



THE LEELA

PALACES HOTELS RESORTS

## HOTEL LEEAVENTURE LIMITED

CIN: L55101MH1981PLC024097

**Registered Office:** The Leela, Sahar, Mumbai – 400 059

**Website:** www.theleela.com ; **E-mail:** investor.service@theleela.com ; **Tel.** +91 22 6691 1182 / 83

### 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 special business set out in the resolution appended below is proposed to be passed as special resolution by way of postal ballot/e-voting. The explanatory statement pertaining to the said resolution setting out the facts concerning the 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 19th September, 2015, 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 4th November, 2015.

In compliance with the Clause 35B 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 9th November, 2015 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: Approval for sale of the Company’s Goa Hotel Undertaking**

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 Sections 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) (including

any statutory modification or re-enactment thereof, for the time being in force); the applicable provisions of the Listing Agreement; the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines and subject to such terms and conditions as may be specified by any of them while granting any such approvals and 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 a duly constituted committee thereof and any person authorised by the Board in this behalf), the consent, authority and approval of the members of the Company, including confirmation of actions taken hitherto, be and is hereby accorded, to the Board to sell, transfer, assign or cause to be sold, assigned, transferred and delivered the entire undertaking of the Company pertaining to the hotel in Goa, namely "The Leela Goa", Mobor, Goa, together with all its respective assets and liabilities, including but not limited to contracts, permits and licenses, employees, employee benefit funds, records, any other deeds and other instruments and documents necessary to transfer/assign all right, title and interest except the assets and liabilities specifically excluded, ("**Goa Hotel Undertaking**"), as a going concern, on a 'slump sale' basis for a lumpsum cash consideration of not less than Rs. 725 crores, subject to adjustments, if any, to Ceres Hotels Private Limited (or to its group company in India being a permitted assignee thereof) or to such other purchaser as the Board may identify and approve in this regard, with effect from such date and on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate in the interest of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to effect the sale and transfer of the Goa Hotel Undertaking to Ceres Hotels Private Limited (or to its group company in India being a permitted assignee thereof) or to such other purchaser as the Board may identify and approve in this regard, including finalizing, varying and settling the terms and conditions of the sale and transfer of the Goa Hotel Undertaking; to settle and finalise all issues that may arise in this regard, without further referring to the members of the Company; to negotiate and finalize the business transfer agreement, conveyance deeds, and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants as may be required) and to execute, deliver and perform such business transfer agreement, conveyance deeds, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities and lenders; to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/ or State Government(s) and/ or local authorities; and to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or to any Committee of Directors or any other Officer(s)/ Authorized Representative(s) of the Company 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**

**Anandghan Bohra  
Company Secretary**

**Registered Office:**

The Leela, Sahar  
Mumbai - 400 059  
Mumbai, 19th September, 2015.

**Notes:**

1. The explanatory statement and reasons for the proposed resolution pursuant to Section 102 of the Companies Act, 2013 ("**Act**") 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 25th September, 2015, which is the record date. A person who is not a member on the record date should treat this notice, for information purposes only.
4. In accordance with the provisions of Section 101 of the Act 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 Act 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 in to 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. Voting Period commences on 6th October, 2015, and ends on 4th November, 2015.
7. 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.
8. 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.
9. The Postal Ballot Notice is also being uploaded on the Company's website viz., [www.theleela.com](http://www.theleela.com) and of NSDL viz., <https://www.evoting.nsdl.com>.
10. All documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts 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 hereof upto 4th November, 2015.
11. 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 25th September, 2015. 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.

