

# **ANNUAL REPORT 2014-2015**



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

**EMERALD LEISURES LIMITED**  
**(Formerly known as Apte Amalgamations Limited)**  
**CIN - L74900MH1948PLC006791**

**Directors :**

Mr. Rajesh M. Loya	Director
Mr. Jashwant B. Mehta	Director (Proposed Whole-Time Director)
Mr. Chetan J. Mehta	Director
Mr. Maneesh Taparia	Director
Ms. Dhvani J. Mehta	Additional Director

**Key Managerial Personnel :**

Ms. Sony A. Sarkar	Company Secretary
Mr. Chetan J. Mehta	Chief Financial Officer

**Auditors :**

M/s P. G. Bhagwat  
Chartered Accountants, Pune

**Secretarial Auditor :**

H.B. Upasani & Co., Company Secretaries

**Registered Office :**

Club Emerald, Near Mangal Anand Hospital,  
Swastik Park, Chembur, Mumbai – 400 071;  
Website: No: - +91 22 2527 7504

**Registrar & Transfer Agents :**

Sharex Dynamic (India) Pvt. Ltd.  
Unit no.1, Luthra Ind. Premises, Safeed Pool,  
Andheri Kurla Road, Andheri (East),  
Mumbai - 400072 | T: 2851 5606/ 5644/ 6338 |  
F: 28512885 | Web: <http://www.sharexindia.com>

**EMERALD LEISURES LIMITED - ANNUAL REPORT 2015**  
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To **DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2014-2015**  
The Members,

Your Directors have pleasure in presenting their 81<sup>st</sup> Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2015.

**I. FINANCIAL HIGHLIGHTS:**

During the year under review, performance of your company as under:

**FINANCIAL RESULTS**

(Rs. in lacs)

PARTICULARS	Year ended 31st March 2015	Year ended 31st March 2014
Revenue	13.37*	45.78*
EBITDA	(49.46)	11.20
Finance Cost	326.05	235.22
Depreciation	25.27	3.47
<b>Earning Before Tax</b>	<b>(400.78)</b>	<b>(227.49)</b>
Provision for Taxation		
<b>Net Profit / (Loss)</b>	<b>(400.78)</b>	<b>(227.49)</b>

\*Includes other income of Rs. 3.60 lakhs (previous year 45.78 lakhs)

**II. OPERATIONS FOR THE PERIOD AND FUTURE OUTLOOK:**

The Company has continued pursuing the activity of development of sports complex on the land owned by the company at Chembur-Mumbai. The Company has completed its Phase I of the Sports Complex and it was inaugurated on 25<sup>th</sup> February, 2015. The Company is engaged in acquiring memberships for the Club. The Company is awaiting regulatory clearance to commence construction of Phase II of the Sports complex.

**III. DIVIDEND:**

The Chairman informed the Board that in view of current year losses and accumulated losses it would be prudent, not to recommend payment of dividend on Equity Share Capital of the Company for the Financial Year ended 31<sup>st</sup> March, 2015. The Board after discussion on the matter, decided not to recommend any dividend on Equity Share Capital of the Company for the Financial Year ended 31<sup>st</sup> March, 2015.

**IV. REVENUE:**

The Company has earned gross revenue of Rs. 13.37 lakhs in the year 2014-2015 from one month of operations

**V. AMOUNTS TRANSFERRED TO RESERVES:**

The Board of the company has decided/proposed to carry Rs 2852.24 lakhs to its reserves.

During the year under review, Company has decided to revalue the Sports Complex plot of land at Chembur and as per the Valuation Report obtained from the Registered Valuer. The land has been revalued at 28,52,24,831/- and as the cost of land was considered as Re. 1/- Rs. 28,52,24,830/- has been transferred to the Revaluation Reserve.

**VI. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS:**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in the Annual Report.

**VII. FIXED DEPOSITS:**

The Company has not accepted any fixed deposits from the public during the financial year ended March 31, 2015.

**VIII. PARTICULARS OF CONTRACT OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

There were no contract(s) / arrangement(s) / transaction(s) entered into by your Company with its related parties, during the year under review, except one which was as per the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 (VII) of the Listing Agreement.

Particulars of contract or arrangements made with related parties referred to Section 188(1) of the Companies Act, is prescribed in Form AOC-2 as "ANNEXURE 1" to Board's Report.

