

NEESA LEISURE LIMITED

Originally, incorporated as a Private Limited Company known as Gandhinagar Hospitality Private Limited on November 27, 1998 under the Companies Act, 1956. We changed the name of the company from Gandhinagar Hospitality Private Limited to Neesa Leisure Private Limited on January 21, 2004 and converted in to Public Limited Company on December 15, 2005. We shifted our Registered Office from TF-3, Malak Complex, Ahmedabad 380 009 to X 22, 23 and 24, GIDC Electronic Estate, Sector 25, Gandhinagar 382 044 with effect from May 14, 2005.

Contact Person: Mr.A.Someswara Rao – Company Secretary
E-mail: cs@thecambay.com; **Website:** www.thecambay.com

INFORMATION MEMORANDUM FOR THE ISSUE OF DEBENTURES ON A PRIVATE PLACEMENT BASIS

Issue of 250 Secured Redeemable Non-Convertible Debentures of the face value of Rs.10,00,000/- each, for cash at par, aggregating Rs.25 Crores.

General Risk

Investors are advised to read the Risk Factors carefully before taking an investment decision in this offering. For taking an investment decision the investor must rely on their examination of the offeror and the offer including the risks involved. The Issue of Debentures has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Credit Rating

CARE has assigned 'BBB+' rating to these Debentures. This rating indicates moderate safety for timely servicing of debt obligations. The rating should not be treated as a recommendation to buy, sell or hold the Secured Redeemable Non-convertible Debentures. Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agency has a right to suspend, withdraw or revise the rating at any time on the basis of new information etc.

Listing

The Secured Redeemable Non-Convertible Debentures are proposed to be listed on Bombay Stock Exchange Limited (BSE).

Registrar to the Offer: -

LINK INTIME INDIA PVT. LTD.
(Formerly Intime Spectrum Registry Ltd)
211, Sudarshan Complex, Near Mithakhali Underbridge,
Navrangpur, Ahmedabad-

Contact Person : Mr.Hitesh Patel
Tel: 079-26465179
Fax: 079-26465179
Email : ahmedabad@intimespectrum.com

Unit : Neesa Leisure Limited [NCD]
Plot No X-22,23&24
G I D C Electronic Estate
Sector 25, Gandhinagar-382044

| | |
|------------------------|-------------------------|
| Issue opens on: | Issue Closes on: |
|------------------------|-------------------------|

i. Name and address of the registered office of the issuer

| | |
|--------------------------|--|
| Name | Neesa Leisure Limited |
| Registered office | Plot No X-22,23&24 G I D C Electronic Estate Sector 25, Gandhinagar-382044 |

ii. Names and address of the Board of Directors of the issuer:

| Sr. No. | Name & Address |
|----------------|---|
| 1. | Mr.Sanjay Gupta B-202, Dhananjay Tower, Satellite Ahmedabad, Gujarat – 380015 |
| 2. | Ms.Neelu Gupta B-202, Dhananjay Tower, Satellite Ahmedabad, Gujarat – 380015 |
| 3. | Mr. Pankaj Mudholkar A-2/103, Goyal Intercity Drive in Road, Thaltej , Ahmedabad, Gujarat – 380054 |
| 4. | Mr.Arvind Kumar Gupta A-304, Sagar Samrat Flat, Times of India Road, Satellite, Ahmedabad, Gujarat – 380015 |
| 5 | Mr.Rohit Gupa 12, Chandra Lok Colony Lucknow, Uttar Pradesh – 226024 |
| 6 | Mr.Yogesh Joshi 12 B, Nehru Park Soc., Nr.Malhar Point, Off. Old Padra Road, Vadodara, Gujarat - 390007 |
| 7 | Mr.Shailesh Modi 10, Bhikhubhai Bunglows, opp Fun Republic, Satellite Road, Ahmedbad, Gujarat - 3800015 |
| 8 | Mr.Arun Prakash Korati 501, Damodar House, SK Bhole Road, Dadar (W), Mumbai, Maharashtra - 400028 |

iii. A brief summary of the business/ activities of the issuer and its line of business

The Company is currently engaged in the business of developing and managing hotels, resorts, time share - product design and sale, city club, golf clubs – products service, vacation club, club membership, spa hotel, catering and travel, educational institutes / academies, spa retail / chain of day spas, restaurant, café shops, bakery and fast food retail.

iv. A brief history of the issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.

