



HOTEL LEEAVENTURE LIMITED

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

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COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day : Wednesday
Date : 21st December, 2011
Time : 11:00 a.m.
Venue : Rangsharda Auditorium,
K.C.Marg, Near Leelavati Hospital,
Bandra Reclamation, Bandra (West),
Mumbai – 400 050

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For any clarifications regarding the Scheme of Arrangement,
please write to
investor.service@theleela.com

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 670 OF 2011**

In the matter of the Companies Act, 1956;

And

In the matter of Application under Sections 391 to 394, of the
Companies Act, 1956;

And

In the matter of Hotel Leelaventure Limited

[CIN: L55101MH1981PLC024097] a company, incorporated
under the Companies Act, 1956 having its registered office at
The Leela, Sahar, Mumbai – 400 059;

And

In the matter of Scheme of Arrangement between Hotel
Leelaventure Limited;

And

Kovalam Resort Private Limited
and their respective shareholders and creditors

Hotel Leelaventure Limited [CIN: L55101MH1981PLC024097]	}	
a company, incorporated under the Companies Act, 1956 and	}	
having its registered office at The Leela, Sahar, Mumbai 400 059	}	...Applicant Company

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF HOTEL LEELAVENTURE LIMITED, THE
APPLICANT COMPANY**

To,

The Equity Shareholders of Hotel Leelaventure Limited (the "Applicant Company")

Take Notice that by an Order made on Friday, the 18th day of November, 2011 in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of equity shareholders of the Applicant Company be held at Rangsharda Auditorium, K.C.Marg, Near Leelavati Hospital, Bandra Reclamation, Bandra (West), Mumbai – 400 050 on Wednesday, the 21st day of December, 2011 at 11:00 a.m. (1100 hours), for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Hotel Leelaventure Limited and Kovalam Resort Private Limited and their respective shareholders and creditors (the "Scheme").

Take further notice that in pursuance of the said Order, a meeting of the equity shareholders of the Applicant Company will be held at Rangsharda Auditorium, K.C.Marg, Near Leelavati Hospital, Bandra Reclamation, Bandra (West), Mumbai – 400 050 on Wednesday, the 21st day of December, 2011 at 11:00 a.m. (1100 hours) when you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorized signatory, is deposited at the Registered Office of the Applicant Company at The Leela, Sahar, Mumbai – 400 059 not later than 48 hours before the scheduled time of the commencement of the said meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. Vivek Nair, the Vice Chairman and Managing Director of the Applicant Company and failing him, Mr. Venu Krishnan, Deputy Managing Director of the Applicant Company and failing him, Mr. Krishna Deshika, Director – Finance & CFO of the Applicant Company as the Chairman of the said meeting.

A copy each of the Scheme, the Statement under Section 393 of the Companies Act, 1956 and Form of proxy is enclosed.

Sd/-

(Vivek Nair)

Chairman appointed for the meeting

Dated this 21st day of November, 2011.

Registered Office:

The Leela,
Sahar,
Mumbai – 400059

Place: Mumbai

Notes:

- (1) All alterations in the Form of Proxy should be initialed.
- (2) Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the equity shareholders' meeting. The representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the equity shareholders' meeting, provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate is deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting authorizing such representative to attend and vote at the equity shareholders' meeting.

Encl: as above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 670 OF 2011**

In the matter of the Companies Act, 1956;

-And-

In the matter of application under Sections 391 to 394 of the Companies Act, 1956;

-And-

In the matter of Hotel Leelaventure Limited

[CIN: L55101MH1981PLC024097] a company, incorporated under the Companies Act, 1956 and having its registered office at The Leela, Sahar, Mumbai 400 059;

-And-

In the matter of the Scheme of Arrangement between Hotel Leelaventure Limited and Kovalam Resort Private Limited and their respective shareholders and creditors.

Hotel Leelaventure Limited, [CIN: L55101MH1981PLC024097] }
a company, incorporated under the Companies Act, 1956 and }
having its registered office at The Leela, Sahar, Mumbai 400 059 }

...Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to the Order dated November 18, 2011 passed by the Hon'ble High Court of Judicature at Bombay in the Company summons for direction referred to above, a meeting of the equity shareholders of the Applicant Company is being convened and held for the purpose of considering and, if thought fit, approving with or without modifications, the scheme of arrangement between Hotel Leelaventure Limited (the "**Applicant Company**") or the "**Transferor Company**"), having its registered office at The Leela, Sahar, Mumbai 400059 and Kovalam Resort Private Limited (the "**Transferee Company**"), a company incorporated under the Companies Act, 1956 (the "**Act**") having its registered office at The Leela, Sahar, Mumbai 400 059, and their respective shareholders and creditors under Sections 391-394 of the Act (the "**Scheme**").
2. A copy of the Scheme is attached to the notice of the meeting.
3. The Applicant Company was incorporated under the Act on March 20, 1981 at Mumbai as a private limited company under the name "Hotel Leelaventure Private Limited." The name of the Applicant Company was changed to "Hotel Leelaventure Limited" and a fresh certificate of incorporation upon change of name was granted on March 10, 1983.
4. The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The Applicant Company is primarily engaged in the business of hospitality, including owning, operating and managing hotels. The main object of the Applicant Company is set out hereunder:
"III.A.(1) To own construct, furnish, run, take over, manage, carry on the business of hotel, motel, restaurant, cafe, 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 service thereon."
5. The details of the authorised, issued, subscribed and paid-up share capital of the Applicant Company are set out in the Scheme. The equity shares of the Applicant Company are listed on the Bombay Stock Exchange Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"). The Non-convertible Debentures issued by the Applicant Company are listed under the Whole-sale Debt Market Segment of BSE. U.S. \$100,000,000 Zero Coupon Convertible Bonds issued by the Applicant Company are listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") as foreign debt securities.
6. The Transferee Company was incorporated under the Act on August 27, 2011. It is a subsidiary of the Applicant Company in which 99.90% of shareholding is held by the Applicant Company and the balance 0.10% shareholding is held by a wholly owned subsidiary of the Applicant Company, viz. Leela Palaces and Resorts Limited ("**Leela Palaces**"). The registered office of the Transferee Company is located at The Leela, Sahar, Mumbai 400 059.
7. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main object of the Transferee Company is set out hereunder:
III.A.(1) "To own, construct, furnish, run, take over, acquire, manage, carry on the business of hotel, resort, 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."
8. The details of the authorised, issued, subscribed and paid-up share capital of the Transferee Company are set out in the Scheme. The equity shares of the Transferee Company are not listed on any stock exchange.

