

CERTIFIED TRUE COPY

For HOTEL LEELA VENTURE LTD.



HOTEL LEELAVENTURE LIMITED COMPANY SECRETARY

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

Dear Member,

NOTICE PURSUANT TO SECTION 192A(2) OF THE COMPANIES ACT, 1956.

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot), Rules, 2001, that the resolutions appended below are proposed to be passed as Special Resolutions by way of Postal Ballot.

Members' consent is requested for the proposals contained in the said Resolutions. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons therefor is annexed hereto along with a Postal Ballot form (the "Form") for your consideration.

Item No.1: Re-appointment of Mr. Vivek Nair as Vice Chairman & Managing Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and of the Articles of Association of the Company and subject to approval of the Central Government and such other sanctions as may be necessary, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Vivek Nair as the Vice Chairman & Managing Director of the Company for a period of five years with effect from 1st April, 2011 on such remuneration, perquisites and benefits as approved by the Remuneration Committee at its meeting held on 29th January, 2011 and on such terms and conditions as set out in the Explanatory Statement, with the liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment, including re-designation and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Vivek Nair;

RESOLVED FURTHER THAT in case of inadequacy or absence of profit in any financial year during the term of office of Mr. Vivek Nair, the remuneration, perquisites and benefits set out in the Explanatory Statement be paid to Mr. Vivek Nair only with the approval of the Central Government and/or if no such approval is obtained, then the salary, perquisites and benefits shall not exceed the ceiling provided in Schedule XIII to the Companies Act, 1956 as amended from time to time;

RESOLVED FURTHER THAT the Board of Directors or a Committee of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this Resolution."

Item No.2: Re-appointment of Mr. Dinesh Nair as Joint Managing Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and of the Articles of Association of the Company and subject to approval of the Central Government and such other sanctions as may be necessary, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Dinesh Nair as the Joint Managing Director of the Company for a period of five years with effect from 1st April, 2011 on such remuneration, perquisites and benefits as approved by the Remuneration Committee at its meeting held on 29th January, 2011 and on such terms and conditions as set out in the Explanatory Statement, with the liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment, including re-designation and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Dinesh Nair;

RESOLVED FURTHER THAT in case of inadequacy or absence of profit in any financial year during the term of office of Mr. Dinesh Nair, the remuneration, perquisites and benefits set out in the Explanatory Statement be paid to Mr. Dinesh Nair only with the approval of the Central Government and/or if no such approval is obtained, then the salary, perquisites and benefits shall not exceed the ceiling provided in Schedule XIII to the Companies Act, 1956 as amended from time to time;

RESOLVED FURTHER THAT the Board of Directors or a Committee of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this Resolution."

Item No.3: Re-appointment of Mr. Venu Krishnan as Deputy Managing Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and of the Articles of Association of the Company and subject to approval of the Central Government and such other sanctions as may be necessary, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Venu Krishnan as the Deputy Managing Director of the Company for a period of five years with effect from 1st April, 2011 on such remuneration, perquisites and benefits as approved by the Remuneration Committee at its meeting held on 29th January, 2011 and on such terms and conditions as set out in the Explanatory Statement, with the liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment, including re-designation and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Venu Krishnan;

RESOLVED FURTHER THAT in case of inadequacy or absence of profit in any financial year during the term of office of Mr. Venu Krishnan, the remuneration, perquisites and benefits set out in the Explanatory Statement be paid to Mr. Venu Krishnan only with the approval of the Central Government and/or if no such approval is obtained, then the salary, perquisites and benefits shall not exceed the ceiling provided in Schedule XIII to the Companies Act, 1956 as amended from time to time;

RESOLVED FURTHER THAT the Board of Directors or a Committee of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this Resolution."