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**IX. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Rajesh Loya, Director of the Company, is the Director retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Maneesh Taparia, was appointed as the Independent Director of the Company dated 12<sup>th</sup> August, 2010 was notified as the Independent Director by the Board on 14<sup>th</sup> November, 2014 as per the requirement of Section 149 of the Companies Act, 2013. Thus, Mr. Maneesh Taparia was appointed as the Independent Director of the Company for a term of 5 years, from this Annual General Meeting till the conclusion of Eighty Fifth Annual General Meeting

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

During the year the Company had below mentioned changes in the Management, Board and Key Managerial Personnel position of the Company:

- a) Ms. Dhvani Mehta was appointed as the Women Director of the Company
- b) Ms. Sony Sarkar was appointed as the Company Secretary of the Company
- c) Mr. Chetan Mehta was designated as the Chief Financial Officer of the Company.
- d) Mr. Jashwant Mehta was designated as the Whole Time Director of the Company, subject to the approval of Shareholders in the Annual General Meeting.

**X. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to sub-section (3) clause (c) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure, if any;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended March 31, 2015;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts for the financial year ended March 31, 2013 on a going concern basis.
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**XI. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Considering the nature of activities of the company, the information required under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 to be disclosed relating to the conservation of energy and technology absorption is provided as "ANNEXURE 2" to the Board's Report.

There is no foreign technology involved/ absorbed. During the year under review, the company has neither earned any foreign exchange nor incurred any expenditure in Foreign exchange.

**XII. BOARD'S DIVERSITY AND EVALUATION:**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage difference in thought, perspective, knowledge, skill, regional and industry experience which will help us retain our competitive advantage.

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The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of the entire Board, Committees and all the Directors based on the parameters specified by the Nomination and Remuneration Committee. The exercise was carried out through a structured evaluation process covering various aspects of the functioning of the Board and its Committees. Individual Directors were evaluated separately on basis of their respective designations and roles.

**XIII. NUMBER OF MEETINGS OF THE BOARD:**

The Board met 8 times during the financial year, the details of which are given below. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

**XIV. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The current policy is to have an appropriate mix of Executive and Independent directors to maintain the Independence of the Board, and separate its functions of governance and management. As on March 31, 2015, the Board consists of 5 members, 3 are Executive Directors and 2 are Non Executive Directors. The Board periodically evaluates the need for change in its composition and size.

**XV. RE-APPOINTMENT OF DIRECTORS:**

As per the provisions of the Companies Act 2013, Mr. Rajesh Loya, who retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

The Companies Act, 2013, provides for the appointment of Independent directors.

Sub-section (10) of Section 149 of the Companies Act, 2013 provides that Independent Directors shall hold office for a term of up to five consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Accordingly, Mr. Maneesh Taparia, an existing Independent Director, was notified by the Board as the Independent Director on 14<sup>th</sup> November, 2014 and his appointment is due for approval by the shareholders at the Annual General Meeting as required under Section 149(10).

Further, according to Sub-section (11) of Section 149, no Independent Director shall be eligible for appointment for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such Independent Directors.

**XVI. DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**XVII. COMMITTEES OF THE BOARD:**

Currently, the Board has three committees: Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

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Name of Committee	Composition of the Committee	No. of Meetings held
<b>Audit Committee</b>	Mr. Maneesh Taparia, Chairman Mr. Chetan Mehta Mr. Rajesh Loya	3
<b>Nomination and Remuneration Committee</b>	Mr. Maneesh Taparia, Chairman Mr. Jashwant Mehta Mr. Rajesh Loya	3
<b>Stakeholder's Relationship Committee</b>	Mr. Maneesh Taparia, Chairman Mr. Chetan Mehta Mr. Jashwant Mehta	3

**XVIII. AUDITORS**

**a) STATUTORY AUDITORS:**

At the Annual General Meeting held on September 26, 2014, M/s. P. G. Bhagwat, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2015. In terms of Section 139 of the Companies Act, 2013, the appointment of the auditors shall be for a period of three years and subsequently be ratified in every Annual General Meeting. Accordingly, the appointment of M/s. P. G. Bhagwat, Chartered Accountants, as Statutory Auditors of the Company, is placed before the members for re-appointment by the shareholders. In this regard, the Company has received a Certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**b) SECRETARIAL AUDITOR:**

H B Upasani & Co., Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules there under.

The secretarial audit report for FY 2014-15 forms part of the Annual Report as "**ANNEXURE 3**" to the Board's report.