BACKGROUND TO THE SCHEME

9. The Applicant Company is one of India's leading operators of luxury hotels. The Applicant Company commenced operations in Mumbai in 1986 with The Leela, Mumbai. The Applicant Company operates five-star deluxe hotels in India's major cities and tourist destinations. The Applicant Company currently owns and/or operates seven hotels: The Leela, Mumbai, The Leela Palace, Bangalore, The Leela, Goa, The Leela, Kovalam, The Leela Palace, Udaipur, The

Leela Palace, New Delhi and The Leela Kempinski, Gurgaon, Delhi (NCR). The Applicant Company also 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. The Applicant is developing an additional luxury hotel in Chennai, which is expected to be completed in the last quarter of the current fiscal year. The hotels of the Applicant Company have been awarded several significant hospitality industry awards in India and internationally.

10. The Transferee Company is a subsidiary of the Applicant Company, established with the objects of carrying on the hotel and hospitality business.
11. The Scheme provides for the transfer of the Kovalam hotel undertaking of the Applicant Company with all its assets and liabilities ("Undertaking", as more particularly described in the Scheme) as a going concern on a slump sale basis to the Transferee Company, in consideration of issuance of 9,999,800 (nine million nine hundred and ninety nine thousand eight hundred) equity shares of Rs. 10/- (Rupees Ten Only) each (the "Consideration Shares"; which shares shall be issued at a premium of Rs. 490/- (Rupees Four Hundred and Ninety Only) per share) of the Transferee Company to the Transferor Company pursuant to Sections 391 to 394 and other relevant provisions of the Act, and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
12. It is proposed that upon the effectiveness of the Scheme, 100% (one hundred percent) of the shares issued by the Transferee Company (including the Consideration Shares) and held by the Transferor Company and Leela Palaces shall be transferred to Kollam Royal Park Hotel & Resorts Private Limited ("Kollam Royal Park"), a company owned and controlled by Dr. B. Ravindran Pillai, and incorporated under the Act and having its registered office at XXV/812, Sri Valsam, Ramavarma Club Road, Thevally PO, Kollam 691 009 Kerala, India, for an aggregate cash consideration of Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only), such that the Transferor Company and Leela Palaces cease to be shareholders in the Transferee Company. The purchase price for the transfer of shares as above is payable in tranches, with an amount of Rs. 360,00,00,000/- (Rupees Three Hundred and Sixty Crores Only), having already been received by the Transferor Company as advance, and which is secured by assets pertaining to the Undertaking as per the terms of the documentation executed in relation thereto. In relation to the abovementioned transfer of shares, a Memorandum of Understanding dated August 17, 2011 (the "MOU") was entered into between the Transferor Company and Travancore Enterprises Private Limited, a company incorporated under the Act, and having its registered office at XXV/812, Sri Valsam, Ramavarma Club Road, Thevally PO, Kollam 691 009 Kerala, India ("TEPL", an affiliate of Kollam Royal Park, and promoted by Dr. B. Ravindran Pillai), and a share purchase agreement dated October 06, 2011 (the "SPA"), executed between the Transferor Company, the Transferee Company, TEPL and Leela Palaces. TEPL, the original proposed investor, has assigned its rights, interests and obligations under the SPA to Kollam Royal Park, and Kollam Royal Park, has pursuant to a deed of adherence dated November 10, 2011 agreed to acquire the shares of the Transferee Company from the Transferor Company and Leela Palaces, along with a nominee, upon the effectiveness of the Scheme instead of TEPL and to abide by all obligations, rights and interests of TEPL under the SPA and the MOU. TEPL has agreed to remain responsible for the performance of all of its obligations under the SPA.
13. Pursuant to the transfer of shares as above and upon effectiveness of the Scheme, the Transferor Company shall continue to manage and operate the Kovalam Undertaking under "The Leela" brand name in terms of an operation and management services agreement dated October 06, 2011 executed between the Applicant Company and the Transferee Company.

RATIONALE FOR THE SCHEME:

14. Over the last 25 years, the Applicant Company has created significant brand presence in India through its existing luxury properties. Hence, with the intent to leverage its brand and grow further without substantial capital investments, the Applicant Company intends to follow an "Asset Light Strategy". The "Asset Light Strategy" would help the Company to reduce its debts and improve profitability due to reduction of interest burden.
15. Pursuant to the "Asset Light Strategy", it is proposed that the Undertaking be transferred to and vested in the Transferee Company by way of a slump sale for consideration other than cash pursuant to a scheme of arrangement under Sections 391 to 394 and other relevant provisions of the Act, followed by a transfer of shares of the Transferee Company to Kollam Royal Park.
16. The Scheme was placed before the Board of Directors of the Applicant Company at its meeting held on September 08, 2011. The Undertaking has been duly valued by BDO Consulting Private Limited, an independent valuer. Further, Fortress Capital Management Services Private Limited, independent merchant banker provided a fairness opinion on the fairness of the consideration determined for the transfer of the Undertaking to the Transferee Company. The aforementioned valuation report and fairness opinion are available for inspection.
17. The Board of Directors of the Applicant Company has, based on and relying upon the aforesaid report/opinion, and on the basis of its independent evaluation and judgment, approved the Scheme at its meeting held on September 08, 2011.
18. Similarly the Scheme was placed before the Board of Directors of the Transferee Company at its meeting held on September 08, 2011 who, upon due consideration and on the basis of its independent evaluation and judgment, have approved the Scheme.
19. Pursuant to the assignment of the rights and obligations of TEPL to Kollam Royal Park, the committee of directors constituted by the Board of Directors of the Applicant Company in its meeting held on November 10, 2011 approved the aforesaid assignment and execution of necessary documents in relation thereto.

