



THE LEEEA
PALACES HOTELS RESORTS

HOTEL LEEAVENTURE LIMITED

Registered Office: The Leela, Sahar, Mumbai - 400 059, Tel. +91 22 6691 1182
CIN: L55101MH1981PLC024097 : Website: www.theleela.com E-mail: investor.service@theleela.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member,

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended below are proposed to be passed as special resolutions by way of postal ballot/e-voting. The explanatory statement pertaining to the said resolutions setting out the facts concerning each item and the reasons thereof, as required in terms of Section 102 of the Act, is annexed hereto along with a postal ballot form (the "Form") for your consideration.

The Board of Directors, at its meeting held on 5th November, 2014, has appointed Mr. V. Sundaram, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein and return the same in original duly completed and signed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5:00 p.m. on 24th December, 2014.

In compliance with the Clause 35 B of the Listing Agreement executed with the stock exchanges and pursuant to the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching the postal ballot form(s). Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to this Notice and instructions on the overleaf of the Form.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman & Managing Director.

The result of the voting conducted through postal ballot would be announced by a Director or the Company Secretary of the Company on 30th December, 2014 at 11.00 a.m. at the Registered Office of the Company.

The said result would be displayed at the Registered Office of the Company, intimated to the BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed, published in the newspapers and displayed on the Company's website viz. www.theleela.com and the website of National Securities Depository Limited viz. <https://www.evoting.nsdl.com>, along with the Scrutinizer's report.

Item No. 1: Amendment to Main Object Clause of the Memorandum of Association

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, which terms, conditions, amendments or modifications, the Board of Directors (hereinafter referred to as "the Board", which term shall include any of its duly authorised Committees or one or more Directors) is authorised to accept as it may deem fit, Clause III A of the Memorandum of Association, in relation to the main objects to be pursued by the Company on its incorporation, be and is hereby amended and replaced to read as under:

"III. A The objects to be pursued by the Company on its incorporation are:-

- (1) *To carry on, in India or elsewhere, either alone or jointly with one or more persons, companies, government, or other entities and bodies of any kind, the business of hotels of every kind and sort, including hotel rooms, serviced apartments, banquet facilities, conference facilities, meeting rooms, function halls, convention centres, shopping galleries, retail and service shops, offices, libraries, swimming pool, health club, spa, fitness centres, beauty parlors, saloons, restaurants, café, bakery, tavern, pubs, bars, clubs, discotheques, casinos, coach, cab and motor car providers, caterers, housekeeping, laundry, amusement and recreational facilities, parking, back offices, along with all the conveniences, amenities and facilities adjunct thereto and such other facilities as may be provided in hotels of all kinds, and to own, purchase, take over, acquire, erect, construct, build, set up, furnish, adapt, manage, franchise, run, use, maintain, operate or in any other manner and in all its aspects deal in, hotels of every kind and sort, including all land, buildings, premises, conveniences, amenities and facilities adjunct thereto, and to manage hotels of every kind and sort, with all related facilities and necessary adjuncts, whether owned by the Company or otherwise, and to render technical services, managerial services, advisory services thereon, including in relation to construction and / or operations of hotels with all related facilities and necessary adjuncts, to any persons or entities, and also to carry on the business of builders, developers, re-developers, constructors, contractors, designers, architects, consultants, of residences, apartments, dwelling houses, residential complexes, tenements, serviced residences, branded residences, offices, shops, exhibition halls, convention centres, conference centres, auditoriums, discotheques, sports and recreational facilities, and structures or properties of all kinds, tenure or description for commercial or residential purpose with requisite infrastructure and conveniences, and for these purposes to, either alone or jointly with one or more persons, government, or other bodies, purchase, own, take on lease or otherwise acquire and hold any lands or buildings of any tenure or description wherever situated, or rights or interests therein or connected therewith, to prepare building sites, and to construct, reconstruct, pull down, renovate, develop, alter, improve, decorate, furnish, use, manage and maintain such properties, either alone or jointly with one or more persons, and whether under its brand name and/or that of one or more other persons, and to lease, sell, license, rent, deal in or otherwise dispose of the same on ownership basis, instalment basis, license, lease or rental or any other basis and transfer such properties or any rights therein to co-operative societies, limited companies, bodies corporate, partnerships, association of persons or individuals or any person or entity, as the case may be, and to promote, operate, maintain, manage, market, enter into brand licensing arrangements, provide consultancy services, technical services, operation and management services, facilities management services, hospitality services, housekeeping services and other services, to any persons or entities, in relation to the residential or commercial projects, immovable properties and other real estate assets and to enter into any arrangements of licensing, brokerage, commission, technical, business or financial collaboration with any other party or concern, in relation thereto."*

FURTHER RESOLVED THAT the Board and/or the Company Secretary be and are hereby jointly or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

Item No. 2: Amendments to Clause III B and Clause III C of the Memorandum of Association

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), and subject to necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, which terms, conditions, amendments or modifications, the Board of Directors (hereinafter referred to as "the Board", which term shall include any of its duly authorised Committees or one or more Directors) is authorised to accept as it may deem fit, the existing Clause III B and Clause III C of the Memorandum of Association, in relation to the objects incidental or ancillary to the attainment of the main objects and other objects, be and is hereby amended as follows:

1. By deleting the heading of Clause III B, "OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:" and replacing it with the heading "Matters which are necessary for furtherance of the objects specified in clause III(A) are:-";
2. By amending existing Clause III B(2) and replace the same to read as under:
"To acquire by purchase, lease, exchange or otherwise and equip, act as collaborators, technicians, financiers of any other hotels, apartments, commercial or residential structures or properties of all kinds, in India or elsewhere and/or to take over in India or elsewhere the operation and

management of or act as Buying and Selling Agents of any hotel, real estate, construction or technical/consultancy services company, and to do and perform all and singular the several duties, services and offices which the Buying and Selling Agents of any hotel / real estate, construction or technical/consultancy services company usually do and perform and undertake and to become bound by conditions of any agreement or agreements entered into for any of the purposes aforesaid."

