
Fax: +91 172-4603859
Website: www.emeraldfin.com
Email: cs@emeraldfin.com

Status of Complaints

a. Total number of complaints received during Fiscal 2018: NIL
b. Total number of complaints received during Fiscal 2019: NIL
c. Total number of complaints received during Fiscal 2020: NIL

Average time normally taken for disposal of various types of investor complaints: 7-10 days from the date of receipt of complaints.

Status of outstanding investor complaints

As on date, there were no outstanding investor complaints.

SECTION IX – OFFERING 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Investors are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA, are onetime relaxations made available by SEBI in view of the COVID 2019 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.masserv.com.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchange and the terms and conditions as stipulated in the Allotment Advice.

- **DISPATCH AND AVAILABILITY OF ISSUE MATERIALS**

  In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have registered their 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 registered e-mail address and in case such Eligible Equity Shareholders have not registered their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

  Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have registered their e-mail address, the Letter of Offer will be sent only to their registered e-mail address and in case such 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 this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

  - our Company at www.emeraldfin.com;
  - the Registrar at www.masserv.com;
  - the Lead Manager at www.keynoteindia.net;
  - the Stock Exchange at www.bseindia.com ; and
  - the Registrar's web-based application platform at www.masserv.com ("**R-WAP**").

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.masserv.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date). The link for the same shall also be available on the website of our Company (*i.e.*, www.emeraldfin.com).

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non- dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e- mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, 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 this 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the 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, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the 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 or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the 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 or the Lead Manager or its respective affiliates to make any filing orregistration (other than in India).

- **PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

  - **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the R-WAP (instituted only for resident Investors in this Issue, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or rights entitlement suspense escrow demat account **("demat suspense escrow account"),** as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" beginning on page 139.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. 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 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 Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the 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. The Eligible Equity Shareholders who have not received the Application Form can download the Form available at the websites of the Registrar, Stock Exchange, Lead Manager or the Company and submit the filled Form at Designated Branch of the SCSB.

Investors are also advised to ensure that the 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 Application Form will be blocked by the SCSB; or

- the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "- *Grounds for Technical Rejection*" on pages 135. Our Company, the Lead Manager, 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 SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and 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 "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* beginning on page 129.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of 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:

- apply for its Equity Shares to the full extent of its Rights Entitlements; or
- apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing theother part); or
- apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other partof its Rights Entitlements; or
- apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additionalEquity Shares; or
- renounce its Rights Entitlements in full.

- ***Making of an 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 Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have 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 Application Form, as the case may be, at the time of submission ofthe Application.

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.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number 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 bearing reference number 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.

The Lead Manager, our Company, its directors, its 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.

Do's for Investors applying through ASBA:

- Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be Allotted in the dematerialized form only.
- 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.

- Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

- 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.

- Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the 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 Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

- Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank(s) (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.

- Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making theApplication.

- Do not submit Application Form using third party ASBA account.

- ***Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process***

In accordance with the SEBI Relaxation Circulars, a separate web based application platform, i.e., the R- WAP facility (accessible at www.masserv.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.

At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP. Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

Set out below is the procedure followed using the R-WAP:

- Prior to making an Application using the R-WAP facility, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Relaxation Circulars.

- Resident Investors should visit R-WAP (accessible at www.masserv.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN along with all other details sought for while submitting the online Application Form.

- Non-resident Investors are not eligible to apply in this Issue through R-WAP.

- Investors should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Equity Shares applied for.

- Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Equity Shares applied for in the Issue.

- The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

- Verification, if any, in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

- The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account opened by our Company with the Escrow Collection Bank(s).

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (www.masserv.com) or call helpline number +91-11-26387281-83.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK FACTORS - THE R-WAP FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS*" ON PAGE 16 (POINT 22).

Do's for Investors applying through R-WAP:

- Ensure that the details of the correct bank account have been provided while making payment alongwith submission of the Application.

- Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the R-WAP.

- Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.

- Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.

- Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.

- Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through R-WAP:

- Do not apply from bank account of third parties.

- Do not apply if you are a non-resident Investor.

- Do not apply from non-resident account.

- Do not apply if you are holding shares in physical mode and have not informed your demat account details to Registrar for the credit of their Rights Entitlement two (2) working days prior to the Issue Closing date.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India 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 Application Form as detailed above. In such cases of non-receipt of the 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 may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange or the Lead Manager. 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 Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

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 Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT THE APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTEDTHROUGH R-WAP.

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/her bank, must

reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Emerald Leasing Finance & Investment Company Limited;
- 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);
- DP and Client ID;
- 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 Equity Shares applied for pursuant to this Issue;
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for within the Rights Entitlements;
- Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlementshave been applied for);
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ 10 per Equity Share;
- Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- In case of non-resident 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;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to theApplication Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequenceand order as they appear in the records of the SCSB); and
- All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. 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 U.S. Securities Act. I/ we understand the Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") to existing shareholders who are non-U.S. Persons and located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions and (ii) within the United States or to U.S. Persons that are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act)*

*("**U.S. QIB**") pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the United States Investment Company Act of 1940, as amended) ("**QPs**") in reliance upon section 3(c)(7) of the U.S. Investment Company Act. I/ we understand that the Issue 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 Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and a non-U.S. Person and eligible to subscribe for the 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, the Lead Manager 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, the Lead Manages 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 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 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 Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise except in an offshore transaction in accordance with Regulation S to a person outside the United States and not reasonably known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the NSE or the BSE).

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracyof the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits 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, the Lead Manager 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.masserv.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an 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 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 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 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.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- The Eligible Equity Shareholders shall send a signed request letter to the Registrar regarding updating of demat account detail containing the name(s), address, e-mail address, contact details, DPID-CLID along with copy of self-attested PAN and self-attested client master sheet of their demat account, copy of any one share certificate either by e-mail at info@masserv.com whose subject line should be "EMERALD LEASING FINANCE & INVESMENT COMPANY LIMITED RIGHTS ISSUE DEMAT ACCOUNT UPDATION OF FOLIO NO. (mention folio no.) or by post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two (2) Working Days prior to the Issue Closing Date;

- 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;

- The remaining procedure for Application shall be same as set out in "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" beginning on page 129.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. 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 Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional 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 Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "- *Basis of Allotment*" beginning on page 148.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

- Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The 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 Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

- In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 129.

- Applications should be (i) 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, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) 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, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

- Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or theLead Manager.

- 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 Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

- 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. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, 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 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. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail 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 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, Registrar or the Lead Manager 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) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- By signing the Application Forms, 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.

- 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.

- Investors should provide correct DP ID and Client ID 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, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

- In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the 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.

- All communication in connection with Application for the Equity Shares, including any change in contact details 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, /DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details 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.

- Investors are required to ensure that the number of Equity Shares applied for by them do not exceedthe prescribed limits under the applicable law.

- Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on thisground.

- Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

- Do not pay the Application Money in cash, by money order, pay order or postal order.

- Do not submit multiple Applications.

- No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

- An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

- ***Grounds for Technical Rejection***

  Applications made in this Issue are liable to be rejected on the following grounds:

  - DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
  - Applied for the rights issue from another DPID-CLID account i.e, other than the DPID-CLID account in which the Rights Entitlement were credited.
  - Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
  - Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (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.
  - Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
  - Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
  - Account holder not signing the Application or declaration mentioned therein.
  - Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
  - Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
  - 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).
  - 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.
  - Applications by SCSB on own account, other than through an ASBA Account in its own name withany other SCSB.
  - Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
  - Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
  - Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
  - 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.

- Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

- Applications which have evidence of being executed or made in contravention of applicable securities laws.

- Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

- Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):

  a) Applications by non-resident Investors.
  b) Payment from third party bank accounts.

- ***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. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. 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 138.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on R-WAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in under *"Intention and extent of participation by our Promoter*" on page 43 of the Letter of Offer.