SALIENT FEATURES OF THE SCHEME:

20. The salient features of the Scheme are as follows:

- (i) The Scheme provides that the Undertaking of the Applicant Company shall be transferred to the Transferee Company by way of a slump sale under Sections 391 to 394 and other relevant provisions of the Act in the manner provided for in the Scheme as and from the Effective Date and with effect from the Appointed Date. Upon the Scheme becoming effective, in consideration of the transfer and vesting of the Undertaking in the Transferee Company on the Effective Date, or on such later date as the Applicant Company may consent to in writing, the Applicant Company shall be entitled to receive, and the Transferee Company shall issue and allot to the Applicant Company the Consideration Shares, i.e. 9,999,800 (nine million nine hundred and ninety nine thousand eight hundred) fully paid-up equity shares of the face value of Rs. 10/- (Rupees Ten only) each of the Transferee Company, at a premium of Rs. 490/- (Rupees Four Hundred and Ninety Only) per share.
- (ii) The "Appointed Date" means the opening of business on September 01, 2011.
- (iii) The "Effective Date" means the last of the dates on which all of the conditions and matters mentioned in Clause 20 (xviii) below are fulfilled or waived in accordance with the Scheme annexed hereto.
- (iv) The Undertaking (as defined in the Scheme) means all the undertakings, business, activities, operations, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company pertaining to The Leela, Kovalam, Kerala, Thiruvananthapuram 695 527 (the "Hotel") to be transferred on a going concern basis, which shall mean and include (without limitation):
- (a) all assets and properties (including investments), moveable and immoveable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible of whatsoever nature, wheresoever situated, including, the Hotel, all lands and buildings (whether freehold or leasehold), including the Land (as defined in Clause 2(K) of the Scheme) and building thereon, benefits of any rental agreements for use of premises, offices, plant and machinery, vehicles, equipment, appliances, accessories, furniture, fixtures, sundry debtors, inventories, cash and cash equivalents, bank accounts (including bank balances), bills of exchange, benefit of any deposits, financial assets, investments, benefit of any bank guarantees, performance guarantees and letters of credit in relation to the Undertaking, funds belonging to or proposed to be utilized for the Undertaking, the EBITDA (as defined under Clause 2(E) of the Scheme) of the Undertaking commencing as of the Appointed Date, loans (excluding inter divisional loans) and advances together with accrued interest thereon; all debts and liabilities (including contingent liabilities pertaining to the Undertaking), duties and obligations, secured or unsecured, whether provided for or not or disclosed in the books of account of the Applicant Company (other than corporate taxes on profits under the Income Tax Act, 1961, prior to the Appointed Date); and all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Applicant Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Undertaking;
 - (b) all permits, quotas, rights (including, without limitation, rights under any shareholders agreements, or customer contracts, or other contracts or agreements, including all contracts pertaining to the Hotel), entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions and authorizations, approvals, authorizations, consents, subsidies, (including the benefit of any applications made for any of the foregoing) tenancies in relation to the properties, offices, software programs and data (whether proprietary or otherwise), goodwill, privileges, all other rights, benefits and entitlements including any tax exemptions, deferrals and other benefits or privileges, lease rights (including the benefit of any applications made therefor), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, e-mail connections, communication facilities, and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Undertaking, as on the Appointed Date;
 - (c) all earnest moneys and / or security deposits paid by Applicant Company in connection with or relating to the Undertaking;
 - (d) all employees on the payroll of the Transferor Company engaged in or in relation to the Undertaking as on the Effective Date;
 - (e) advantages of whatsoever nature and wheresoever situated, belonging to or in the ownership, possession, power or control of or vested in or granted in favour of or enjoyed by Applicant Company in relation to the Undertaking;
 - (f) all necessary records, files, papers, formulae, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records in connection with or relating to the Undertaking as on the Appointed Date;
 - (g) it is hereby clarified that the term "Undertaking" shall not include any trademark, trade name or logo being used by the Applicant Company in relation to the Undertaking or the Hotel or any part thereof (such as spas, restaurants, etc. forming part of the Hotel) or otherwise, including without limitation, the name 'Leela' or 'Divya'; and
 - (h) for the avoidance of doubt, it is hereby clarified that the investment held by the Applicant Company in the Transferee Company does not form part of the Undertaking.
- (v) "Remaining Business" means all the assets, undertakings, businesses, properties, activities and operations

(including all investments) of the Applicant Company other than those comprised in the Undertaking.

(vi) The Scheme envisages that:

- (a) Upon the coming into effect of the Scheme and subject to the provisions thereof, with effect from the Appointed Date, the Undertaking (including all the estates, assets, rights, properties, liabilities, obligations, title, interest and authorities including accretions and appurtenances of the Undertaking) shall, subject to the provisions of the Scheme in relation to the mode of vesting and pursuant to Section 394(2) of the Companies Act and without any further act or deed, be transferred to and vest in or be deemed to have been transferred to and vest in the Transferee Company as a going concern so as to become on and from the Appointed Date, the estates, assets, rights, properties, liabilities, obligations, title, interest and authorities of the Transferee Company.
- (b) In respect of such of the assets of the Undertaking as are movable in nature or are otherwise capable of transfer by delivery, manual or constructive, or by endorsement and delivery, the same shall stand transferred by the Applicant Company upon the coming into effect of the Scheme, and shall become the property of the Transferee Company as an integral part of the Undertaking with effect from the Appointed Date pursuant to the provisions of Section 394 of the Companies Act, without requiring any deed or instrument of conveyance for transfer of the same.
- (c) The assets of the Undertaking as described in sub-clause (a) above, other than those referred to in sub-clause (b), shall without any further act, instrument or deed, be transferred to and vest in and / or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date, pursuant to the provisions of Section 394 of the Companies Act.
- (d) Without prejudice to the generality of the foregoing, all assets, estate, rights, title, interest and authorities held by the Applicant Company on the Appointed Date as regards the Land shall stand transferred to and vest in the Transferee Company upon the coming into effect of the Scheme.
- (e) All assets, estate, rights, title, interest and authorities acquired by the Applicant Company after the Appointed Date and prior to, or as on the Effective Date for operation of the Undertaking, including any EBITDA, shall also stand transferred to and vest in the Transferee Company upon the coming into effect of the Scheme.