3. By amending existing Clause III B(3) and replace the same to read as under:
"To purchase, erect, acquire, equip, manage, sell or in any other manner and in all its aspects deal in hotels, residences, apartments, lodging houses, commercial or residential structures or properties, of every kind and sort, including all the conveniences, amenities and facilities adjunct thereto, in India or in any other part of the world."
4. By amending existing Clause III B (5) by adding the words 'itself or its' before the word 'clients', and alter the same to read as under:
"To engage qualified accountants, lawyers, engineers, managers, economists and other professional persons for itself or its clients and to undertake/promote training of all kinds."
5. By amending existing Clauses III B(6), (8) and (9) and consolidate the same as an amended Clause III B(7) to read as under:
"To study, analyse, formulate means and methods of establishing, extending, developing and improving all types of business, industries, organisations including object planning and evaluation, feasibility studies, operations research and matters relating thereto., to formulate or assist in formulating definite plans of campaign on the basis of the study, analysis, research, knowledge or information gathered by the Company, and to advise on all systems and processes relating to production, storage, market surveys, research studies, techno-economic surveys and marketing and sale of goods."
6. By amending existing Clause III B (7) by adding the words 'in relation to its business' after the word 'agent' at the end of the said clause, and alter the same to read as under:
"To study, analyse, advise on the problems relating to recruitment and training of the personnel for organisation/institutions including job evaluation, assessment of work load, time and motion studies and to act generally as personnel and labour consultants and recruiting agents, in relation to its business."
7. By amending existing Clauses III B(11), III C(67) and (68) and consolidate the same as a new Clause III B(9) to read as under:
"To buy, purchase, build, construct, alter, enlarge, maintain, pull down, remove, replace, manage, control, sell, lease, take on lease or tenancy or in exchange, take options over or otherwise acquire land, buildings, flats, godowns, sheds, factories, works, shops, offices, machinery, engines, roadways, branches of sidings, bridges, reservoirs, watercourses, wharves, oil wells, electric works or real and personal property of all kinds and hereditaments of any tenure or description in India or abroad whether for residential, business, manufacturing or other purposes and any rights, easements, advantages and privileges relating to and either for investments or resale or for trafficking in the same and to turn the same into account as may seem expedient, and to construct, alter, improve, decorate, develop, furnish, and maintain offices, flats, houses, factories, warehouses, godowns, shops, buildings and other structures, works and convenience of all kinds of any of the lands or immovable properties purchased or acquired by the Company and to lease, sell, deal in or to otherwise dispose of the same, and to purchase, charter, hire, build, or otherwise acquire vehicles of any or every sort of description for use on land or water or in air and to employ the same in the carriage of merchandise of all kinds or passengers for the business of the Company."
8. By amending existing Clause III B (12) by adding the word 'offices' after the word 'works' and before the word 'plants'.
9. By amending existing Clause III B (13) by deleting the word 'the' and adding the words 'or otherwise dealing in all kinds of articles including any' after the word 'selling' and before the word 'goods'.
10. By amending existing Clauses III B(14) and (53) to consolidate the same as a new Clause III B(21) to read as under:
"To borrow or raise moneys or loans for the purpose of the Company in such manner as the Company shall think fit and in particular to draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, hundies, bills of lading, and other negotiable or transferable instruments, or by issue of warrants, debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property and assets, both present and future, movable and immovable, including its uncalled capital, by way of mortgage, charge, hypothecation or pledge or any other means, upon such terms as the Directors may deem expedient or in such other manner; to take money on deposit or otherwise with or without allowance of interest thereon and to execute all deeds, writing and assurances for any of the aforesaid purposes."
11. By amending existing Clause III B(16) and replace the same to read as under:
"To acquire from and/or to give and/or to provide any person, firm or body corporate or entity whether in India or elsewhere, technical information, know-how, processes, engineering, manufacturing and operating data, plans, layouts and blueprints useful for the design, erection and operation of hotels, apartments, commercial or residential structures, plant or properties of all kinds required for any of the businesses of the Company and to acquire any grant or license and other rights and benefits in the foregoing matters and things."
12. By amending existing Clause III B(18) and replace the same to read as under:
"To insure with any company, firm or persons against losses, damages and risks of all kinds which may affect the Company."
13. By amending existing Clauses III B(19), (30) and (36) and consolidate the same as a new Clause III B(18) to read as under:
"To sell, exchange, mortgage, lease, let on lease, under-let, gift, alter, manage, develop, grant royalty or tribute, grant licenses, easements, options and other rights over and in any other manner transfer, divest, deal with or dispose of the whole or any part of the undertaking, business, property, assets, shares, stocks, debentures, or other securities, land, rights, resources and effects of the Company for such consideration as the Company may think fit and in particular for cash, stocks, shares, whether fully or partly paid up, debentures, bonds or other securities of any other company whether or not having objects altogether or in part similar to those of the Company, including for the purpose of its or their acquiring all or any of the property, rights, or liabilities of the Company or for other purposes which may seem calculated to benefit this Company, and to distribute among the members in cash or in specie any property or assets of the Company, subject to the provisions of the Companies Act in this behalf in the event of winding up."
14. By amending existing Clause III B(21) and replace the same to read as under:
"To open current, fixed, overdraft or other type of accounts with any bank, bankers, financial institution, non-banking financial company, company or other authorized entity and to pay into and to draw moneys from such accounts."
15. By amending existing Clause III B(23) and replace the same to read as under:
"To advance and lend moneys to any entity or persons, including customers and others having dealings with the Company, on such security as may be thought proper or without taking any security thereof and to undertake financial and commercial obligations, transactions and operations of all kinds."
16. By amending existing Clauses III B(24) and III C (73) and consolidate the same as a new Clause III B(24) to read as under:
"To invest the funds of the Company not immediately required from time to time in such assets, properties, securities, shares, bullion, specie or investments or otherwise as may from time to time be determined by Directors and from time to time sell or vary all such investments and to execute all assignments, transfers, receipts and documents that may be necessary in that behalf., and to hold, sell underwrite and deal with such investments and securities of any kind issued or guaranteed by any company, corporation or undertaking (whether incorporated or not) of whatever nature and wheresoever constituted or any government, State Commissioner, Trusts, Municipal, Local or other authority or body of whatever nature whether at home or abroad."
17. By amending existing Clause III B (25) by adding the word 'bonds' after the word 'debentures' and before the word 'or' and adding the words 'merchant bankers' after the word 'employ' and before the word 'brokers'.
18. By amending existing Clause III B (26) by deleting the word 'this' and replacing the same with the word 'the' after the word 'which' and before the word 'Company'.
19. By amending existing Clause III B(27) and replace the same to read as under:
"To act in conjunction with, unite or amalgamate with, create or constitute or assist in creating or constituting any other company or association, whether in India or abroad, of a kind similar wholly or partially to the Company in relation to the business of the Company, including for the purpose of acquiring all or any of the properties, rights and liabilities of that Company, and to buy up or absorb all or any part of the business or property of any such company or association and to acquire and secure membership, seat or privilege in and of any association, exchange, market or institution in India or any part of the world."

