



THE LEELA
PALACES HOTELS RESORTS

HOTEL LEELAVENTURE LIMITED

Registered Office: The Leela Mumbai, Sahar, Mumbai - 400 059

CIN: L55101MH1981PLC024097 : **Website:** www.theleela.com

E-mail: investor.service@theleela.com : **Tel.** +91 22 6691 1182

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 resolutions appended below is proposed to be passed by the Members way of postal ballot/e-voting. The explanatory statement pertaining to the said resolutions 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 May 25, 2017, has appointed Mr. Prashant S. Mehta, Practising 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 Thursday, July 6, 2017.

In compliance with Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") 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 Monday, July 10, 2017 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 Karvy Computershare Private Limited viz. <https://www.evoting.karvy.com>, along with the Scrutinizer's report.

1. Item No. 1: Increase in authorized share capital of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 2013, if any, and Article 3 of the Articles of Association of the Company, the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the authorized share capital of the Company be and is hereby increased to INR 260,00,00,000 (Indian Rupees Two Hundred Sixty Crores) divided into 100,00,00,000 (One Hundred Crores) equity shares of Rs. 2 (Rupees Two) each and 60,00,000 (Sixty Lakhs) Redeemable Preference Shares of Rs.100 (Rupees One Hundred) each by creating an additional 40,00,00,000 (Forty Crores) equity shares of Rs. 2 (Rupees Two) each aggregating to INR 80,00,00,000 (Indian Rupees Eighty Crores)

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Chief Financial Officer or Company Secretary.

2. Item 2: Alteration of the Capital 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 Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification or re-enactment thereof for the time being in force),

Clause V of the Memorandum of Association of the Company be and is hereby amended and substituted by the following:

V. The authorized share capital of the Company is INR 260,00,00,000 (Indian Rupees Two Hundred Sixty Crores) divided into 100,00,00,000 (One Hundred Crores) equity shares of Rs 2 (Rupees two) each and 60,00,000 (Sixty Lakhs) Redeemable Preference Shares of Rs. 100 (Rupees One Hundred) each.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s).

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

Anandghan Bohra
Company Secretary

Registered Office:

The Leela, Sahar
Mumbai - 400 059

Mumbai, 25th May, 2017

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. Prashant S. Mehta, Practising 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 as on 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 Karvy Computershare Private Limited ("**Karvy**") 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 Tuesday, June 6, 2017 and ends on Thursday, July 6, 2017.
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 and of Karvy viz., <https://www.evoting.karvy.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 12.00 noon on all working days except Saturdays, Sundays and national holidays, from the date hereof upto Thursday, July 6, 2017.
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 Friday, June 2, 2017. The special resolution 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. Instruction 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 Thursday, July 6, 2017. 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 Regulation 44(1) of the Listing Regulation, 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 Karvy Computershare Private Limited 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. Launch an internet browser by typing the URL: <https://evoting.karvy.com>.
2. Enter the login credentials (i.e. User ID and password). The Event No.+ Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
3. After entering the above details Click on - Login.
4. You will now reach password change menu, wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the E-Voting Event Number for Hotel Leelaventure Limited.
7. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
8. Members holding shares under multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
9. Voting has to be done for each items of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
10. You may then cast your vote by selecting an appropriate option and click on "Submit".
11. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have not voted on the Resolution(s).
12. Corporate/ Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to Scrutinizer at e-mail ID: prashant.m@legacs.com, they may also upload the same in the e-voting module in their login. The scanned images of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

• **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.1 to Sr. No.12 above, to cast your vote by electronic means.
3. The e-voting period will commence on Tuesday, June 6, 2017 (09:00 a.m.) and end on Thursday, July 6, 2017 (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 Karvy 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 will be announced on Monday, July 10, 2017 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 Karvy viz., <https://www.evoting.karvy.com>.

• **General Instructions:**

1. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.
2. If you are already registered with Karvy 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

1. Item No. 1: Increase in authorised share capital of the Company

As the Members are aware, the Company had restructured its debts, under the Corporate Debt Restructuring ("CDR") mechanism in September, 2012. 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 Limited ("JMFARC"), with effect from 30th June, 2014 and the CDR Empowered Group had approved the exit of the Company from CDR.

The shareholders of the Company vide their special resolutions dated March 28, 2013 ("Shareholder Resolutions") had, *inter alia*, approved (i) the corporate debt restructuring scheme for restructuring of the existing debt facilities availed by the Company from the CDR Lenders (*as defined in the Shareholder Resolutions*), including issuance of equity shares or any other securities to the CDR Lenders and/or conversion of loans into equity, which had been embodied in the terms of the Master Restructuring Agreement dated 28th September, 2012 (MRA) executed by the Company; and (ii) allotment of equity shares, in terms of the CDR Package (*as defined in the Shareholder Resolutions*), each to the CDR Lenders /Security Trustee / Monitoring Institution (together with their successors and assigns), upon the exercise of the rights of the CDR Lenders /Security Trustee /Monitoring Institution to convert their outstanding loans into equity shares in accordance with the MRA and as per applicable provisions of Companies Act, 1956.

