

Date: 05/04/2014

Dear Investors,

Greetings of the day!

We express our gratitude towards all the depositors for their continued trust and support provided to Neesa Leisure Limited (Company) and standing with the Company and its management during difficult times. We also tender our sincere apology for not able to meet the expectations of our depositors regarding timely payment of interest and maturity amount.

We understand that no amount of explanation is justified to compensate the grievance of depositors on account of not receiving the interest and maturity proceeds of their deposits on due date. However it is our moral and ethical responsibility to inform our depositors, the reasons for this delay and the manner in which Company has planned to meet out its obligation towards depositors.

You would appreciate the fact that despite facing acute liquidity crunch, the Company is trying its best efforts to fulfil all its obligations and is currently processing interest payment for third quarter of financial year 2013-14. We expect to complete all payments for December quarter and start processing the payments for last quarter very soon. We assure all our depositors that they would soon be realising the due interest till March 2014.

In case of Deposits which are due for maturity, we would like to draw attention of all depositors to certain key facts as below:

The Company is currently facing acute liquidity crunch and finding it very difficult to meet out its business obligations and other financial liabilities and the management feel that the situation of our declining economy is not going to improve soon making it impossible for the Company to make the payment of maturity proceeds for deposits maturing within a period of next twelve months.

Considering the above stated facts and current financial and liquidity issues the Company has intimated Registrar of Companies, Gujarat through its correspondence dated 04 April 2014 of the current situation and sought its approval for extension of time to make payment of interest or repayment of the matured Deposits under Section 73 to 76 of the Companies Act, 2013, the extract of the which is as provided as under:

**74. (1)** *Where in respect of any deposit accepted by a company before the commencement of this Act, the amount of such deposit or part thereof or any interest due thereon remains unpaid on such commencement or becomes due at any time thereafter, the company shall:-*

*(a) file, within a period of three months from such commencement or from the date on which such payments, are due, with the Registrar a statement of all the deposits accepted by the company and sums remaining unpaid on such amount with the interest payable thereon along with the arrangements made for such repayment, notwithstanding anything contained in any other law for the time being in force or under the terms and conditions subject to which the deposit was accepted or any scheme framed under any law; and*

*(b) Repay within one year from such commencement or from the date on which such payments are due, whichever is earlier.*

The above provision provides a relief to those Companies who have accepted deposit and are facing financial or liquidity issues for a period of one year

This relief sought by the company after considering various financial problems like global recession, high completion, thinner margins, huge losses incurred by the company, huge tax liability, huge interest burden, etc.

It will be pertinent to note that under such situation of acute financial distress when the company is facing a financial starvation, any maturity of deposit obligation can be met out only through an asset sale. The Company therefore has already taken required initiative to generate funds to meet such obligations and has appointed leading real estate advisory firm M/s Knight Frank to explore the possibility of such sale and also kept Expression of Interest to sell its property at various locations on our website reflecting its genuine intention to explore every possible solution to meet our all possible business / financial obligation.

Considering all the above, we ensure all our investors for maturity of all the deposits falling due under this provision well before end of the one year from its maturity or commencement of this provision.

Conclusively we request all our depositors to kindly consider our matter in light of above cited newly introduced section 74 of the Companies Act, 2013 and support us to rebuild ourselves to meet our maturity obligation within the time limit as prescribed under the said provision.

Yours Faithfully,

For, Neesa Leisure Limited

Sd/-

(Authorized Signatory)