20. By amending existing Clauses III B(28) and (32) and consolidate the same as a new Clause III B(29) to read as under:
"To enter into any arrangements with any government or authorities, municipal, local or otherwise, or any persons in relation to the objects of the Company and to obtain from any such government authority, persons or company, any rights, privileges, charters, contracts, licenses and concessions, and to procure the registration, or other recognition of the Company in India and abroad and to establish and regulate agency for the purposes of the Company's business and to apply or join in applying to Government, local municipal or other authority or body for concessions, orders, rights or privileges that may seem conducive to the Company's objects or any of them and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest."
21. By amending existing Clause III B(29) and replace the same to read as under:
"To apply for and take out, purchase or otherwise by way of license or otherwise prolong and renew, in India or any part of the world, any patents, patent rights or inventions, trade mark rights, copyrights or secret processes or technical aid or 'know-how' which may be useful for the Company's objects and to grant licences to use the same."
22. By amending existing Clauses III B(31) and (43) and consolidate the same as a new Clause III B(31) to read as under:
"To pay, out of the funds of the Company, all costs, charges and expenses incurred or sustained in or about the promotion, registration and establishment of the Company or which the Company shall construe to be preliminary, including therein the costs of advertising, commission for underwriting, brokerage, printing and stationery and the expenses attendant upon the formation of agencies and local boards and for the issue of its capital including brokerage and commission for obtaining application for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company."
23. By amending existing Clause III B (33) by adding the word 'gratuity' after the word 'superannuation' and before the word 'and'.
24. By amending existing Clause III B (34) by adding the words 'television, internet, social media' after the word 'press' and before the word 'or'.
25. By deleting existing Clause III B(35);
26. By amending existing Clause III B (38) by adding the words 'or reserve for furniture, furnishing and equipment' after the words 'special fund' and before the word 'whether'.
27. By amending existing Clause III B(41) and replace the same to read as under:
"To form, incorporate or promote any company or companies, whether in India or elsewhere having amongst its objects the acquisition of all or any of the assets or control, management or development of the Company or any other object which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay for all or any of the assets and expenses incurred in connection therewith and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in connection therewith."
28. By amending existing Clause III B(42) and replace the same to read as under:
"To refer to or agree to refer any claim, demand, disputes or any other question, by or against the Company, or in which the Company is interested or concerned, and whether between the Company and a member or their representatives or between the Company and third parties to arbitration in India or any place outside India and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards."
29. By amending existing Clauses III B(46) and (50) and consolidate the same new Clause III B(42) to read as under:
"To represent, express and give effect to the views and opinions of traders and manufacturers of commercial, mercantile or industrial matters of all kinds and promote co-operation, hold, organise and participate in conferences, meetings, discussions, symposiums and debates, maintain bureau, carry on correspondence, undertake publications, prepare statements, reports and articles relating to any and all matters of interest to trade, industry, business and generally to undertake liaison work and public relations."
30. By amending existing Clauses III B(55), III C(74) and (75) and consolidate the same III B(49) to read as under:
"To undertake, carry out, it self, or promote, sponsor, donate, subscribe or guarantee money or otherwise assist any activity for programmes directly or in any other manner, for promoting agriculture, the social and economic development and welfare of, or the up liftment of the public in any rural area, or the growth of the national economy and national welfare, or any national charitable, benevolent, public, general or useful object or for any exhibition and to discharge the social and moral responsibilities of the Company to the consumers, employees, shareholders and to the public."
31. By renumbering existing Clause III B (56) as new Clause III B (26).
32. By amending existing Clause III B(57) and replace the same as new Clause III B(54) to read as under:
 "Generally to do all such other things may be deemed incidental or conducive to the attainment of the above main objects or any of them."
33. By deleting the heading of Clause III C, "C. OTHER OBJECTS" ;
34. By deleting existing Clauses III C(58), (61), (62), (63), (64), (65),(69),(71) and (72);
35. By amending existing Clause III C(76), renumbering the same as new Clause III B (12) and replace the same to read as under:
 "(a) *To carry on the business of manufacturing, purchasing, putting up and using all the apparatus now known or that may hereafter be invented, connected with the generation, accumulation, storage, transmission, distribution, supply and usage of electricity and to generate, receive, produce, improve, buy, sell, re-sell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, trade, sell, supply electric power and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its forms by harnessing wind energy, solar energy, thermal energy, or by any other means whatsoever, by establishing wind power plants, solar power plants, thermal power plants, or any other plants/equipments as may be necessary in this behalf and to manufacture and deal in all kinds of equipment, accessories and tools used for such generation including all windmills, electric generators, storage batteries, cables, wires or appliances for connecting the apparatus at a distance with other apparatus and including the setting up of stations, sub-stations and to channelise all electric power so generated into the state or national grid or to set up a distribution network and systems for the purpose of making available the electrical energy to the members of the public.*
 (b) *to provide energy management and conservation services and all types of engineering facilities including construction and technical consultancy and architectural services related to the use, application installation, erection, operation and maintenance of all kinds of power generation equipment or parts thereof and their related products.*
 (c) *to enter into collaborations, contracts, sole selling agencies, agreements, operation and maintenance agreements, and any other business arrangements for the installations, erection, operation and maintenance of all kinds of power generation equipment, products or their component parts either manufactured, sold, supplied or dealt with by the Company or otherwise.*
 (d) *to acquire concessions, facilities or licenses from electricity boards, government, semi-government or local bodies or authorities for the generation, distribution, production, transmission sale or use of electric power and to take over along with all moveable and immovable properties, the existing facilities on mutually agreed terms from the said authorities and to do all other incidental acts, deeds and things necessary for the attainment of the foregoing objects."*
36. By amending existing Clause III C(77), renumbering the same as new Clause III B (13) and replace the same to read as under:
"To carry on the business of Full-fledged/Restricted money changers and other allied activities including buying, selling or otherwise dealing with foreign exchange, foreign currency and foreign securities and acting as money changers, brokers, buyers and sellers or dealers in all types of foreign exchange or foreign currencies, and to carry on the business of issuing travelers cheques, credit cards and all other like instruments in any currency. However, it is hereby declared that nothing in this paragraph shall authorise the Company to do any business which may fall within the purview of the Banking Regulation Act, 1949 or the Insurance Act, 1938."
37. By re-numbering the Clause numbers in existing Clause III B and Clause III C pursuant to the above amendments;
38. By making necessary corrections to spelling error, grammatical errors, typographical errors as may be required in the existing Clauses III B and III C of the Memorandum of Association pursuant to the above amendments;