## 12. 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 the 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 4th November, 2015. 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 Act read with the Companies (Management and Administration) Rules, 2014, 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 the resolution, 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 Sr. No. 2 to Sr. No. 12 above, to cast your vote by electronic means.
3. The e-voting period will commence on 6th October, 2015 (09:00 a.m.) and end on 4th November, 2015 (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 9th November, 2015 at 11:00 a.m. at the Registered Office of the Company at The Leela, 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 to 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: Approval for sale of the Company's Goa Hotel Undertaking**

As the Members are aware, the Company had restructured its debts, under the Corporate Debt Restructuring (“**CDR**”) mechanism in September, 2012. In terms of the CDR package, the Company was required to reduce its debts by Rs. 2,031 crores by selling a hotel and also by selling/ monetising its core and non-core assets by 31st March, 2014. However, the Company could not sell the assets due to the unfavourable economic environment. In view of the delay in the sale of assets of the Company, 14 out of a total of 17 CDR lenders having an exposure of about 97% of the total CDR debt, assigned the debt in favour of JM Financial Asset Reconstruction Company Private Limited (“**JMFARC**”), with effect from 30th June, 2014 and the CDR Empowered Group has approved the exit of the Company from CDR. As on 31st March, 2015, the Company has a debt of Rs. 5,034 crores.

The Company has been committed towards its debt reduction plan and accordingly has implemented an “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. As already disclosed by the Company by way of a intimation to the Bombay Stock Exchange and the National Stock Exchange on 2nd March, 2015, the Assets Sale Committee, being the committee constituted to monitor the disposal of assets as envisaged under the CDR package, had in its meeting dated 2nd March, 2015, decided to commence the process of sale of the Goa Hotel Undertaking. JM Financial Institutional Securities Limited had been engaged for this purpose and expressions of interest were invited from interested parties through an advertisement. A bid process was undertaken where expressions of interest received were duly evaluated based on factors including consideration, proof of funds, terms and conditions attached to sale and other relevant aspects.

Pursuant to this process, it is now proposed to sell the Goa Hotel Undertaking for a lumpsum consideration of not less than Rs. 725 crores to Ceres Hotels Private Limited (a wholly owned Indian subsidiary of MetTube Sdn. Bhd., Malaysia, which proposes to engage in the hospitality business in India or to its group company in India being a permitted assignee thereof) or to such other purchaser the Board of Directors may identify and approve in this regard (“**Purchaser**”).

In its meeting held on 19th September, 2015, the Assets Sale Committee has recommended to the Board of Directors, the sale of the Goa Hotel Undertaking to Ceres Hotels Private Limited (or to its group company in India being a permitted assignee thereof). Further, the Audit Committee of the Company, at its meeting held on 19th September, 2015, has approved and recommended to the Board of Directors, the sale and transfer of the Goa Hotel Undertaking to Ceres Hotels Private Limited (or to its group company in India being a permitted assignee thereof) for the said consideration.

Pursuant thereto, the Board of Directors of the Company, at its meeting held on 19th September, 2015 have, subject to the approval of the members and other requisite approvals, approved the sale and transfer of the Goa Hotel Undertaking to the Purchaser, as a going concern, on a ‘slump sale’ basis for consideration not less than Rs. 725 crores, subject to adjustments if any. The Board of Directors has further accorded its approval for the execution of relevant transaction documents for giving effect to the above.

The Company has, on 19th September, 2015, executed a business transfer agreement with Ceres Hotels Private Limited and MetTube International Pte. Ltd (“**BTA**”) in relation to the transfer of the Goa Hotel Undertaking, and this was intimated to the stock exchanges on the same day.

The Company has owned, managed and operated the hotel named “The Leela Goa” located at Mobor, Goa (“Goa Hotel”) since 1990, having a capacity of up to 206 guest rooms. Pursuant to a Hotel Operations and Management

Services Agreement ("**HMA**"), to be executed simultaneous with the consummation of the transfer of the Goa Hotel Undertaking to the Ceres Hotels Private Limited (or to its group company in India being a permitted assignee thereof) under the BTA, the Company will continue to manage and operate the Goa Hotel and the Goa Hotel shall continue to be known as "The Leela, Goa".