Subsequently, the Company has received a letter dated April 10, 2017 from JMFARC, in their capacity as trustee for JMFARC Hotels June 2014 Trust, wherein JMFARC called upon the Company to convert part of the existing outstanding dues aggregating to Rs. 275.09 crores into 16,39,43,459 fully paid

up equity shares of Rs. 2 each ("Conversion Letter") in terms of the covenants of the MRA in the form and manner provided herein below:

Particulars of the total outstanding loan	Amount of debt to be converted into equity	Effective date of conversion	Number of shares	Conversion price
Rs. 4,112.23 crore (dues assigned as on June 30, 2014)	Rs 275.09 crore	April 10, 2017	16,39,43,459	Rs 16.78 per equity share

The Conversion price of Rs. 16.78 per share mentioned in the Conversion Letter is determined based on the pricing guidelines prescribed under Regulation 76(1)(b) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as on the date of the Conversion Letter dated April 10, 2017. After the issue of shares as per the Conversion Letter, JMFRAC will hold 26% of the post-issue share capital of the Company. Under Regulation 10(2) of the Takeover Code, an acquirer may claim an exemption from making an open offer under Regulation 3 of the Takeover Code, if such acquirer has acquired the shares of the target company, not involving a change of control over the target company, pursuant to a scheme of corporate debt restructuring in terms of the Corporate Debt Restructuring Scheme notified by the Reserve Bank of India vide circular no. B.PBC 15/21.04, 114/2001 dated August 23, 2001, or any modification or re-notification thereto, provided that such scheme has been authorized by a special resolution by way of postal ballot by the shareholders of the target company.

In light of the above and in terms of the covenants of the MRA, the Shareholder Resolutions, and the Conversion Letter, it is now proposed to issue fully paid up equity shares to JMFRAC in the following manner, subject to receipt of shareholders' approval for increase in authorized capital:

Sr. no	Number of equity shares proposed to be issued	Price per share (Rs)	Amount of debt converted into equity (Rs)
1.	13,33,91,693	16.78 per equity share	2,23,83,12,609
2.	3,05,51,766 (subsequent to increase in authorized share capital)	16.78 per equity share	51,26,58,633
Total	16,39,43,459		2,75,09,71,242

The Company has an authorised equity share capital of Rs 180,00,00,000 divided into 60,00,00,000 equity shares of Rs 2 each and 60,00,00,000 preference shares of Rs 100 each. Out of the said authorised capital, the existing issued, paid up and subscribed share capital of the Company is 46,66,08,307 equity shares of Rs 2 each. Pursuant to the Conversion Letter, JMFRAC has asked the Company to allot 16,39,43,459 equity shares, out of which the Company is required to allot and issue 13,33,91,693 fully paid up equity shares immediately and the remaining 3,05,51,766 fully paid up equity shares post increase in the authorised share capital of the Company.

Out of the total equity shares to be issued to JMFRAC under the Conversion Letter, the board of directors by its board resolution dated May 25, 2017, as intimated to the stock exchanges on May 25, 2017, approved issuance and allotment of 13,33,91,693 equity shares to JMFRAC.

In order to issue further equity shares to JMFRAC pursuant to Conversion Letter and to have the flexibility for raising further capital by issue of shares, it is now proposed to increase the authorised capital by an additional 40,00,00,000 (Forty Crores) equity shares of Rs. 2 each aggregating to Rs. 80,00,00,000 (Rupees Eighty Crores).

Hence the board of directors recommends the above resolution for the consideration and approval of the members through ordinary resolution to be voted through postal ballot.

None of the directors and key managerial personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

2. Alteration of the Capital Clause of the Memorandum of Association

Any increase in authorised capital requires amendment to the capital clause of Memorandum of Association by way of special resolution. Further, the special resolution proposed for amendment of the Memorandum of Association is to be approved by the shareholders by way of postal ballot as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Members may please refer to Item No. 1 and the sections of the explanatory statement pertaining to Item No. 1, whereby the Company has proposed an ordinary resolution for increase in authorized share capital. Thereby, the Company further proposes the amendment to the capital clause of Memorandum of Association by way of special resolution.

Hence the board of directors recommends the above resolution for the consideration and approval of the members through special resolution.

A copy of the Memorandum of Association and Articles of Association is available for inspection by the members during office hours at the registered office of the Company on any working day up to the date of the meeting.

None of the directors and key managerial personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

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

**Anandghan Bohra
Company Secretary**

Registered Office:

The Leela, Sahar
Mumbai - 400 059

Mumbai, 25th May, 2017