FURTHER RESOLVED THAT the Board and/or the Company Secretary be and are hereby jointly or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

Item No.3: Amendment to Clause IV of the Memorandum of Association

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, which terms, conditions, amendments or modifications, the Board of Directors (hereinafter referred to as “the Board”, which term shall include any of its duly authorised Committees or one or more Directors) is authorised to accept as it may deem fit, Clause IV of the Memorandum of Association, be and is hereby amended and replaced to read as under:

“The liability of members is limited and this liability is limited to the amount unpaid, if any, on shares held by them.”

FURTHER RESOLVED THAT the Board and/or the Company Secretary be and are hereby jointly or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

Item No. 4: Adoption of new set of Articles of Association

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, which terms, conditions, amendments or modifications, the Board of Directors (hereinafter referred to as “the Board”, which term shall include any of its duly authorised Committees or one or more Directors) is authorised to accept as it may deem fit, the existing set of Articles of Association of the Company be and is hereby replaced, altered, modified and revised as per the new set of Articles of Association, and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company.

FURTHER RESOLVED THAT the Board and/or the Company Secretary be and are hereby jointly or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

Item No. 5: To make investments, give loans, guarantees and provide securities beyond the prescribed limits

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013, if any, and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and other necessary approvals, if any, and to the extent required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any of its duly authorised committees or one or more Directors) to (i) give any loans to any person or other body corporate, or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person, or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent of Company’s paid up capital and its free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, provided that the total loans or investments made, guarantees given, and securities provided shall not exceed an aggregate amount of Rs. 500 Crores.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans or guarantees or securities and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.