- ***Procedure for Applications by certain categories of Investors***

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 RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. 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 (iii) 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:

- such offshore derivative instruments are transferred only to persons in accordance with the SEBIFPI Regulations; and
- prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied withnecessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

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, amongother 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. Further, 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 / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole

responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that areineligible 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 incorporate 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 RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Monday, April 5, 2021, *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 Application Form is not submitted with an SCSB and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, 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 this 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 Equity Shares hereby offered, as set out in "- *Basis of Allotment*" beginning on page 148.

Please note that on the Issue Closing Date, (i) 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, and (ii) the R- WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted bythe Stock Exchange.

Please ensure that the 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 or sending the e-mail withdrawal request to info@masserv.com with subject line "EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED RIGHTS ISSUE WITHDRAWN OF APPLICATION DPID-CLID" in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or inpart, 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 or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on 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 15 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 Application Form carefully.

- **CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS**

- ***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, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, *www.masserv.com* entering their DP

ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) The link for the same shall also be available on the website of our Company (*i.e.*, www.emeraldfin.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting 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 **INE030Q20015**. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

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.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, 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 premium 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.

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 by sending a signed request letter with signature of all shareholders alongwith self attestted copy of pan card, copy of aadhar card/driving lincence/ voter id/ passport, copy of any one share certificate and copy of client master to the Registrar at info@masserv.com. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

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 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 the account of the IEPF authority, if any; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) 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 (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity

shareholders in the United States.

Eligible Equity Shareholders 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 our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by Wednesday, March 31, 2021 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 our Company or the Registrar account is active to facilitate the aforementioned transfer.

- **RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT**

  - ***Renouncees***

    All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

  - ***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 sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

  - ***Procedure for Renunciation of Rights Entitlements***

    The Eligible Equity Shareholders 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 (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), 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.

    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.

    The Lead Manager and our Company accept 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.

- *On Market Renunciation*

  The Eligible Equity Shareholders 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 **INE030Q20015** subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. 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 Entitlements.

  The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Monday, March 22, 2021 to Thursday, April 1, 2021 (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 **INE030Q20015** and indicating the details of the Rights Entitlements they intend to trade. 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 Eligible Equity Shareholders 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

  Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

  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 **INE030Q20015**, 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.

- **MODE OF PAYMENT**

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the 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 in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the 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(s) 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.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. 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 ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to thefollowing:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

- Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

- In case of an 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 RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

- Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of 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.

- 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.

- Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

For details of mode of payment in case of Application through R-WAP, see "- *Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process*" on pages 127.

- **BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE**

The Equity Shares are being offered for subscription 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.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on page 35.

- ***Fractional Entitlements***

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 42:19 (42 Equity Shares for every 19 Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

- ***Ranking***

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the 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 Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Equity Shares to be issued pursuant to this Issue***

  Subject to receipt of the listing and trading approvals, the 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 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 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 DCS/RIGHT/PB/FIP/675/2020-21 dated June 22, 2020. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

  The existing Equity Shares are listed and traded on BSE (Scrip Code: 538882) under the ISIN: INE030Q01015. The Equity Shares shall be credited to a temporary 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 Equity Shares shall be debited from such temporary ISIN and credited to the existing ISIN (i.e. INE030Q01015) for the Equity Shares and thereafter be available for trading.

  The listing and trading of the 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, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within eight 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 eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of the Promoter Group***

  For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Intention and extent of participation by our Promoter*" on page 43.

- ***Rights of Holders of Equity Shares of our Company***

  Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

  - The right to receive dividend, if declared;
  - The right to receive surplus on liquidation;
  - The right to receive offers for rights shares and be allotted bonus shares, if announced;
  - The right to free transferability of Equity Shares;
  - The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and

- 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.

- **GENERAL TERMS OF THE ISSUE**

- ***Market Lot***

  The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one 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 Equity Shares offered in this Issue.