The Goa Hotel Undertaking is proposed to be transferred as a going concern on a 'slump sale' basis (as defined under Section 2(42C) of the Income Tax Act, 1961) for a lumpsum consideration, without values being assigned to individual assets and liabilities, based on certain representations, warranties and indemnities (backed by an escrow arrangement) provided by the Company. The Goa Hotel Undertaking for the purpose of such transfer would comprise all undertakings of the Company pertaining exclusively to the Goa Hotel including transfer of all its movable assets, immovable assets, liabilities, customer contracts, lease agreements, vendor contracts, permits and licenses, employees and employee benefit funds pertaining to the Goa Hotel Undertaking, all bookings/reservations made by customers in relation to the Goa Hotel, and records pertaining to the Goa Hotel Undertaking, provided that certain identified assets and liabilities would be excluded from such transfer. As the Goa Hotel is built partly on the land owned by the Company and partly on leased land, simultaneous with the consummation of the transaction, the land currently on lease from Leela Lace Holdings Private Limited is also being acquired by the Purchaser. The employees of the Goa Hotel Undertaking shall be transferred to the Purchaser on same terms and with continuity of service. A post-closing working capital adjustment is also envisaged in the BTA. Pursuant to the HMA and the BTA, the Company and the promoters of the Company have agreed to certain non-compete restrictions in Goa.

The transfer of the Goa Hotel Undertaking is subject to certain conditions precedent including, inter alia, the Company obtaining a no-objection certificate from the Income Tax Department under the provisions of Section 281 of the Income Tax Act, 1961, receipt of the approval of the shareholders of the Company by way of special resolution and the approval of the Competition Commission of India.

Upon completion of the proposed transaction, the sale proceeds will be used for repayment to the lenders having a charge over the assets of the Goa Hotel Undertaking.

Taking into consideration the competitive bidding process undertaken for the sale of the Goa Hotel Undertaking, and the recommendations received from JM Financial Institutional Securities Limited (who have been appointed as the investment bankers), the Assets Sale Committee and the Audit Committee, the Board of Directors in its independent judgment have approved the sale of the Goa Hotel Undertaking at the consideration of not less than Rs. 725 crores.

Simultaneously with the execution of the BTA, Ceres Hotels Private Limited has issued a bank guarantee for an amount of Rs. 15 crores, which can be invoked by the Company, subject to certain conditions, in the event the said purchaser does not consummate the transaction.

In terms of Section 180(1)(a) of the Companies Act, 2013 (the "**Act**"), the Board of Directors of a company may sell or dispose the whole of the undertaking or substantially the whole of the undertaking of the company with the consent of the members by way of a special resolution. As per the explanation to Section 180(1)(a), "undertaking" is construed to mean an undertaking where the investment of the company exceeds 20% of the net worth of the company as per the audited balance sheet of the preceding financial year or if the undertaking generated 20% of the total income of the company during the previous financial year.

As per the certificate received by the Company from M/s. Picardo & Co., Chartered Accountants, the revenue of the Company from the Goa Hotel Undertaking is less than 20% of the total income of the Company during the financial year 2014-15. However, the investment of the Company in the Goa Hotel Undertaking exceeds 20% of the net worth of the Company in view of the Company's negative net-worth as per the audited balance sheet for the financial year 2014-15. Therefore, the Goa Hotel Undertaking constitutes an undertaking as per Section 180(1)(a) of the Act. Hence, it is proposed that shareholder consent by way of a special resolution be obtained for the proposed transfer and sale of the Goa Hotel Undertaking.

Basis the foregoing, assent (FOR) or dissent (AGAINST) of the shareholders of the Company in respect of the aforementioned special resolution, is being sought through postal ballot/ e-voting.

None of the Directors/ Managers/ Key Managerial Personnel of the Company and their relatives is/ are, in any way, concerned or interested in the said resolution, except to the extent of their respective shareholdings in the Company, if any, and such other additional obligations that they are required to fulfill in order to complete the transaction.

The Board of Directors recommend passing of this resolution.

**By order of the Board  
For Hotel Leelaventure Limited**

**Anandghan Bohra  
Company Secretary**

**Registered Office:**

The Leela, Sahar  
Mumbai - 400 059

Mumbai, 19th September, 2015