Item No. 6: Approval for sale of Leela Palaces and Resorts Limited, a wholly-owned subsidiary

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to Section 180 (1) (a) and all other applicable provisions of the Companies Act, 2013, if any, and the rules framed thereunder (including any amendment thereto or re-enactment thereof); the provisions of the Memorandum and Articles of Association of the Company; and the applicable provisions of the Listing Agreement including Clause 49 thereof; and subject to the provisions of Foreign Exchange Management Act, 1999, and other applicable statutory provisions and regulations, if any, as amended from time to time, and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, from the Company’s lenders, and/or other institutions or bodies, statutory authorities, and such conditions or modifications as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any of its duly authorised committees or one or more Directors) the consent of the Company be and is hereby accorded, including confirmation of actions taken hitherto, to the Board to sell Leela Palaces and Resorts Limited, a wholly-owned subsidiary of the Company, by way of the sale, transfer or disposal of the entire shareholding of the Company (i.e. 100%) in Leela Palaces and Resorts Limited, or such other manner as the Board of the Company may deem fit and appropriate in the interest of the Company for an aggregate consideration of not less than Rs. 90 Crores, to a potential buyer, on such terms and conditions and with such modifications as may be required by any of the concerned authorities or as the Board of the Company may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, including to determine the manner and method of sale, transfer, disposal and to settle and finalise all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, negotiating and finalising the terms of sale, negotiating, finalising and executing necessary agreements (including such representations, warranties indemnities and covenants as may be customary in such transactions), memoranda, share purchase agreement, deed of conveyance, deed of assignment, schemes and subsequent modifications thereto and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, including without limitation, to settle any questions, difficulties, doubts that may arise in this regard, as it may in its absolute discretion deem fit, and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, to any Committee of the Board or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

**By order of the Board
For Hotel Leelaventure Limited
Dinesh Kalani
Company Secretary**

Registered Office:

The Leela, Sahar
Mumbai - 400 059

Mumbai, 5th November, 2014.

Notes:

- 1 The explanatory statement and reasons for the proposed resolution pursuant to Section 102 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out material facts is annexed hereto.
- 2 The Company has appointed Mr. V. Sundaram, Practicing Company Secretary, to act as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
- 3 The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/ Statements of beneficial ownership maintained by the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on 14th November, 2014.
- 4 In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rules 18 and 22 of the Companies (Management and Administration) Rules, 2014, this Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their Depository Participants (DP) (in respect of shares held in electronic form) and

made available to the Company by the Depositories. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form through post.

- 5 In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically. Please note that e-voting is optional.
- 6 Kindly note that the Members can opt for only one mode of voting i.e., either by post or e-voting. If the Members opt for e-voting, then they should not vote by post and vice versa. However, in case Members cast their vote by post and e-voting, then voting done through e-voting shall prevail and voting done by post will be treated as invalid.
- 7 In case a Member is desirous of obtaining Postal Ballot in printed form or a duplicate one, the Member may write to the Company or send an e-mail to investor.service@theleela.com. The Company shall forward the same along with self-addressed pre-paid postage Business Reply Envelope to the Member.
- 8 The Postal Ballot Notice is also being uploaded on the Company's website viz., www.theleela.com and of NSDL viz., https://www.evoting.nsdl.com.
- 9 All documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts and other statutory registers are open for inspection by the Members at the Registered Office of the Company between 10.00 a.m. and 12 noon on all working days except Saturdays, Sundays and national holidays, from the date here of up to 24th December, 2014.
- 10 The voting rights of the Members shall be in proportion to their shares in the total paid-up equity share capital of the Company as on 14th November, 2014. The special resolutions mentioned herein shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes cast against the special resolution.
- 11 Instructions for Voting:

A. Voting through Physical Postal Ballot Form

1. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in then closed self-addressed prepaid postage Business Reply Envelope. Postage charges will be borne and paid by the Company. However, in case a Member sends the Postal Ballot by courier or registered post or delivers it in person at his expense, such Postal Ballots will also be accepted.
2. The Postal Ballot Form, duly completed and signed by the Member(s) should be returned in the enclosed self-addressed pre-paid postage Business Reply Envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on 24th December, 2014. Any Postal Ballot Form received after the said date shall be treated as if the reply from the Member(s) has not been received. No other form or photo copy of the Postal Ballot Form will be permitted/accepted.

B. E-Voting Facility

In compliance with the Clause 35B of the Listing Agreement, provisions of Section 110 and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Hotel Leelaventure Limited ("the Company") is pleased to offer e-voting facility as an alternate to the postal ballot to all the shareholders of the Company. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the shareholders to cast their votes electronically instead of dispatching duly filled postal ballot forms. E-voting is optional.

• In case of Members receiving Postal Ballot intimation by e-mail:

1. Open e-mail and open PDF file viz; "Hotel Leela e-Voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
2. Open internet browser by typing the following URL: https://www.evoting.nsdl.com
3. Click on Shareholder - Login.
4. Type user ID and password as initial password noted in step (1) above. Click Login.
5. On Login, Change Password menu will appear. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note the new password for future reference. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. On changing the password, the home page of e-Voting will open. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of Hotel Leelaventure Limited.
8. Now you are ready for e-Voting as Cast Vote page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once you have voted on there solution, you will not be allowed to modify your vote.
12. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to vsundaramfcs1@hotmail.com with a copy marked to evoting@nsdl.co.in.

• In case of Members receiving Postal Ballot Form by Post:

1. Initial password is provided as below at the bottom of the Postal Ballot Form to be used to exercise your vote in respect of the proposed resolution.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

2. Please follow all steps from Sl. No. 2 to Sl. No. 12 above, to cast your vote by electronic means.
3. The e-voting period will commence on 25th November, 2014 (10:00 a.m.) and end on 24th December, 2014 (5:00 p.m.) (both days inclusive). During this period Members, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL thereafter. Please note that once the vote on a resolution has been cast, Members cannot change it subsequently.
4. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company. The Scrutinizer will then submit his report to the Chairman and Managing Director of the Company after completion of the scrutiny and the results of the voting by Postal Ballot will be announced on 30th December, 2014 at 11.00 a.m. at the Registered Office of the Company at The Leela Mumbai, Sahar, Mumbai 400 059. The said results will also be intimated to the stock exchanges, published in newspapers and uploaded on the Company's website viz. www.theleela.com and of NSDL viz. https://www.evoting.nsdl.com.