- ***Nomination***

  Nomination facility is available in respect of the 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 Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs 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 Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Notices***

  In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. 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 e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

  Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such 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 such 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 one English language national daily newspaper with wide

circulation, one Hindi language national daily newspaper with wide circulation which includes regional language newspsper. This Letter of Offer, the Abridged Letter of Offer and the 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, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by 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 Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of 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 or any other governmental authority, 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 at info@masserv.com with subject line "EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED RIGHTS ISSUE RBI APPROVAL DPID-CLID (please mention dpid-clid) 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 the Lead Manager 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 Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The 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 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 and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by sending an email to info@masserv.com

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE 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. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 149.

- **ISSUE SCHEDULE**

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Thursday, March 11, 2021
ISSUE OPENING DATE	Monday, March 22, 2021
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	Thursday, April 1, 2021
ISSUE CLOSING DATE*	Monday, April 5, 2021
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Monday, April 19, 2021
DATE OF ALLOTMENT (ON OR ABOUT)	Tuesday, April 20, 2021
DATE OF CREDIT (ON OR ABOUT)	Thursday, April 22, 2021
DATE OF LISTING (ON OR ABOUT)	Monday, April 26, 2021

\# *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 a duly authorized 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.*

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 Working Days prior to the Issue Closing Date, *i.e.*, Wednesday, March 31, 2021 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.*, Wednesday, April 1, 2021.

- **BASIS OF ALLOTMENT**

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Equity Shares in the following order of priority:

a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

b) Eligible Equity Shareholders whose fractional entitlements are being ignored, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated StockExchange and will not be a preferential allotment.

c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The

Allotment of such additional 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, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such 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, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board 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 Equity Shares in this Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Companyfor this Issue, for each successful Application;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank(s) with list of Allottees and corresponding amount to be transferred to the Allotment Account(s). Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

- **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will send/ dispatch Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) 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 (including in respect of Applications made through R-WAP facility) 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 (including in respect of Applications made through R-WAP facility) 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 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and 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 an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to suchaccounts.

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. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

    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 centres specified by 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 centres where NACH facility has been made available by 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 Banker(s) 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 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 favour 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 totime.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

- ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details ofwhich were provided in the Application Form.

- **ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the IssueClosing Date or such other timeline in accordance with applicable laws.

- ***Receipt of the Equity Shares in Dematerialized Form***

PLEASE NOTE THAT THE 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.

Investors shall be Allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated February 3, 2014 with NSDL and an agreement dated February 13, 2014 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 Equity Shares in this Issue in the dematerialised form is as under:

- 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.

- 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.

- The responsibility for correctness of information filled in the 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 Application Form should be the same as registered with the Investor's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Equity Shares and the Application Form will be rejected.

- The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account. Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail 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 Equity Shares to the Applicant's depository account.

- Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- **IMPERSONATION**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of theCompanies 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, 2013 for fraud involving an amount of at least ₹ 0.1 crore 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 up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.1 crore 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 ₹ 0.5 crore or with both.

- **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) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; 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:

- The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 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 by our Board within 12 working days from the Issue Closing date.
- The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosedshall be made available to the Registrar by our Company.
- 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.
- 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.
- Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.
- Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

- **INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

- Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Emerald Leasing Finance & Investment Company Limited – Rights Issue**" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

  MAS Services Limited
  T-34, II Floor, Okhla Industrials Area, Phase-II, New Delhi - 110020
  Tel. No: +91 11 2638 7281-83
  E-mail: info@masserv.com
  Website: www.masserv.com
  Contact Person: Mr. Sharwan Mangla
  SEBI Registration No: INR 000000049

- 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.masserv.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91(11)26387281-83.