(vii) The Scheme further provides that:

- (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, all contracts (including without limitation any contracts with employees, contracts or documents relating to intellectual property), deeds, bonds, offers, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Undertaking, to which the Applicant Company is a party or to the benefit of which the Applicant Company is or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act or deed, be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced, without any further act or deed, as fully and effectually as if, instead of the Applicant Company, the Transferee Company had been a party or beneficiary or obligee thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, offers, agreements, schemes, arrangements and other instruments to give effect to the provisions of the Scheme in relation to this Clause (vii).
- (b) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme and with effect from the Appointed Date, all consents, permissions, licenses, approvals, certificates, clearances, authorities given by, issued to or executed in favour of the Applicant Company including by any Governmental Authority (as defined in the Scheme), in relation to the Undertaking, including the benefits of any applications made for any of the foregoing, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.

(viii) The Scheme further provides that:

- (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the liabilities forming part of the Land shall, without any further act or deed, be and stand transferred to the Transferee Company and shall thereupon become the debts, liabilities and obligations of the Transferee Company which the Transferee Company shall meet, discharge and satisfy to the exclusion of the Applicant Company. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of the Scheme in relation to the same.
- (b) All loans raised and used and all liabilities and obligations incurred by the Applicant Company for the operations of the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on such later date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (c) Where any of the liabilities forming part of the Undertaking have been discharged by the Applicant Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

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- (d) Upon the coming into effect of the Scheme, all legal, taxation (other than corporate taxes on profits under the Income Tax Act, 1961) or other proceedings, whether civil or criminal (including any proceedings before any statutory or quasi judicial authority or tribunal), by or against the Applicant Company under any statute, whether pending on the Effective Date or which may be instituted in future in respect of any matter and in each case relating to the Undertaking shall be continued and be enforced by or against the Transferee Company with effect from the Effective Date. In the event that the legal proceedings referred to herein require both the Applicant Company and the Transferee Company to be parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Applicant Company.
- (ix) The Scheme provides that from the Appointed Date and up to and including the Effective Date:
- (a) The Applicant Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Undertaking and stand possessed of all the estates, assets, rights, title and interest of the Undertaking for and on account of, and in trust for, the Transferee Company.
- (b) All profits accruing to the Applicant Company, or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company.
- (x) In relation to the employees of the Undertaking, the Scheme provides that:
- (a) upon coming into effect all employees of the Applicant Company as are engaged in the Undertaking and who are in the employment of the Applicant Company as on the Effective Date (the "Transferred Employees") shall, subject to the provisions of the Scheme in relation thereto, on terms and conditions not less favourable than those on which they are engaged by the Applicant Company in relation to the Undertaking and without any interruption of or break in service as a result of the transfer of the Undertaking, become the employees of the Transferee Company with effect from the Effective Date. All expenses, emoluments and liabilities relating to the Transferred Employees shall be borne and paid by the Transferee Company from the Effective Date. The Transferee Company shall be legally liable to pay to each Transferred Employee, in the event of such Transferred Employee's retrenchment, compensation on the basis that such Transferred Employee's service has been continuous and has not been interrupted by the transfer. The Applicant Company shall pay or make adequate provision for making payment, in respect of all amounts due and payable and/or accrued to the Transferred Employees for the period prior to the Effective Date, including salaries, wages, remuneration, allowances, bonuses, ex gratia, service benefits, reimbursements and any and all payments and/or benefits whatsoever, including contributions required to be made to any gratuity trust, provident fund or any other such fund. The Transferee Company shall continue to abide by any agreement / settlement entered into by the Applicant Company in respect of the Undertaking with any union / employees of the Applicant Company in relation to the Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Transferred Employees with the Applicant Company shall also be taken into account, and the Transferee Company shall pay the same as and when payable.
- (b) Insofar as the existing gratuity trust created by the Applicant Company for its employees (including the Transferred Employees) is concerned, an amount equivalent to the actuarial liability of the Applicant Company with respect to the Transferred Employees as of the Effective Date shall be transferred to the fund established by the Transferee Company.
- (c) In relation to those Transferred Employees for whom the Applicant Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Applicant Company for all purposes whatsoever, including relating to the obligation to making contributions to the said fund in accordance with the provisions of such fund, bye laws etc. in respect of such Transferred Employees, on and with effect from the Effective Date.
- (d) In relation to any other fund created or existing for the benefit of the Transferred Employees, on and with effect from the Effective Date, the Transferee Company shall stand substituted for the Applicant Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of the Transferred Employees.
- (xi) The Scheme clarifies that the transfer and vesting of the assets, liabilities and obligations of the Undertaking and the continuance of the proceedings by or against the Transferee Company pursuant to the Scheme shall not affect any transaction or proceedings already completed by the Applicant Company on the Effective Date to the end and intent that, subject to the relevant provisions of the Scheme, the Transferee Company accepts all acts, deeds and things done and executed by the Applicant Company as acts, deeds and things done and executed by and / or on behalf of the Transferee Company.
- (xii) The Scheme also provides that:
- (a) The Remaining Business and all the assets, rights, titles, liabilities and obligations pertaining thereto shall continue to belong to and vest in and be managed by the Applicant Company.
- (b) All legal, taxation or other proceedings by or against the Applicant Company and relating to the Remaining Business under any statute, whether pending on the Effective Date or which may be instituted in future

whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Applicant Company in respect of the Remaining Business) shall be continued and enforced by or against the Applicant Company.

(xiii) With effect from the Appointed Date and up to and including the Effective Date:

- (a) the Applicant Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf; and
- (b) all profits accruing to the Applicant Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Applicant Company.

(xiv) The Scheme also provides that:

- (a) Insofar as the assets comprising the Undertaking which are being transferred to the Transferee Company pursuant to the Scheme, the security and charge over such assets relating to any loans, borrowing or debentures which are not transferred pursuant to the Scheme (and which shall continue with the Applicant Company) shall, without any further act, instrument or deed be released and discharged from such encumbrance and shall no longer be available as security in relation to the Remaining Business. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.
- (b) The provisions of the Scheme in relation hereto shall operate, notwithstanding anything to the contrary contained in any deed or writing or terms of sanction or issue or any security documents all of which instruments shall stand modified and / or superseded by the relevant provisions of the Scheme.