• General Instructions:

1. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Download section of https://www.evoting.nsdl.com.
2. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
3. You can also update your e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE

Item No. 1: Amendment to Main Object Clause of the Memorandum of Association

The Company is presently engaged in the business of hospitality, including owning, operating and managing hotels. As one of India's leading operators of luxury hotels, the Company has substantial experience and expertise in the development, construction, furnishing, equipping, operating, managing, servicing, marketing and supervising the overall operations of five star deluxe, luxury class and world-class hotels and resorts. The Company also presently operates two commercial and retail complexes called The Leela Galleria, located adjacent to the hotels in Mumbai and Bangalore, which are leased out for office and retail space. Over the last 25 years, the Company has created significant brand presence in India through its existing luxury properties.

High debt funded projects has led to a high debt component in the capital structure of the Company. With a view to maximising overall stakeholder value, the management of the Company has been exploring new avenues of business which will generate revenue, which may be conveniently and advantageously combined with existing business of the Company.

Of late, some of the leading international hotel chains are building serviced residences next to their hotels and monetizing the same by way of sale or long term lease. This effectively reduces the overall investment in the hotel and makes the hotel financially more viable. Some developers also opt for development of mixed use complexes with hotels, commercial, retail and residential properties. The Company also proposes to follow this strategy in some of the hotels that may be built in future and also in the Leela Palace, Chanakyapuri, where additional Floor Space Index (FSI) is available. As this is not specifically covered under the main Objects Clause under the Company's Memorandum of Association, it is proposed to modify the Objects Clause accordingly.

Some of the developers of residential properties have approached the Company for the Company's association with such projects and also for branding such residences with "The Leela" name. This is also not specifically covered in the Company's Memorandum of Association and is proposed to be covered now.

The business activities discussed hereinabove can be conveniently and advantageously combined with the existing business of the Company. In order to elaborate and clarify the existing business of the Company and to enable the Company to undertake this additional businesses as above, it is proposed to amend the Main Objects Clause of the Memorandum of Association of the Company.

The Board of Directors at its meeting held on 11th August, 2014 decided to alter main object clause in the Memorandum of Association in order to elaborate the present business and to enable the Company to carry out the above new line of business in addition to its existing hotel business. By virtue of Section 13 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014; approval of members by way of special resolution under postal ballot is a prerequisite to amend the objects clause of the Company and thus your approval is sought for the same.

The existing main object clause and proposed main object clause are given below:

Existing main object clause	Proposed new main object clause
To own, construct, furnish, run, take over, manage, carry on the business of hotel, motel, restaurant, café, tavern, bars, refreshment-rooms, boarding and lodging, house keepers, clubs, casinos, association in India or in any other part of the world, and/or to render technical advice thereon.	To carry on, in India or elsewhere, either alone or jointly with one or more persons, companies, government, or other entities and bodies of any kind, the business of hotels of every kind and sort, motel, restaurant, café, bakery, tavern, wine, beer and spirit merchants, refreshment-rooms, boarding and lodging, house keepers, caterers, clubs, casinos, coach, cab and motor car proprietors, along with all the conveniences, amenities and facilities adjunct thereto, including rooms, serviced residences, banquet halls, function halls, meeting rooms, fitness centers, spas, beauty parlours, saloons, bars, discotheques, shopping galleria, libraries, chemists, amusement and recreational facilities, laundry facilities, transport facilities, back offices, and such other facilities as may be provided in hotels of all kinds, and to own, purchase, take over, acquire, erect, construct, build, set up, furnish, adapt manage, run, use, maintain, operate or in any other manner and in all its aspects deal in, hotels of every kind and sort, including all land, buildings, premises, conveniences, amenities and facilities adjunct thereto, and to manage hotels of every kind and sort, with all related facilities and necessary adjuncts, whether owned by the Company or otherwise, and to render technical services, managerial services, advisory services thereon, including in relation to construction and operations of hotels with all related facilities and necessary adjuncts, to any persons or entities, and also to carry on the business of builders, developers, re-developers, constructors, masoners, contractors, designers, architects, consultants, of residences, apartments, dwelling houses, residential complexes, tenements, serviced residences, branded residences, offices, shops, exhibition halls, conference centres, auditoriums, discotheques, sports and recreational facilities, and structures or properties of all kinds, tenure or description for commercial or residential purpose with requisite infrastructure and conveniences, and for these purposes to, either alone or jointly with one or more persons, government, or other bodies, to purchase, own, take on lease or otherwise acquire and hold any lands or buildings of any tenure or description wherever situated, or rights or interests therein or connected therewith, to prepare building sites, and to construct, reconstruct, pull down, renovate, develop, alter, improve, decorate, furnish, use, manage and maintain such properties, either alone or jointly with one or more persons, and whether under its own brand name and/or that of one or more other persons, and to lease, sell, license, rent, deal in or to otherwise dispose of the same on ownership basis, instalment basis, license, lease or rental or any other basis and transfer such properties or any rights therein to co-operative societies, limited companies, bodies corporate, partnerships or association of persons or individuals or any person or entity, as the case may be, and to promote, operate, maintain, manage, market, enter into brand licensing arrangements, provide consultancy services, technical services, operation and management services, facilities management services, hospitality services, hotel services, housekeeping services and other services, to any persons or entities, relating to the business of the Company in relation to residential and commercial projects, immovable properties and other real estate assets and to enter into any arrangements of licensing, brokerage, commission, technical, business or financial collaboration with any other party or concern, in relation thereto.