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DETAILS OF INCREASE IN AUTHORIZED CAPITAL

| SR. NO. | DATE OF CHANGE | INCREASED FROM (RS.) | INCREASED TO (RS.) | REMARKS |
|----------------|-----------------------|-----------------------------|---------------------------|----------------|
| 1. | December 30, 2003 | 10,00,000 | 50,00,000 | Increase |
| 2. | May 3, 2004 | 50,00,000 | 130,00,000 | Increase |
| 3. | April 11, 2005 | 130,00,000 | 250,00,000 | Increase |
| 4. | September 9, 2005 | 250,00,000 | 10,00,00,000 | Increase |
| 5. | January 17, 2006 | 10,00,00,000 | 32,00,00,000 | Increase |
| 6 | March 29, 2008 | 32,00,00,000 | 82,00,00,000 | increase |

v. Details of debt securities issued and sought to be listed including face value, nature of debt securities mode of issue i.e public issue or private placement.

The issuer has issued 250 Secured Redeemable Non-convertible Debentures of Rs.10 lakhs each aggregating to Rs.25 Crores (hereinafter also referred to as "NCDs" or "Debentures").

| | |
|------------------------|--|
| Issuer | Neesa Leisure Limited |
| Issue Size | Rs.25 Crores |
| Instrument | Secured Redeemable Non-Convertible Debentures. |
| Purpose | General Corporate and project purposes |
| Security | Pari passu charge on all the present and future movable and immovable project assets of the company. |
| Credit Rating | BBB+ CARE |
| Face Value/Issue Price | Rs.10,00,000/- (Rupees Ten Lacs Only) |
| Tenor | 7 Years from the date of allotment |
| Put/Call | N.A |
| Redemption | ANNEXURE |
| Coupon Rate | 14.50 |
| Interest Payment | Monthly |

| | |
|-------------------------------|------------------------------|
| Interest on Application Money | Nil |
| Listing | At the "WDM" segment of BSE. |

vi. Issue size

250 Secured Redeemable Non-convertible Debentures of Rs.10 lakhs each aggregating to Rs.25 Crores

vii. Details of utilization of the issue proceeds

General Corporate and project purposes

viii. A statement containing particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the issuer.

ix. Details of other borrowings including any other issue of debt securities in past

Deep Discount Optionally Convertible Bonds (DDOCB) aggregating face value of Rs. 42 Crores

x. Any material event/ development or change at the time of issue or subsequent to the issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities

Nil

xi. Particulars of the debt securities issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option

Nil.

xii. A list of highest ten holders of each class or kind of securities of the issuer as on the date of application along with particulars as to number of shares or debt securities held by them and the address of each such holder

Details regarding Equity Shareholders

Equity Shares of Rs.10/- each

- | | |
|--|---|
| 1) Shri Sanjay Gupta | : 1,42,81,109 B-202, Dhananjay Tower, 100 Ft. Rd., Satellite, Ahmedabad-380015 |
| 2) Smt.Neelu Gupta | : 36,96,745 B-202, Dhananjay Tower, 100 Ft. Rd., Satellite, Ahmedabad-380015 |
| 3)Axis Infrastructure Fund 1 (erstwhile Private Equity Limited) | : 34,65,347 No.146, 14 th Floor, Maker Chambers VI, Nariman Point, Mumbai-400021 |
| 4) Others | : 16,07,705 |

Preference Share of Rs. 1,000/- each

1) Axis Infrastructure Fund 1 : 4,00,000
(erstwhile Private Equity Limited) No. 146, 14th Floor, Maker Chambers VI,
Nariman Point, Mumbai-400021

Details Regarding Bond / Debenture holders- Nil

- a) Deep Discount Optionally Convertible Bonds–II (DDOCB-II) at Rs. 13.33 Crore (Face value Rs. 20 Crore) Axis Bank Limited
- b) Deep Discount Optionally Convertible Bonds–III (DDOCB-III) at Rs. 13.33 Crore (Face value Rs. 22 Crore) Axis Bank Limited

xiii. An undertaking that the issuer shall use a common form of transfer

The debentures would be issued in Dematerialised form. However, the company (Neesa Leisure Limited) would use the common transfer form for physical holding if any

xiv. Redemption amount, period of maturity, yield on redemption

Rs.25 Crores 7 years Minimum 14.5%

xv. Information relating to the terms of offer

Rs.25 Crores 7 years Minimum 14.5%

| Issuer | NEESA LEISURE LIMITED |
|-------------------------------|---|
| Issue Size | Rs.25 Crores |
| Instrument | Secured Redeemable Non-Convertible Debentures. |
| Purpose | General Corporate and Project purposes |
| Security | Pari passu charge on all the present and future movable and immovable project assets of the company |
| Credit Rating | BBB+ by CARE |
| Face Value/Issue Price | Rs.10,00,000/- (Rupees Ten Lacs Only) |
| Tenor | 7 Years |
| Put/Call | Nil |
| Redemption | In 20 quarterly instruments beginning from 1.10.2010 |
| Coupon Rate | 14.50% |
| Interest Payment | Monthly |
| Interest on Application Money | Nil |
| Listing | At the "WDM" segment of BSE. |

Date of Allotment: 03.11.2008

Security

Pari passu charge on all the present and future movable and immovable project assets of the company.