(xv) The Consideration Shares shall rank pari passu in all respects, with the existing equity shares in the Transferee Company. The Consideration Shares, shall be issued in dematerialized form by the Transferee Company, unless otherwise notified in writing by the Applicant Company to the Transferee Company. The approval and consent to the Scheme by the shareholders of the Transferee Company pursuant to Sections 391 to 394 of the Act, shall be deemed to mean that such shareholders have also accorded their consent for the issuance of shares by the Transferee Company to the Applicant Company pursuant to the Scheme and other provisions of the Act, as may be applicable.

(xvi) Upon the Scheme coming into effect and with effect from the Appointed Date, the authorized share capital of the Transferee Company of Rs. 10,00,000/- (Rupees Ten Lakh Only) divided into 100,000 (one hundred thousand) equity shares of Rs. 10/- (Rupees Ten Only) each, in terms of Clause V of its Memorandum of Association shall stand enhanced by an amount of Rs. 9,99,98,000/- (Rupees Nine Crore Ninety Nine Lakh Ninety Eight Thousand Only). Accordingly, the words and figures in Clause V of the Memorandum of Association of the Transferee Company shall stand modified and substituted to be read as follows: "The authorised share capital of the Company is Rs. 10,00,98,000/- (Rupees Ten Crore Ninety Eight Thousand Only) divided into 10,009,800 (ten million nine thousand eight hundred) equity shares of Rs. 10/- (Rupees Ten Only) each."

(xvii) Between the date of the sanction of the Scheme by the High Court and the Effective Date, the Transferee Company shall give effect to the provisions of the Scheme as stated in Clause (xvi) and shall also make payment of all necessary fees for enhancement of its authorized capital, as applicable. For the purposes of the relevant provisions of the Scheme as set out in this Clause, the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the necessary amendment and no further resolution under Section 16 and Section 94 or any other applicable provisions of the Act, would be required to be separately passed by the Transferee Company.

(xviii) The Scheme is conditional upon and subject to:

- (a) The Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Applicant Company and the Transferee Company as required under the Companies Act, and the requisite orders of the High Court being obtained;
- (b) such other sanctions and approvals including sanction of any Governmental Authority or creditor being obtained as may be required by law in respect of the Scheme; and
- (c) The certified copies of the court orders referred to in the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only the salient features thereof.

- 21. The rights and interests of the members and the creditors of the Applicant Company and the Transferee Company will not be prejudicially affected by the Scheme.
- 22. The Applicant Company has received no objection letters from the BSE dated September 28, 2011 and from the NSE dated September 30, 2011, for filing the Scheme with the High Court of Judicature at Bombay. Pursuant to the assignment of the rights and obligations of TEPL under the SPA and MOU in favour of Kollam Royal Park, the Scheme to which BSE and NSE provided their no-objection to, was revised to reflect such assignment and related developments. Such revisions were intimated to the BSE and NSE by the Applicant Company vide letters dated November 11, 2011. The

copy of the Scheme enclosed to the notice of the shareholders meeting is the revised copy of the Scheme as filed with the BSE, NSE and the Hon'ble High Court of Judicature at Bombay.

The no objection letters from the BSE and the NSE are available for inspection and should be read in their entirety for information regarding the conditions imposed by the stock exchanges, which the Applicant Company shall comply with.

23. No investigation proceedings have been instituted and/or are pending in relation to the Applicant Company under Sections 235 and 250A of the Act, or under the provisions of the Monopolies and Restrictive Trade Practices Act, 1969. To the knowledge of the Applicant Company no winding up proceedings have been filed or are pending against the Applicant Company under the Act.
24. On the Scheme being approved as per the requirements of Section 391 of the Act, the Applicant Company and the Transferee Company will seek the sanction of the High Court of Judicature at Bombay to the Scheme.
25. The directors of each of the Applicant Company and the Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies or to the extent they may be allotted shares in the Transferee Company as a result of the Scheme.
26. The details of the present directors of the Applicant Company, and their shareholding in the Applicant Company as on November 18, 2011, are as follows:

Name of Directors*	Age (years)	Position	Equity Shares held in	
			Applicant Company	Transferee Company
Capt. C. P. Krishnan Nair**	88	Chairman	2,31,000	0
Mr. Vivek Nair**	59	Vice chairman & Managing Director	2,46,460	0
Mr. Dinesh Nair**	55	Joint Managing Director	3,74,050	0
Mr. Venu Krishnan	57	Deputy Managing Director	0	0
Mr. Krishna Deshika	56	Director - Finance & CFO	1,800	0
Mrs. Madhu Nair	50	Director	360	0
Mrs. Anna Malhotra	84	Director	2,500	0
Mr. M. Narasimham	84	Director	0	0
Mr. P.C.D. Nambiar	88	Director	15,000	0
Mr. Vijay Amritraj	57	Director	60,105	0
Mr. Anil Harish	57	Director	0	0
Dr. K.U. Mada	77	Director	9,500	0
Mr.R.Venkatachalam***	54	Director	500	0
Mr. C. K. Kutty#	71	Director	17,74,600	0
Mr. A.K. Dasgupta##	76	Director	0	0
Mr.Indur Kirpalani	64	Director	5,30,740	0

* The shareholding of relatives of the promoter directors, who form part of the promoters' group is disclosed under promoters' shareholding at Clause 30 below. The promoters directors are Capt. C.P. Krishnan Nair, Mr. Vivek Nair, Mr. Dinesh Nair and Mrs. Madhu Nair.

** Mr. Vivek Nair and Mr. Dinesh Nair also jointly hold 792,355 shares as trustees of Krishnan Nair Leela Family Trust, of which Capt. C. P. Krishnan Nair and Mrs. P. V. Leela Amma are also Trustees. These shares are included in the promoters' shareholding given in the shareholding pattern at Clause 30 below.

*** He jointly with his wife holds additional 2,000 shares in the Applicant Company.

His wife holds 229,500 shares in the Applicant Company.

He jointly with his wife holds 2,500 shares in the Applicant Company.