- 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: https://www.masserv.com

  - Further for Updation of Indian address/ e-mail address/ phone or mobile number or updation of demat account details by Eligible Equity Shareholders holding shares in physical form or Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders, the Eligible Equity Shareholders shall send a signed request letter to the Registrar regarding updating of demat account detail containing the name(s), address, e-mail address, contact details, dpid-clid along with copy of self-attested PAN and self-attested client master sheet of their demat account, copy of any one share certificate either by e-mail at info@masserv.com subject line should be "EMERALD LEASING FINANCE & INVESMENT LIMITED RIGHTS ISSUE DEMAT ACCOUNT UPDATION OF FOLIO NO.-(mention folio no.)", or by 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.

This Issue will remain open for a minimum 15 days. However, our Board 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 Closing 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 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 Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded 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 proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updatedcircular.

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, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, 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 transfer of shares between an Indian resident and a non-resident does not require the prior approval of 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 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 prescribedby SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the Registered Office of our Company between 11.00 a.m. to 2.00 p.m. on any Working Day from the date of the Letter of Offer until the closure of the subscription list.

(A) MATERIAL CONTRACTS

1. Issue Agreement dated March 19, 2020 between our Company and Keynote Financial Services Limited, Lead Manager to the Issue;
2. Agreement dated November 25, 2019 between our Company and M/s. MAS Services Limited, Registrar to the Issue;
3. Banker(s) to the Issue Agreement dated February 10, 2021 amongst our Company, the Lead Manager and the Registrar to the Issue and the Escrow Collection Bank(s);
4. Tripartite Agreement dated February 3, 2014 between our Company, National Securities Depository Ltd. (NSDL) and M/s. MAS Services Limited;
5. Tripartite Agreement dated February 13, 2014 between our Company, Central Depository Services (India) Limited (CDSL) and M/s. MAS Services Limited.

(B) DOCUMENTS FOR INSPECTION

1. Memorandum & Articles of Association of our Company;
2. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated March 8, 2019 authorising the Issue;
3. Copy of the Resolution passed by the members of our Company under Section 62(1)(a) and other provision of the Companies Act, at their meeting held on April 8, 2019;
4. Consents of the Directors, Company Secretary and Compliance Officer, Legal Advisors to the Issue, Statutory Auditor, Lead Manager to the Issue, Banker to our Company, Banker to the Issue and Registrar to the Issue to include their names in the Offer Document to act in their respective capacities;
5. Annual reports of our Company for the financial years ended March 31, 2018, 2019 and 2020;
6. Audit report for the Six (6) months period ended September 30, 2020.
7. Unaudited Financial Statements of the Company for the quarter and nine months period ended December 31, 2020.
8. A statement of tax benefits dated February 19, 2021 received from M/s K. Singh &Associates., Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders;
9. Certificate dated February 19, 2021 from K. Singh & Associates, Chartered Accountants, Statutory Auditors regarding “Sources & deployment of funds”;
10. Due Diligence Certificate dated March 30, 2020 by Keynote Financial Services Ltd., Lead Manager to the Issue;
11. Letter of Offer dated January 16, 2017 made by the Acquirers (Sanjay Aggarwal, Ram Swaroop Agarwal) and PACs (Anu Aggarwal and Kiran Aggarwal) to Shareholders pursuant to, and in accordance with the provisions of Regulations 12 of the SEBI (SAST) Regulations, 1997;
12. Letter of Offer dated December 19, 2018 made by the Company for rights issue of Equity Shares.
13. In-principle listing approval(s) dated June 22, 2020 from BSE Limited.

Any of the contracts or documents mentioned in this 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 Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules made thereunder or guidelines or regulations issued, as the case may be. We further certify that all the disclosures and statements in this Offer Document are true and correct.

Name	Signature
Sanjay Aggarwal *Managing Director*	Sd/-
Anubha Aggarwal *Non-Executive Director*	Sd/-
Raman Aggarwal *Independent & Non-Executive Director*	Sd/-
Deepak Gaur *Independent & Non-Executive Director*	Sd/-
Sheetal Kapoor *Chief Financial Officer*	Sd/-
Amarjeet Kaur *Company Secretary & Compliance Officer*	Sd/-

Place: Chandigarh
Date: March 8, 2021