Item No.4: Appointment of Mr. Krishna Deshika as Director – Finance & CFO

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and of the Articles of Association of the Company and subject to approval of the Central Government and such sanctions as may be necessary, approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Krishna Deshika as Director – Finance & CFO of the Company for a period of five years with effect from 17th January, 2011 on such remuneration, allowances, perquisites and benefits as approved by the Remuneration Committee at its meeting held on 13th November, 2010 and on such terms and conditions as set out in the Explanatory Statement, with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment, including re-designation and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Krishna Deshika;

RESOLVED FURTHER THAT in case of inadequacy or absence of profit in any financial year during the term of office of Mr. Krishna Deshika, the remuneration, perquisites and benefits set out in the Explanatory Statement be paid to Mr. Krishna Deshika only with the approval of the Central Government and/or if no such approval is obtained, then the salary, perquisites and benefits shall not exceed the ceiling provided in Schedule XIII to the Companies Act, 1956 as amended from time to time;

RESOLVED FURTHER THAT the Board of Directors or a Committee of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this Resolution."

By Order of the Board of Directors
For Hotel Leelaventure Limited

Dinesh Kalani
Company Secretary

Registered Office:

The Leela Kempinski,
Sahar, Mumbai – 400 059

Date: 29th January, 2011

NOTES

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business specified above is annexed hereto.
2. In terms of Section 192A of the Companies Act, 1956 read with the Postal Ballot Rules, the terms of business set out in the Notice above are sought to be passed by Postal Ballot.
3. The Board of Directors has appointed Mr. V. Sundaram, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. The Shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer before the close of working hours on or before Tuesday, the 5th April, 2011. Any postal Ballot Form received after 5th April, 2011 shall be treated as if the reply from the shareholders has not been received.
5. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
6. The Scrutinizer will submit the report to the Chairman or any other person authorised in this behalf, after completion of the scrutiny of the Postal Ballot Forms.
7. The results of the Postal Ballot will be announced by the Chairman of the Company or any one of the Directors of Company on Thursday, the 7th April, 2011 at the Registered Office of the Company at The Leela Kempinski, Sahar, Mumbai – 400 059 and will also be published in newspapers.
8. The Special Resolutions mentioned above 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, if any, against the said Resolutions.

ANNEXURE TO NOTICE- EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 173 (2) and Section 192A(2) of the Companies Act, 1956.

Item No.1: Re-appointment of Mr. Vivek Nair as Vice Chairman & Managing Director

At the Annual General Meeting held on 13th August, 2007, the Members had approved the reappointment of Mr. Vivek Nair as Vice Chairman & Managing Director for a period of five years with effect from 1st April, 2007 to 31st March 2012. The Board of Directors at its meeting held on 29th January, 2011 has decided, before the completion of his present tenure, to re-appoint Mr. Vivek Nair as Vice Chairman & Managing Director for a period of five years with effect from 1st April, 2011 on a revised remuneration as recommended by the Remuneration Committee, subject to the approval of the Members and the Central Government.

Background and job profile of Mr. Vivek Nair:

Mr. Vivek Nair, B.A. (Hons.), Post Graduate in Hotel Management, aged 59 years, has been the Managing Director of the Company since 1983 and the Vice Chairman & Managing Director of the Company since 1996.

After graduating from St. Xavier's College, Mumbai, Mr. Vivek Nair underwent a post graduate program in hotel management from Cornell University's School of Hotel Administration in Ithaca, New York, USA and has over 30 years of rich experience.

Mr. Vivek Nair is the Chairperson of the World Travel and Tourism Council, India Initiative (WTTCII) for the year 2011. He is an executive committee member of the Services Export Promotion Council (SEPC) of the Government of India and is currently the Vice President of the FHRAI, the apex body representing the hospitality industry which represents more than 3,550 hotels and restaurants in the country and also the President of South Indian Hotels & Restaurants Association (SIHRA).

Mr. Vivek Nair has been responsible for the management of the Company under the overall superintendence, direction and control of the Board. Under Mr. Vivek Nair's able leadership, the Company has achieved phenomenal growth, set up hotels at various locations, built enviable brand equity through sustained quality standards and marketing arrangements, and has bagged many awards and received accolades for its various units in the last four years.