27. The details of the present directors of the Transferee Company, and their shareholding in the Transferee Company as on November 18, 2011 are as follows:

Name of Directors	Age (years)	Position	Equity Shares held in	
			Applicant Company	Transferee Company
Mr. Vivek Nair	59	Director	2,46,460	0
Mr. Venu Krishnan	57	Director	0	0
Mr. Krishna Deshika	56	Director	1,800	0

28. The pre and post restructuring share capital structure of the Applicant Company are as follows:

	Pre restructuring (as on November 18, 2011)	Post restructuring
A. Authorized Share Capital	Rupees	Rupees
60,00,00,000 Equity shares of Rs. 2/- each	120,00,00,000	120,00,00,000
60,00,000 Redeemable Preference Shares of Rs. 100/- each	60,00,00,000	60,00,00,000
Total	180,00,00,000	180,00,00,000
B. Issued, Subscribed and paid up Share Capital		
38,78,24,992 Equity Shares of Rs. 2/- each	77,56,49,984	77,56,49,984
Total	77,56,49,984	77,56,49,984

29. The pre and post restructuring share capital structure of the Transferee Company are as follows:

	Pre restructuring (as on November 18, 2011)	Post restructuring
A. Authorized Share Capital	Rupees	Rupees
1,00,000 Equity Shares of Rs. 10/- each	10,00,000	
1,00,09,800 Equity Shares of Rs. 10/- each		10,00,98,000
Total	10,00,000	10,00,98,000
B. Issued and Subscribed Share Capital		
10,000 Equity Shares of Rs. 10/- each	1,00,000	
1,00,09,800 Equity Shares of Rs. 10/- each		10,00,98,000
Total	1,00,000	10,00,98,000
C. Paid up Share Capital		
10,000 Equity Shares of Rs. 10/- each	1,00,000	
1,00,09,800 Equity Shares of Rs. 10/- each		10,00,98,000
Total	1,00,000	10,00,98,000

30. The pre and post restructuring share holding pattern of the Applicant Company are as follows:

	Description	Pre restructuring (as of September 30, 2011)		Post restructuring*	
		No. of Shares	% to holding	No. of Shares	% to holding
1	Promoters (Individuals / Corporates / Trust)	219,094,997	56.49	219,094,997	56.49
2	Mutual Funds	42,750	0.01	42,750	0.01
3	Banks	979,630	0.25	979,630	0.25
4	Insurance Cos.	24,209,523	6.24	24,209,523	6.24
5	FIs	6,767,671	1.75	6,767,671	1.75
6	Body Corporates	60,173,624	15.52	60,173,624	15.52

7	General Public	66,330,443	17.10	66,330,443	17.10
8	NRIs	10,226,354	2.64	10,226,354	2.64
	Total	387,824,992	100.00	387,824,992	100.00

* The shareholding pattern of the Applicant Company will not change in terms of the Scheme. However, there may be changes in the shareholding pattern because of market transactions in the shares of the Applicant Company till the time the Scheme becomes effective.

31. The pre and post restructuring share holding pattern of the Transferee Company are as follows:

	Description	Pre Restructuring (as of September 30, 2011)		Post Restructuring	
		No. of Shares	% to holding	No. of Shares	% to holding
1	Promoters (Hotel Leelaventure Limited)	9,990	99.90	0	0.00
2	Others (Leela Palaces)	10	0.10	0	0.00
3	Kollam Royal Park and its nominees	0	0.00	10,009,800	100.00
	Total	10,000	100.00	10,009,800	100.00

32. Corporate members intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (forty eight) hours before commencement of the meeting, authorising such person to attend and vote on its behalf at the meeting.
33. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Applicant Company. The instrument appointing the proxy should however be deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours prior to the commencement of the meeting.
34. The following documents will be open for inspection by the equity shareholders of the Applicant Company up to one day prior to the date of the meeting at its registered office between 10:00 a.m. and 12 noon on all working days, except Saturday:
- Papers and proceedings in Company summons for direction No. 670 of 2011 including certified copy of the Order of the Hon'ble High Court of Judicature at Bombay in the said Company summons for direction directing the convening and holding of the meetings of the equity shareholders of the Applicant Company;
 - Scheme of Arrangement;
 - Memorandum and Articles of Association of the Applicant Company and the Transferee Company as amended up to date;
 - Annual Report of the Applicant Company for the financial year ended March 31, 2011;
 - Unaudited Statement of Account of the Transferee Company as on September 30, 2011;
 - Unaudited financials of the Applicant Company for the quarter ended September 30, 2011 and the disclosures in accordance with Clauses 41 and 43 of the Listing Agreement for the quarter ended September 30, 2011 made by the Applicant Company;
 - Copies of No Objection letters dated September 28, 2011 and September 30, 2011 from the BSE and the NSE respectively, received by the Applicant Company, and copies of the letters dated November 11, 2011 issued by the Applicant Company to BSE and NSE;
 - Copy of the valuation report dated September 06, 2011 issued by BDO Consulting Private Limited, independent valuer;
 - Copy of the fairness opinion dated September 07, 2011 issued by Fortress Capital Management Services Private Limited, independent merchant banker;

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- (x) Memorandum of Understanding dated August 17, 2011 between the Applicant Company and TEPL, and deed of adherence dated September 12, 2011 executed by the Transferee Company, the Transferor Company and TEPL;
 - (xi) Share purchase agreement dated October 06, 2011 between the Applicant Company, the Transferee Company, TEPL and Leela Palaces;
 - (xii) Operation and management services agreement dated October 06, 2011, between the Applicant Company and the Transferee Company;
 - (xiii) Deed of simple mortgage dated October 06, 2011 between the Applicant Company, TEPL and the Transferee Company; and deed of hypothecation dated October 06, 2011 between the Applicant Company, TEPL and the Transferee Company;
 - (xiv) Deed of adherence dated November 10, 2011 between Applicant Company, the Transferee Company, TEPL, Leela Palaces and Kollam Royal Park;

This statement may be treated as the statement under Section 393 and also Section 173 of the Act. A copy of the Scheme and this statement may also be obtained from the registered office of the Applicant Company during ordinary business hours on weekdays.