The Memorandum of Association of the Company, proposed to be amended as stated above, is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors, Key Managerial Personnel of Company and their relatives are in any way, deemed to be concerned or interested financially or otherwise in the Special resolution as set out at Item No. 1 of the Notice.

The Board recommends the resolution as set out at Item No. 1 of the Notice for approval by the shareholders.

Items No. 2 & 3: Amendments to Clause III B, Clause III C and Clause IV of the Memorandum of Association

With the enactment of new Companies Act, 2013, it is considered expedient to amend the form of the existing Memorandum of Association to be in accordance with the requirements under the Companies Act, 2013.

In terms of Section 4(1)(c) of the Companies Act, 2013, the Memorandum of Association of a company is to state the objects for which the Company is proposed to be incorporated and any matter considered necessary in furtherance thereof. As such, the requirements of separately indicating the "main objects", "incidental or ancillary objects" and "other objects" under the erstwhile legislation has changed. Accordingly, it is proposed to replace the existing heading of Clause III B, to move Clauses 58 to 77 of "Other Objects" in the existing Memorandum of Association, as relevant and may be required, to the Clause III (B) of the revised Memorandum of Association and delete the heading "Other Objects" in the existing Memorandum of Association in order comply with the provision of the Companies Act, 2013 including Table A.

Further, certain provisions of the existing Clause III B and III C were repetitive or required to be rephrased for the purpose of clarity or were not matters necessary for the furtherance of the main objects of the Company. Thus, while making the afore mentioned amendment it is considered expedient to amend such provisions of the existing Memorandum of Association to consolidate or delete repetitions, to delete matters which are not necessary for the furtherance of the main objects of the Company and to rephrase clauses for the purpose of clarity. It may be noted that the alterations are in the nature of additions, clarifications, restatements and consolidation of the current clauses and that the scope of the existing clauses remain

substantively as before. A summary of the changes pertaining to consolidation, deletions and rephrasing undertaken in Clause III B and III C are provided below in tabular format for ease of reference:

Sr. No.	Type of Change	Existing Clause Number	New Clause Number
A	Consolidation	III B(6), (8) and (9)	Clauses III B(7)
		III B(11), III C(67) and (68)	III B(9)
		III B(14) and (53)	III B (21)
		III B(19), (30) and (36)	Clauses III B(18)
		III B(24) and III C (73)	III B(24)
		III B(28) and (32)	III B(29)
		III B(31) and (43)	III B(31)
		III B(46) and (50)	III B(42)
		III B(55), III C(74) and (75)	III B(49)
B	Deletion	III C(58), (61), (62), (63), (64), (65),(69),(71) and (72)	NA
C	Amended/ Rephrased/ Restated	III B (2)	III B (2)
		III B (3)	III B (3)
		III B (5)	III B (5)
		III B (7)	III B (6)
		III B (12)	III B (10)
		III B (13)	III B (11)
		III B(16)	III B(15)
		III B(18)	III B(17)
		III B(21)	III B(20)
		III B(23)	III B(23)
		III B (25)	III B (25)
		III B (26)	III B (27)
		III B(27)	III B(28)
		III B(29)	III B(30)
		III B (33)	III B (32)
		III B (34)	III B (33)
		III B (38)	III B (35)
III B(41)	III B(38)		
III B(42)	III B(39)		
III B(57)	III B(54)		
III C(76)	III B(12)		
III C(77)	III B(13)		

Sr. No.	Type of Change	Existing Clause Number	New Clause Number
D	Renumbered without any amendment/ revision in clause	III B (10)	III B (8)
		III B (15)	III B (14)
		III B (17)	III B (16)
		III B (20)	III B (19)
		III B (37)	III B (34)
		III B (39)	III B (36)
		III B (40)	III B (37)
		III B (44)	III B (40)
		III B (45)	III B (41)
		III B (47)	III B (43)
		III B (48)	III B (44)
		III B (49)	III B (45)
		III B (51)	III B (46)
		III B (52)	III B (47)
		III B (54)	III B (48)
		III C (59)	III B (50)
		III C (60)	III B (51)
		III C (66)	III B (52)
		III C (70)	III B (53)

Further, in terms of Section 4(1)(d) of the Companies Act, 2013, the Memorandum of Association of a company is to state, in the case of a company limited by shares, that liability of its members is limited to the amount unpaid, if any, on the shares held by them. Accordingly, it is proposed to amend Clause IV of the Memorandum of Association so as to comply with the provisions of Section 4 and 13 and other applicable provisions, of the Companies Act, 2013 including Table A.

The Board of Directors at its meeting held on 11th August, 2014 decided to alter the Memorandum of Association as stated above to comply with the requirements under the Companies Act, 2013.

The proposed new draft Memorandum of Association is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors, Key Managerial Personnel of Company and their relatives are in any way, deemed to be concerned or interested financially or otherwise in the Special resolution as set out at Item No. 2 and 3 of the Notice.

The Board recommends the resolutions as set out at Item No. 2 and 3 of the Notice for approval by the shareholders.