The Board has appointed H B Upasani & Co., Practicing Company Secretaries, as Secretarial Auditor of the Company for the Financial Year 2015-16.

The Auditor's report does not contain any qualifications, reservations or adverse remarks.

The secretarial auditors' report contains few qualifications. The Board has provided a detailed explanation for the qualifications as mentioned by the Secretarial Auditor, forming a part of the Secretarial Audit Report. The Secretarial Audit Report is provided as "**ANNEXURE 3**" of the Board's Report.

**XIX. SIGNIFICANT AND MATERIAL ORDERS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

The Company has been penalized under Section 15A(b) of the Securities Exchange Board of India (SEBI) Act for violation of Regulation 8 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 read with Regulation 35 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011. The Company has thereby filed an appeal with Securities Appellate Tribunal (SAT).

The details of the pending cases with various authorities are mentioned in the notes to Financial Statements.

**XX. EXTRACT OF ANNUAL RETURN:**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as "**ANNEXURE 4**" to the Board's report.

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**XXI. INTERNAL FINANCIAL CONTROL:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

**XXII. MATERIAL CHANGES AFFECTING THE COMPANY:**

The Company has started its operations and the Club was inaugurated on 25<sup>th</sup> February, 2015. The Company has also revalued the Sports Complex plot of land at Chembur and as per the Valuation Report obtained from the Registered Valuer.

The Company had intimated the Stock Exchange about this material change.

**XXIII. PARTICULARS OF EMPLOYEES:**

**a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The remuneration and perquisites provided to our employees including that of the Management are on a par with industry levels. The Nomination and Remuneration Committee continuously reviews the compensation of our senior executives to align both the short-term and long-term business objectives of the Company and to link compensation with the achievement of measurable performance goals. During the Financial Year 2015, there have been several changes in our leadership and management. As part of our succession planning, there were a few changes in the management of the Company, as mentioned below:

- (i) Mr. Jashwant Mehta was designated and appointed as Whole-time director by the Board vide a Board Meeting held on 13<sup>th</sup> February, 2015, subject to the approval of the members in the ensuing General meeting.
- (ii) Mr. Chetan Mehta was designated and appointed as the Chief Financial Officer of the Company.
- (iii) Ms. Dhvani Mehta was appointed as the Additional Director of the Company.
- (iv) Ms. Sony Sarkar was appointed as the Company Secretary of the Company.

Remuneration paid to Board of Directors of the Company:

Name of Director	Title	Remuneration in financial year 2013 - 2014	Remuneration in Financial Year 2014 - 2015	No. of shares held in the Company
Mr. Jashwant Mehta	Whole time Director	NIL	NIL	270700
Mr. Chetan Mehta	Director and Chief Financial Officer	NIL	NIL	270700
Mr. Rajesh Loya	Executive Director	NIL	NIL	NIL
Mr. Maneesh Taparia	Independent Director	NIL	NIL	NIL
Ms. Dhvani Mehta	Non- Executive Director	Not Applicable	NIL	NIL

Remuneration paid to the Key Managerial Personnel's of the Company:

Name KMP	Title	Remuneration in financial year 2013 - 2014	Remuneration in Financial Year 2014 - 2015	No. of shares held in the Company
Mr. Jashwant Mehta	Whole time Director	Not Applicable	NIL	270700
Mr. Chetan Mehta	Director and Chief Financial Officer	Not Applicable	NIL	270700
Ms. Sony Sarkar	Company Secretary	Not Applicable	4,35,000	Nil

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During the Financial Year 2014-2015, the details of employees of the Company are as follows:

- (i) The Company had an average count of 31 employees on the payroll of the Company.
- (ii) The Company paid a total remuneration of approximate Rs 96,33,749/-
- (iii) There was a minimal/negligible increase in the remuneration of the employees

**b) Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The information required under Section 134 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules for the year ended 31st March, 2015 is not applicable to the Company as none of the employee is drawing remuneration more than the limits presently specified under the said rules.

**XXIV. RISK MANAGEMENT POLICY:**

The Company recognizes that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company. The Company is in process of establishing a Risk Management Policy which will help in overseeing the risks, management of material business risks and also helps in internal control of the Company.

The Management of your Company is vigilant about their responsibility of overseeing and reviewing that the risk that the organization faces such as strategic, financial, credit, market, liquidity, security, property, regulatory or any other risk have been defined and assessed. There is adequate risk management infrastructure in place capable of addressing those risks.