Interest

Interest at the rate of 14.50%, and it is payable monthly.

Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the registered office of the Company or at such other place as may be notified by the company in writing, at least 30 calendar days before the interest payment dates.

Tax exemption certificate/document in respect of non-deduction of tax at source on interest on application money, must be submitted along with the Application Form.

Computation of interest

Interest will be computed on 'actual/ 365', on the face value of principal outstanding on the Debentures at the respective coupon rate rounded off to the nearest Rupee. In case of leap year, the interest will be computed on 'actual/ 366', on the face value of principal outstanding on the Debentures at the respective coupon rate rounded off to the nearest Rupee.

Effect of Holidays

Should any of the dates for payment of interest fall on a Sunday or a Public Holiday in Mumbai, the interest for the period would be paid on the immediate succeeding working day in Mumbai with interest upto the day preceding the actual date of payment. The interest for the next succeeding interest period will correspondingly be adjusted.

Redemption of Debentures

Redeem of debentures in 20 equal quarterly instalments starting from October 1, 2010.

Right of the Company to Purchase, Re-sell and Re-issue Debentures

Purchase and Resale of Debentures: The Company may, at any time and from time to time, purchase Debentures under this issue at discount, at par or premium in the open market or otherwise. Such Debentures may, at the option of the Company, be cancelled, held or resold.

Reissue of Debentures: Where the Company has redeemed any such Debentures, subject to the provisions of Section 121 of the Companies Act, 1956 and other applicable legal provisions, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such Debentures either by reissuing the same Debentures or by issuing other Debentures in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

Future Borrowings

The Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also issue Debentures/Bonds/other securities in any manner having such ranking in priority, *pari passu* or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debentureholders or the Trustees in this connection.

Letter/s of allotment/refund order(s) and interest in case of delay in despatch

The issuer shall credit the allotted securities to the respective beneficiary account/dispatch the letter of allotment/letter(s) of regret/refund order(s) as the case may be by registered post/courier at the applicant's sole risk within 30 days from the date of closure of the Issue. The issuer further agrees to pay interest as per the applicable provisions of the Companies Act, 1956, if the allotment letters/refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the issue

Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion, to accept or reject any application or commitment, in part or in full, without assigning any reason. The Application Forms, which are not complete in all respects, are liable to be rejected. The rejected applicant(s) will be intimated along with the refund warrant(s) within 15 days of closure of the subscription list.

Who can apply

Only those investors, who have been addressed through a communication directly, are eligible to apply. No other investor can apply. The categories of the investors, to whom the communication has been directed, are:

- * Companies and bodies corporate
- * Commercial banks
- * Regional Rural banks
- * Financial Institutions
- * Investment Institutions
- * Mutual funds
- * Insurance companies

Submission of Documents

Investors should submit the following documents, wherever applicable:

- a. Memorandum and Articles of Association/ Documents governing Constitution
- b. Government Notification/Certificate of incorporation
- c. SEBI Registration Certificate, if applicable
- d. Resolution authorizing investment along with operating instructions
- e. Power of Attorney (original & certified true copy)
- f. Form 15AA granting exemption from TDS on interest
- g. Form 15H for claiming exemption from TDS on interest on application money, if any.
- h. Order u/s197 of Income Tax Act, 1961
- i. Order u/s10 of Income Tax Act, 1961
- j. Specimen signatures of authorised persons.

Governing Law

The Debentures shall be construed to be governed in accordance with Indian Law. The competent courts at Mumbai alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed / Trustee Agreement.

How to Apply

Applications for the Debentures must be made in the prescribed form, and must be completed in block letters in English. Application Forms must be accompanied by either a demand draft or cheque, drawn or made payable in favour of "Neesa Leisure Limited" and crossed Account Payee only.

Application will be accepted for a minimum of 1 Debentures and in multiples of 1 Debentures thereafter.

Cheques/demand drafts may be drawn on any bank including a co-operative bank, which is situated at and is a member or sub-member of the Banker's Clearing House located at Mumbai. Outstation / post dated cheque(s), money order (s), postal order (s), Cash and Stock Invests will not be accepted. The Company assumes no responsibility for any application(s)/ cheque(s)/Demand draft(s) lost in mail.

Notices

The notices to the Debentureholder(s) required to be given by the Company or the Trustees shall be deemed to have been given if sent by registered post / UPC to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be.