Period of re-appointment and remuneration:

It is proposed to re-appoint Mr. Vivek Nair as Vice Chairman & Managing Director for a period of 5 years with effect from 1st April, 2011 on the following terms:

- i. Basic Salary : Rs.15,00,000 per month.
- ii. Commission : 1% of the Net profits of the Company
- iii. Perquisites :

In addition to the aforesaid salary, Mr. Vivek Nair shall be entitled to the following perquisites:

- (a) Rent free furnished accommodation owned / leased / rented by the Company.
- (b) Contributions to Provident Fund at 12% of the basic salary
- (c) Use of chauffeur driven Company car and telecommunication facilities at residence.
- (d) Reimbursement of medical expenses for self and family at actuals.
- (e) Encashment of unavailed leave as per the Rules of the Company, subject to a maximum of 30 days per annum.
- (f) Gratuity, Mediclaim policy for self and family, personal accident insurance for self in accordance with the rules of the Company.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act / Rules wherever applicable and in absence of any such provision, perquisites shall be valued at actual cost.

iv. Minimum Remuneration:

Where in any financial year during the term of office of Mr. Vivek Nair, the Company has no profits or its profits are inadequate, unless the approval of Central Government is obtained, the Company will pay the remuneration by way of salary and perquisites as per the maximum amount permissible under Schedule XIII to the Companies Act, 1956, as amended from time to time.

v. Annual increment: Not exceeding 20% of Cost to Company.

vi. The Board of Directors may re-designate Mr. Vivek Nair during his tenure.

Mr. Vivek Nair shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) of Directors. He shall not be liable to retire by rotation.

The salary structure of the managerial personnel in the hotel industry has undergone a major change. The proposed remuneration is comparable with the remuneration being paid by other companies for similar position. Considering his extensive experience in the hotel industry, future plans of the Company, valuable contributions to the Company, enormous responsibilities shouldered by him, your Directors felt desirable that the remuneration of Mr. Vivek Nair be revised with effect from 1st April, 2011.

A draft of the Agreement proposed to be entered into between the Company and Mr. Vivek Nair in connection with his re-appointment as Vice Chairman & Managing Director of the Company, is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of declaration of the results of Postal Ballot.

Mr. Vivek Nair is a member of the promoter group and holds 2,46,420 shares in the Company in his name and 7,92,335 shares jointly with Mr. Dinesh Nair, as trustees of Krishnan Nair Leela Family Trust.

Mr. Vivek Nair holds Directorship in seven Public Limited Companies given below and fifteen private limited companies:

Sr. No.	Name of the Company
1.	Raheja Universal Limited
2.	Kerala State Industrial Development Corporation Limited (as nominee of Kerala Government)
3.	Tourism Finance Corporation of India Limited
4.	VIP Industries Limited
5.	Leela Palaces and Resorts Private Limited (subsidiary of Hotel Leelaventure Limited)
6.	Leela Capital & Finance Limited
7.	Mumbai International Convention & Exhibition Centre Limited

Except Mr. Vivek Nair and Capt. C. P. Krishnan Nair, Mr. Dinesh Nair and Mrs. Madhu Nair, who are related to him, none of the other Directors may be deemed to be concerned or interested in the above resolution.

The terms and conditions for the re-appointment and the remuneration payable to Mr. Vivek Nair as set out in the Notice and the above Explanatory Statement may also be treated as an abstract of the terms of his re-appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for approval of the Members.

Item No.2: Re-appointment of Mr. Dinesh Nair as Joint Managing Director

At the Annual General Meeting held on 13th August, 2007, the Members had approved the re-appointment of Mr. Dinesh Nair as Joint Managing Director for a period of five years with effect from 1st April, 2007 to 31st March, 2012. The Board of Directors at its meeting held on 29th January, 2011 has decided, before the completion of his present tenure, to re-appoint Mr. Dinesh Nair as Joint Managing Director for a period of five years with effect from 1st April, 2011 on a revised remuneration as recommended by the Remuneration Committee, subject to the approval of the Members and the Central Government.