The Company is in process of establishing a well-documented and robust risk management framework. Under this framework, risks would be identified across all business processes of the Company on continuous basis. Once identified, these risks would be systematically categorized as strategic risks, business risks or reporting risks. To address these risks in a comprehensive manner, each risk would be suitably mapped to the concerned department for further action. Based on this framework, Emerald Leisures Limited is structuring various procedures for Risk Management.

**XXV. WHISTLE BLOWER POLICY:**

The Company promotes ethical behavior in all its business activities and is in process of establishing a mechanism for reporting illegal or unethical behavior. The Company is thus engaged in the structuring of a vigil mechanism and Whistle blower policy under which the employees are free to report violations of the applicable laws and regulations and the Code of Conduct.

The reportable matters would be disclosed to the Audit Committee.

**XXVI. GREEN INITIATIVE:**

During the financial year 2013-2014, we started a sustainability initiative with the aim of going green and minimizing our impact on the environment. Like the previous years, this year too, we are publishing the statutory disclosures in the Annual Report. Additionally, the Annual Report for the Financial Year 2014-2015 will also be available on our website, [www.apteindia.com](http://www.apteindia.com)

Electronic copies of the Annual Report 2014-15 and Notice of the 81<sup>st</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s).

For members who have not registered their email addresses, physical copies of the Annual Report 2015 and the Notice of the 81<sup>st</sup> Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

**For and on behalf of the Board of Directors,  
EMERALD LEISURES LIMITED**

Place : Mumbai  
Dated : 21<sup>st</sup> August, 2015

Sd/-  
**Rajesh Loya**  
Director  
(DIN:00252470)

Sd/-  
**Chetan Mehta**  
Director  
(DIN:00235911)

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**"ANNEXURE 1"**

**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

The details of the Related Party Transaction entered into are as follows:

- a. Name of the related party:** Jashwant Mehta & Associates
- b. Nature of relationship:** Common Directorship
- c. Nature of contracts/arrangements/transactions:** Professional Fees paid for Services taken from his architectural firm.
- d. Duration of the contracts / arrangements/transactions :**
- e. Salient terms of the contracts or arrangements or transactions including the value, if any:** The Company was in requirement of project management services for preparations of Project Management Services. Thus the Company approached its Director's architectural firm, Jashwant Mehta & Associates for rendering project management services including preparation of plans etc. or reimbursement of any transaction or any other transaction of whatever nature, at arm's length price. The total amount paid for the services was Rs. 20,50,570/-
- f. Date(s) of approval by the Board, if any:** 4<sup>th</sup> December, 2014
- g. Amount paid as advances, if any:** NIL

For **Emerald Leisures Limited**

(Formerly known as "Apte Amalgamations Limited")

**Sd/-**

**Mr. Rajesh Loya**

Director

DIN: 00252470

**Sd/-**

**Mr. Chetan Mehta**

Director & CFO

DIN: 00235911

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**"ANNEXURE 2"**

**DISCLOSURE RELATED TO CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

It is Company's continuous and consisted endeavor to operate in safe and environmentally responsible manner for the long- term benefit of all its shareholders

**(A) CONSERVATION OF ENERGY**

1. Steps taken for conservation of energy:
  - a. Operation of Air Conditioning plant with Air Handling Unit (AHU)
  - b. Water meter installed to monitor & conserve water conservation
  - c. Rain Harvesting System implemented to conserve water in ground
  - d. CFL lamps being replaced by LED lamps in phased manner
  - e. Sensor based ON/OFF lighting system in all public areas
  - f. Electric Load Balancing System for efficient use of power.
  - g. Use of Capacitors to maintain power factor
  - h. Use of hydro pneumatic system for pumping water
  - l. Use of Thermal storage technology For Air Conditioning for efficient use of power
2. Steps taken by the Company for utilizing alternate source of energy:
  - I. Heat exchange system installed to absorb heat released from air conditioning unit, which is utilized to make hot water without using any boiler or electric heater
  - ii. Use of Bore Well for using rain harvested water and minimum use of BMC supplied water.

For **Emerald Leisures Limited**  
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**Sd/-**  
**Mr. Rajesh Loya**  
Director  
DIN: 00252470

**Sd/-**  
**Mr. Chetan Mehta**  
Director & CFO  
DIN: 00235911