Item No. 4: Adoption of New Set of Articles

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company need to be re-aligned as per the provisions of the new Act.

The Board of Directors at its meeting held on 11th August, 2014 decided to incorporate/substitute/alter certain provisions as per the Companies Act, 2013. As this would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association from [Articles No. 1 to 164] in place of and in exclusion to the existing Articles of Association [Articles No.1 to 196] of the Company. The new Articles of Association to be substituted in place of the existing Articles of Association is based on Table "F" of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a company limited by shares.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

The proposed new draft Articles of Association is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors, Key Managerial Personnel of Company and their relatives are in any way, deemed to be concerned or interested financially or otherwise in the Special resolution as set out at Item No. 4 of the Notice.

The Board recommends the resolution as set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5: To make investments, give loans, guarantees and provide securities beyond the prescribed limits

As per the provisions of Section 186 (b) of the Companies Act, 2013, no company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Where such giving of any loan or guarantee or providing any security or the acquisition exceeds the limits specified under Section 186 of the Companies Act, 2013 prior approval by means of a special resolution passed at a general meeting is necessary.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing loans or give guarantee or provide security in connection with such loans for an amount not exceeding Rs. 500 Crores.

Further, as part of its "Asset Light Strategy" the Company is in the process of reducing its debts by divestment of certain hotel assets of the Company, but leverage on its experience and brand image to manage such hotels on a long term basis. Further, in order to secure long term management arrangements and to protect the interests of the Company in continuing to manage such hotels, it may be required to retain or invest in a minority stake in the shareholdings in the relevant companies owning such divested hotels, subject to the terms as may be agreed with the relevant purchasers.

Accordingly, the consent of the Members by way of Special Resolution is being sought under the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investments, providing loans or give guarantee or provide security in connection with loans for an amount not exceeding the limit of Rs. 500 Crores.

None of the Key Managerial Personnel, Directors, and their relatives is in any way, deemed to be concerned or interested financially or otherwise in the resolution proposed to be passed.

The Board recommends the resolution as set out at Sr. No. 5 of the Notice for approval by the shareholders.

Item No. 6: Approval for sale of Leela Palaces and Resorts Limited, a wholly-owned subsidiary

The Company had acquired 100% of the shareholding in the erstwhile Iskon Estates Private Limited in the year 2008, which owned 6.88 acres of land in Agra, with a proposed plan to build a hotel. The name of Iskon Estates Private Limited was subsequently changed to Leela Palaces and Resorts Private Limited on 16th December, 2010 and then to Leela Palaces and Resorts Limited ("WOS") on 14th March, 2011.

As the members have previously been made aware, high debt funded projects has led to a high debt component in the capital structure of the Company. Thus the Company has been committed towards its debt reduction plan and accordingly has implemented the "Asset Light Strategy" to de-leverage its balance sheet, in the interests of maximising overall stakeholder value. Considering the present financial constraints of the Company and the "Asset Light Strategy" being followed by the Company, the management has been exploring options to sell assets with the intent to improve the capital structure. It is thus proposed to dispose of the investment of the Company in the WOS by way of the sale of 100% of the shareholding of the Company in the WOS, for an aggregate consideration of not less than Rs. 90 Crores.

The Company may be required to subscribe for additional equity shares in the WOS for conversion of outstanding loans and advances prior to the proposed sale/transfer. The Company has separately and simultaneously herewith sought the approval of the shareholders under Section 186 (b) of the Companies Act, 2013 in respect of the acquisition by way of subscription to such additional equity shares.

The proceeds from the sale of the WOS are proposed to be used for the purpose of overall debt reduction of the Company.

The approval of the members is being sought under Section 180 (1) (a) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges for the sale of the WOS (along with all assets and liabilities) by way of transfer of shares.

In terms of Section 180 (1) (a) of the Companies Act, 2013, the Board may sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company only with the consent of the members by way of special resolution. As the disposal of entire 100% shareholding in the WOS by the Company may be deemed to be sale or otherwise disposal of whole or substantially the whole of an undertaking, pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, consent of the shareholders is required through postal ballot.

Further in terms of Clause 49(V)(F) of the Listing Agreement, as amended by the circulars dated April 17, 2014 and September 15, 2014 issued by the Securities and Exchange Board of India, a company may not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

In view of significant erosion in the net-worth of the Company over the last three years due to losses on account of interest expenses, the WOS will be treated as a 'material subsidiary' of the Company in terms of Clause 49(V)(E) of the Listing Agreement, as amended, since the investments of the Company in the WOS exceeds 20% of the consolidated net-worth of the Company as per the last audited Balance Sheet of the Company as at 31st March, 2014.

Accordingly, the consent of the Members by way of Special Resolution is being sought for transfer of the entire investment of the Company in the WOS.

The Board of Directors is of the opinion that the proposed sale of the entire investment in the WOS is in the overall interest of the Company. The proposed special resolutions provide adequate flexibility and discretion to the Board to finalise the terms of the sale in consultation with advisors, experts or other authorities as may be required.

None of the Key Managerial Personnel, Directors of the Company and their relatives is in any way, deemed to be concerned or interested financially or otherwise in the special resolution as set out in the Notice.

The Board recommends the resolution as set out at Sr. No. 6 of the Notice for approval by the shareholders.

**By order of the Board
For Hotel Leelaventure Limited
Dinesh Kalani
Company Secretary**

Registered Office:
The Leela
Sahar
Mumbai - 400 059
Mumbai, 5th November, 2014.