Background and job profile of Mr.Dinesh Nair

Mr. Dinesh Nair (B.Com), aged 55 years, took over management of Leela Scottish Lace Private Limited in the early 80s and focused on the American Juniors Sportswear market. He was instrumental in ensuring rapid growth in sales, transforming Leela Scottish Lace Private Limited into one of the largest manufacturers and exporters of fashion garments from India to the United States. Mr. Dinesh Nair has been associated with our Company since its inception, and has over 30 years of experience in management, administration, marketing, materials and hotel management.

He is actively involved in various hotel projects and commercial matters of the Company. Under his able guidance and supervision, the Company has achieved phenomenal growth, set up hotels at various locations and also bagged many awards and received accolades for its various units in the last four years.

Period of appointment and remuneration:

It is proposed to appoint Mr. Dinesh Nair as Joint Managing Director for a period of 5 years with effect from 1st April, 2011 on the following terms:

- | | | |
|------|---------------|--|
| i. | Basic Salary | : Rs.15,00,000 per month. |
| ii. | Commission | : 1% of the Net profits of the Company |
| iii. | Perquisites : | |

In addition to the aforesaid salary, Mr. Dinesh Nair shall be entitled to the following perquisites:

- (a) Rent free furnished accommodation owned / leased / rented by the Company.
- (b) Contributions to Provident Fund at 12% of the basic salary
- (c) Use of chauffeur driven Company car and telecommunication facilities at residence.
- (d) Reimbursement of medical expenses at actuals.
- (e) Encashment of unavailed leave as per the Rules of the Company, subject to a maximum of 30 days per annum.
- (f) Gratuity, Mediclaim policy for self and family, personal accident insurance for self in accordance with the rules of the Company.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act / Rules wherever applicable and in absence of any such provision, perquisites shall be valued at actual cost.

- iv. Minimum Remuneration:

Where in any financial year during the tenure of office of Mr. Dinesh Nair, the Company has no profits or its profits are inadequate, unless the approval of Central Government is obtained, the Company will pay the remuneration by way of salary and perquisites as per the maximum amount permissible under Schedule XIII to the Companies Act, 1956, as amended from time to time.

- v. Annual increment: Not exceeding 20% of Cost to Company.

- vi. The Board of Directors may re-designate Mr. Dinesh Nair during his tenure.

Mr. Dinesh Nair shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) of Directors. He shall not be liable to retire by rotation.

The salary structure of the managerial personnel in the hotel industry has undergone a major change. The proposed remuneration is comparable with the remuneration being paid by other companies for similar position. Considering his extensive experience in the hotel industry, future plans of the Company, valuable contributions to the Company, enormous responsibilities shouldered by him, your Directors felt desirable that the remuneration of Mr. Dinesh Nair be revised with effect from 1st April, 2011.

The terms and conditions of the re-appointment and the remuneration payable to Mr. Dinesh Nair as set out in the Notice and Explanatory Statement may also be treated as an abstract of the terms of his appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

A draft of the Agreement proposed to be entered between the Company and Mr. Dinesh Nair in connection with his appointment as Joint Managing Director of the Company is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of declaration of the results of Postal Ballot.

He is a member of the promoter group and holds 3,74,050 shares in the Company in his name and 7,92,335 shares jointly with Mr. Vivek Nair, as trustees of Krishnan Nair Leela Family Trust.

Mr. Dinesh Nair holds Directorship in the following four Public Limited Companies and fourteen private limited companies:

Sr. No.	Name of the Company
1.	Leela Capital & Finance Limited
2.	Amin Group Hotel Limited (subsidiary of Hotel Leelaventure Limited)
3.	Leela Palaces and Resorts Private Limited (subsidiary of Hotel Leelaventure Limited)
4.	Mumbai International Convention & Exhibition Centre Limited

Except Mr. Dinesh Nair and Capt. C. P. Krishnan Nair, Mr. Vivek Nair and Mrs. Madhu Nair, who are related to him, none of the other Directors may be deemed to be concerned or interested in the above resolution.