All notices to be given by the Debentureholder(s) shall be sent by registered post or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/Debenture(s) etc., requests for issue of duplicate debentures, interest warrants etc. and/or any other notices/correspondence by the Debentureholder(s) to the Company with regard to the issue should be sent by Registered Post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

Applications under Power of Attorney

Original power of attorney or the relevant authority together with its certified true copy as the case may be along with the names and specimen signatures of all the authorised signatories and the tax exemption certificate/document, if any, must be lodged at the time of submission of the completed application form. Further modifications/additions in the power of attorney or authority should be notified to the Company at its registered office.

Disclosure Clause

In the event of default in the repayment of the principal and/or interest thereon on the due dates, the Debenture Trustee and/or the Reserve Bank of India/SEBI will have an

unqualified right to disclose or publish the name of the Issuer and its directors as defaulter in such manner and through such medium as the Debenture Trustee and/or the Reserve Bank of India in their absolute discretion may think fit.

Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement.

Registrars

Activities relating to R&T Agency are carried out by LINK INTIME INDIA PVT. LTD. (Formerly Intime Spectrum Registry Ltd) Requests for registration of transfer, along with Debenture Certificates/Letters of Allotment and appropriate transfer documents should be sent to the Registrars. The transferee shall also furnish name, address and specimen signatures and wherever necessary, authority for purchase of Debentures. The Registrars after examining the adequacy and correctness of the documentation shall register the transfer in its books. However, the NCDs are issued and compulsory tradeable in demat mode. The above are not applicable for Debentures in demat form.

Trustees

The Company has appointed IDBI Trusteeship Services Limited as Debenture Trustees, registered with SEBI, for the holders of the Debentures (hereinafter referred to as 'Trustees').

Debentureholder not a Shareholder

The Debenture holders will not be entitled to any of the rights and privileges available to the Shareholders.

Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debentureholders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

Debenture Redemption Reserve

The Company will create Debenture Redemption Reserve (DRR) as may be required in case of privately placed debentures.

xvi. The discount at which such offer is made and the effective price for the investor as a result of such discount

The bonds are being issued at face value and not at discount to offer price.

xvii. The debt equity ratio prior to and after issue of the debt security:

Based on 30th September, 08 audited Accounts of the Company:

(a) Debt Equity Ratio prior to issue of the Debt security 1.16

(b) Debt Equity Ratio after issue of the Debt security 1.28

xviii. Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities

The Company is prompt and regular in servicing its existing debts. The Company has been paying interest and principal on due dates on term loans and debt securities. No default has been committed by the Company in this regard and there are no overdues or defaults on the Company's debt obligations

xix. That the permission/ consent from the prior creditor for a second or pari passu charge being created in favour of the trustees to the proposed issue has been obtained

xx. The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given its consent to the issuer for its appointment under regulation 4 (4) and also in all the subsequent periodical communications sent to the holders of debt securities.

IDBI Trusteeship Services Ltd, Asian Building Ground Floor No.17,R. Kamani Marg Ballard Estate Mumbai-400 001, has been appointed to act as the Trustees for the Debenture holders (hereinafter referred to as "Trustees"). All remedies of the Debenture holder(s) for the amounts due on the Debentures will be vested with the Trustees on behalf of the Debenture holder(s).

Trustee's have accorded their consent vide their letter dated 27th October, 2008.

xxi. The rating rationale(s) adopted by the rating agencies shall be disclosed

The rating rationale as released by CARE Limited is attached in the end of this document.

xxii. Names of all the recognized stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognized stock exchange has been obtained

The debentures are proposed to be listed on WDM segment of BSE The exchanges would issue in principle listing approval on submission of disclosures complying with Schedule I of SEBI guidelines.

xxiii. A summary term sheet

| | |
|------------------------|---|
| Issuer | NEESA LEISURE LIMITED |
| Issue Size | Rs.25 Crores |
| Instrument | Secured Redeemable Non-Convertible Debentures. |
| Purpose | General Corporate and project purposes |
| Security | Pari passu charge on all the present and future movable and immovable project assets of the company |
| Credit Rating | LAA by ICRA Limited |
| Face Value/Issue Price | Rs.10,00,000/- (Rupees Ten Lacs Only) |
| Tenor | 7 years |

| | |
|-------------------------------|---|
| Put/Call | Nil |
| Redemption | In 20 quarterly instruments beginning from 1.10.2010 |
| Coupon Rate | 14.5% |
| Interest Payment | Monthly |
| Interest on Application Money | Nil. |
| Listing | At the "WDM" segment of BSE. |
| Interest Calculation | The interest on the outstanding principal for each annual period would be calculated on an actual /365 day count basis. |
| Issue Opening Date | N.A. |
| Issue Closing Date | N.A. |
| Date of Allotment | 03.11.2008 |

RATING LETTER

CARE assigns BBB+ rating to Neesa Leisure Limited