Sd/-
(Vivek Nair)
Chairman appointed for the meeting

Dated this 21st day of November, 2011

Registered Office:
The Leela,
Sahar,
Mumbai 400 059

Place : Mumbai

SCHEME OF ARRANGEMENT

BETWEEN

HOTEL LEELAVENTURE LIMITED ... **Transferor Company**
AND

KOVALAM RESORT PRIVATE LIMITED ... **Transferee Company**
AND

their respective shareholders and creditors

PART I – GENERAL

- A. Hotel Leelaventure Limited (the "Transferor Company") is a public limited company incorporated under the Companies Act (as hereinafter defined), having its registered office at The Leela, Sahar, Mumbai 400 059. The Transferor Company is primarily engaged in the business of hospitality, including owning, operating and managing hotels. The equity shares of the Transferor Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (the "Stock Exchanges").
- B. Kovalam Resort Private Limited (the "Transferee Company") is a private company incorporated under the Companies Act (as hereinafter defined), having its registered office at The Leela, Sahar, Mumbai 400 059. The main object of the Transferee Company is to own, construct, furnish, run, takeover, manage, carry on the business of hotel, motel, restaurant, cafe, 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. The Transferee Company is a subsidiary of the Transferor Company, with 99.9% (ninety nine point nine percent) of the equity share capital of the Transferee Company being held by the Transferor Company and the remaining 0.1% (zero point one percent) of its equity share capital being held by Leela Palaces and Resorts Limited ("Leela Palaces"), a wholly-owned subsidiary of the Transferor Company.
- C. In order to de-leverage its balance sheet, and in the interests of maximising overall stakeholder value, the Transferor Company has decided to adopt an asset-light strategy. Therefore, with a view to effect such plan, the Transferor Company proposes that the Undertaking (as hereinafter defined) be transferred to and vest in the Transferee Company by a slump sale to be undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act for such consideration and in such manner as provided for in this Scheme.
- D. Pursuant to a Memorandum of Understanding dated August 17, 2011 entered into between the Transferor Company and Travancore Enterprises Private Limited, a company incorporated under the Companies Act, and having its registered office at XXV/812, Sri Valsam, Ramavarma Club Road, Thevally PO, Kollam 691 009, Kerala, India (the "Investor") and a Deed of Adherence thereto dated September 12, 2011 executed by the Transferee Company, the Transferor Company and the Investor, it is proposed that the Transferor Company shall transfer the Undertaking as a going concern to the Transferee Company by way of a slump sale, in consideration for which the Transferee Company shall issue to the Transferor Company 9,999,800 (nine million nine hundred and ninety nine thousand eight hundred) equity shares of Rs. 10/- (Rupees Ten Only) each (the "Consideration Shares"; which shares shall be issued at a premium of Rs. 490/- (Rupees Four Hundred and Ninety Only) per share). Subject thereto, the Investor and its nominees shall acquire 100% (one hundred percent) of the issued and paid up share capital of the Transferee Company by way of transfer of shares of the Transferee Company from the Transferor Company and Leela Palaces, to the Investor and its nominee(s), for cash consideration aggregating to Rs. 500,00,00,000/- (Rupees Five Hundred Crore Only), such that the Transferor Company and Leela Palaces cease to be shareholders in the Transferee Company. Pursuant to and in accordance with the terms of the MOU, the parties thereto were required to execute certain definitive agreements. The parties have accordingly executed, inter alia, the following agreements:
- a share purchase agreement dated October 6, 2011 (the "SPA"), executed between the Transferor Company, the Transferee Company, the Investor and Leela Palaces, setting out the detailed terms and conditions of the aforesaid sale and purchase of shares of the Transferee Company subsequent to the effectiveness of the Scheme; and
 - an operation and management service agreement dated October 6, 2011, executed between the Transferor Company and the Transferee Company, whereby the Transferor Company agreed to operate and manage the Hotel subsequent to the effectiveness of the Scheme in accordance with the terms and conditions therein contained.

Further, pursuant to an assignment of its rights, interests and obligations under the SPA and the MOU by the Investor to Kollam Royal Park Hotel & Resorts Private Limited ("Kollam Royal Park"), the Transferor Company, the Transferee Company, the Investor, Leela Palaces and Kollam Royal Park have executed a deed of adherence dated November 10, 2011. In terms of the said deed of adherence, Kollam Royal Park has assumed and agreed to abide by all obligations, and shall be entitled to all rights and interests of TEPL under the SPA and the MOU, and TEPL has agreed to remain responsible for the performance of all of its obligations under the SPA. Kollam Royal Park is an Indian company having its registered office in Kollam, Kerala, and is an affiliate of the Investor promoted by the promoter of the Investor who, along with his wife, holds 100% (one hundred percent) of the equity shares of Kollam Royal Park.

- E. This Scheme under Sections 391 to 394 of the Companies Act provides for the transfer of the Undertaking of the Transferor Company as a going concern on a slump sale basis to the Transferee Company, for the issue to the Transferor

Company of 9,999,800 (nine million nine hundred and ninety nine thousand eight hundred) equity shares of Rs. 10/- (Rupees Ten only) each of the Transferee Company, issued at a premium of Rs. 490/- (Rupees Four Hundred and Ninety Only) per share.