Yours Directors recommend the resolution for approval of the Members.

Item No.3: Re-appointment of Mr. Venu Krishnan as Deputy Managing Director

Mr. Venu Krishnan was appointed as Deputy Managing Director of the Company at the Annual General Meeting held on 31st July, 2006 for a period of five years with effect from 1st April, 2006, which term will expire on 31st March, 2011. The Board of Directors at its meeting held on 29th January, 2011 has re-appointed Mr. Venu Krishnan as Deputy Managing Director for a further period of five years with effect from 1st April, 2011 on a revised remuneration as recommended by the Remuneration Committee, subject to the approval of the Members and the Central Government.

Background and job profile of Mr. Venu Krishnan:

Mr. Venu Krishnan (B.Com), aged 56 years, has been associated with the Group for over thirty years. He has extensive experience in project implementation, commercial, legal and administrative matters and is responsible for these functions in the Company.

Period of re-appointment and remuneration:

It is proposed to re-appoint Mr. Venu Krishnan as Deputy Managing Director for a period of 5 years with effect from 1st April, 2011 on the following terms:

- i. Basic Salary : Rs.12,00,000 per month.
- ii. Perquisites :

In addition to the aforesaid salary, Mr. Venu Krishnan shall be entitled to the following perquisites:

- (a) Rent free furnished accommodation owned / leased / rented by the Company.
- (b) Contributions to Provident Fund at 12% of the basic salary
- (c) Use of chauffeur driven Company car and telecommunication facilities at residence
- (d) Encashment of unavailed leave as per the Rules of the Company, subject to a maximum of 30 days per annum.
- (e) Gratuity, Mediclaim policy for self and family, personal accident insurance for self and other perquisites in accordance with the rules of the Company.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act / Rules wherever applicable and in absence of any such provision, perquisites shall be valued at actual cost.

iii. Minimum Remuneration:

Where in any financial year during the currency of the tenure of Mr. Venu Krishnan, the Company has no profits or its profits are inadequate, unless the approval of Central Government is obtained, the Company will pay the remuneration by way of salary and perquisites as per the maximum amount permissible under Schedule XIII to the Companies Act, 1956, as amended from time to time.

iv. Annual increment: Not exceeding 20% of Cost to Company.

v. The Board of Directors may re-designate Mr. Venu Krishnan during his tenure.

Mr. Venu Krishnan shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) of Directors. He shall not be liable to retire by rotation.

The salary structure of the managerial personnel in the hotel industry has undergone a major change. The proposed remuneration is comparable with the remuneration being paid by other companies for similar position. Considering his extensive experience in the hotel industry, future plans of the Company, valuable contributions to the Company, enormous responsibilities shouldered by him, your Directors felt desirable that the remuneration of Mr. Venu Krishnan be revised with effect from 1st April, 2011.

A draft of the Agreement proposed to be entered between the Company and Mr. Venu Krishnan in connection with his re-appointment as Deputy Managing Director of the Company is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of declaration of results of postal ballot.

Mr. Venu Krishnan does not have any relationship with any managerial personnel of the Company.

Mr. Venu Krishnan does not hold any shares in the Company.

Mr. Venu Krishnan is on the Board of following three Public Limited companies and twenty one private limited companies:

Sr. No.	Name of the Company
1.	Amin Group Hotel Limited (Subsidiary of Hotel Leelaventure Limited)
2.	Leela Palaces and Resorts Private Limited (subsidiary of Hotel Leelaventure Limited)
3.	Kinfra International Apparel Parks Limited

Except Mr. Venu Krishnan, none of the other Directors may be deemed to be concerned or interested in the above resolution.

The terms and conditions for the re-appointment and the remuneration payable to Mr. Venu Krishnan as set out in the Notice and Explanatory Statement may also be treated as an abstract of the terms of his re-appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for approval of the Members.

Item No.4: Appointment of Mr. Krishna Deshika as Director-Finance & CFO

Mr. Krishna Deshika joined the Company as Chief Financial Officer (CFO) with effect from 15th September, 2010. The Board of Directors at its meeting held on 13th November, 2010 appointed Mr. Krishna Deshika as Director- Finance & CFO for a period of five years with effect from 17th January, 2011 on such remuneration as recommended by the Remuneration Committee, subject to the approval of the Members and the Central Government.

Background and job profile of Mr. Krishna Deshika:

Mr. Krishna Deshika (B.Com, LL.B, F.C.A, F.C.S.), aged 55 years, has nearly thirty one years of extensive experience in the field of Finance, Accounts, company Secretarial, Legal and Commercial functions. He was with the JSW Group for about 15 years, with Millipore India Limited for 2 years and with HMT Limited for about 14 years. In JSW Group, he was the Director Finance of JSW Energy Limited till March 2007. Subsequently, in his capacity as Joint Group CFO, he was on the Board of JSW Bengal Steel Limited, JSW Energy (Bengal) Limited, JSW Aluminium Limited, JSW Cement Limited and JSW Infrastructure Limited.

Mr. Krishna Deshika is responsible for Finance, Accounts, Taxation and Company Secretarial functions under the overall superintendence, direction and control of the Managing Directors.

Period of appointment and remuneration:

It is proposed to appoint Mr. Krishna Deshika as Director – Finance & CFO for a period of 5 years with effect from 17th January, 2011 on the following terms:

- i. Monthly Salary :
 - Basic Salary : Rs.5,00,000/-
 - House rent allowance : Rs.1,00,000/-
 - Special allowance : Rs.5,80,000/-

- ii. Perquisites :

In addition to the aforesaid salary and allowances, Mr. Deshika shall be entitled to the following perquisites:

- (a) Contributions to Provident Fund at 12% of the basic salary.
- (b) Use of chauffer driven Company car and telecommunication facilities at residence.
- (c) Encashment of unavailed leave as per the Rules of the Company, subject to a maximum of 30 days per annum.
- (d) Gratuity, Mediclaim policy for self and family, personal accident insurance for self and other benefits in accordance with the rules of the Company.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act / Rules wherever applicable and in absence of any such provision, perquisites shall be valued at actual cost.

- iii. Minimum Remuneration:

Where in any financial year during the currency of the tenure of Mr. Krishna Deshika, the Company has no profits or its profits are inadequate, unless the approval of Central Government is obtained, the Company will pay the remuneration by way of salary and perquisites and allowances as per the maximum amount permissible under Schedule XIII to the Companies Act, 1956, as amended from time to time.

- iv. Annual increment: Not exceeding 20% of Cost to Company.

- v. The Board of Directors may re-designate Mr. Krishna Deshika during his tenure.

Mr. Deshika shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) of Directors. He shall not be liable to retire by rotation.

The proposed remuneration structure is comparable with the remuneration paid by other companies for similar position considering his qualifications and extensive experience in the industry.

A draft of the Agreement proposed to be entered into between the Company and Mr. Krishna Deshika in connection with his appointment as Director – Finance & CFO of the Company is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of declaration of the results of Postal Ballot.

Mr. Deshika has no pecuniary relationship with the Company, directly or indirectly, and also does not have any relationship with any managerial personnel of the Company. He holds 1,800 equity shares of the Company. He does not hold Directorship of any other company.

Except Mr. Deshika, none of the other Directors may be deemed to be concerned or interested in the above resolution.

The terms and conditions for the re-appointment and the remuneration payable to Mr. Krishna Deshika as set out in the Notice and Explanatory Statement may also be treated as an abstract of the terms of his appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for approval of the Members.

By Order of the Board of Directors
For Hotel Leelaventure Limited

Dinesh Kalani
Company Secretary

Registered Office:

The Leela Kempinski,
Sahar, Mumbai – 400 059

Date: 29th January, 2011