1. Definitions

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning(s):

- (A) **"Appointed Date"** means September 1, 2011;
- (B) **"Board of Directors"** in relation to each of the Transferee Company and the Transferor Company, as the case may be, means its board of directors as in existence from time to time and includes a committee of directors;
- (C) **"Companies Act"** means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force;
- (D) **"Consideration Shares"** shall have the meaning assigned to it in Recital D hereof;
- (E) **"EBITDA"** means earnings before income tax, depreciation and amortization, as such term is understood in accordance with generally accepted accounting principles applicable in India;
- (F) **"Effective Date"** means the date on which all the conditions and matters referred to in Clause 22 hereof have been fulfilled;
- (G) **"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India;
- (H) **"High Court"** means the High Court of Judicature at Bombay, Maharashtra;
- (I) **"Hotel"** means The Leela, Kovalam, Kerala, Thiruvananthapuram 695 527;
- (J) **"Investor"** shall have the meaning assigned to it in Recital D hereof;
- (K) **"Land"** means the plot of land measuring approximately 25.78.40 hectares comprised in the following Re-Survey Numbers- 7/1-1, 8/1, 8/2, 8/3, 8/20, 11/31, 14/1, 16/2, 16/3, 18, 19/1, 19/2, 19/6, 19/7, 19/8 and 29/1-1 of Block No.14, at Vizhinjam Village, Thiruvananthapuram 695 527, Kerala, bounded on the North by Vellar division of Thiruvananthapuram Corporation, on the South by Corporation Road to Hawa Beach, on the East by KTDC Samudra Hotel and on the West by the sea;
- (L) **"Remaining Business"** means all the assets, undertakings, businesses, properties, activities and operations (including all investments) of the Transferor Company other than those comprised in the Undertaking;
- (M) **"Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) made to it in accordance with its provisions;
- (N) **"Transferee Company"** shall have the meaning assigned to it in Recital B hereof;
- (O) **"Transferor Company"** shall have the meaning assigned to it in Recital A hereof;
- (P) **"Transferred Employee"** shall have the meaning assigned to it in Clause 9(a) hereof;
- (Q) **"Undertaking"** means all the undertakings, business, activities, operations, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Transferor Company pertaining to the Hotel to be transferred on a going concern basis, which shall mean and include (without limitation):
 - (i) all assets and properties (including investments), moveable and immoveable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible of whatsoever nature, wheresoever situated, including, the Hotel, all lands and buildings (whether freehold or leasehold), including the Land and building thereon, benefits of any rental agreements for use of premises, offices, plant and machinery, vehicles, equipment, appliances, accessories, furniture, fixtures, sundry debtors, inventories, cash and cash equivalents, bank accounts (including bank balances), bills of exchange, benefit of any deposits, financial assets, investments, benefit of any bank guarantees, performance guarantees and letters of credit in relation to the Undertaking, funds belonging to or proposed to be utilized for the Undertaking, the EBITDA of the Undertaking commencing as of the Appointed Date, loans (excluding inter divisional loans) and advances together with accrued interest thereon; all debts and liabilities (including contingent liabilities pertaining to the Undertaking), duties and obligations, secured or unsecured, whether provided for or not or disclosed in the books of account of the Transferor Company (other than corporate taxes on profits under the Income Tax Act, 1961, prior to the Appointed Date); and all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Undertaking;
 - (ii) all permits, quotas, rights (including, without limitation, rights under any shareholders agreements, or customer contracts, or other contracts or agreements, including all contracts pertaining to the Hotel), entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, municipal

permissions and authorizations, approvals, authorizations, consents, subsidies, (including the benefit of any applications made for any of the foregoing) tenancies in relation to the properties, offices, software programs and data (whether proprietary or otherwise), goodwill, privileges, all other rights, benefits and entitlements including any tax exemptions, deferrals and other benefits or privileges, lease rights (including the benefit of any applications made therefor), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, e-mail connections, communication facilities, and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Undertaking, as on the Appointed Date;

- (iii) all earnest moneys and / or security deposits paid by Transferor Company in connection with or relating to the Undertaking;
- (iv) all employees on the payroll of the Transferor Company engaged in or in relation to the Undertaking as on the Effective Date;
- (v) advantages of whatsoever nature and wheresoever situated, belonging to or in the ownership, possession, power or control of or vested in or granted in favour of or enjoyed by Transferor Company in relation to the Undertaking;
- (vi) all necessary records, files, papers, formulae, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records in connection with or relating to the Undertaking as on the Appointed Date;
- (vii) it is hereby clarified that the term "Undertaking" shall not include any trademark, tradename or logo being used by the Transferor Company in relation to the Undertaking or the Hotel or any part thereof (such as spas, restaurants, etc. forming part of the Hotel) or otherwise, including without limitation, the name 'Leela' or 'Divya'; and
- (viii) for the avoidance of doubt, it is hereby clarified that the investment held by the Transferor Company in the Transferee Company does not form part of the Undertaking.

2. Interpretation

- (a) References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date;
- (b) Wherever reference is made to the High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of the High Court under the Companies Act;
- (c) References to a person include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality);
- (d) References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;
- (e) The headings herein shall not affect the construction of this Scheme;
- (f) The singular shall include the plural and vice versa; and references to one gender include all genders;
- (g) Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- (h) The Schedule to this Scheme forms an integral and inseparable part of this Scheme.

3. Share Capital:

- (a) The share capital structure of the Transferor Company as on August 31, 2011 is as follows:

A. Authorized Share Capital	Amount in Rs.
60,00,00,000 Equity Shares of Rs. 2/- each	120,00,00,000
60,00,000 Redeemable Preference Shares of Rs. 100/- each	60,00,00,000
Total	180,00,00,000
B. Issued, Subscribed and paid up Share Capital	
38,78,24,992 Equity Shares of Rs. 2/- each	77,56,49,984
Total	77,56,49,984

- (b) The share capital structure of the Transferee Company as on August 31, 2011 is as follows:

A. Authorized Share Capital	Amount in Rs.
1,00,000 Equity Shares of Rs. 10/- each	10,00,000
Total	10,00,000

B. Issued, Subscribed and paid up Share Capital
10,000 Equity Shares of Rs. 10/- each

1,00,000
Total 1,00,000

PART II – TRANSFER OF THE UNDERTAKING

4. (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Undertaking (including all the estates, assets, rights, properties, liabilities, obligations, title, interest and authorities including accretions and appurtenances of the Undertaking) shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(2) of the Companies Act and without any further act or deed, be transferred to and vest in or be deemed to have been transferred to and vest in the Transferee Company as a going concern so as to become on and from the Appointed Date, the estates, assets, rights, properties, liabilities, obligations, title, interest and authorities of the Transferee Company.
- (b) In respect of such of the assets of the Undertaking as are movable in nature or are otherwise capable of transfer by delivery, manual or constructive, or by endorsement and delivery, the same shall stand transferred by the Transferor Company upon the coming into effect of the Scheme, and shall become the property of the Transferee Company as an integral part of the Undertaking with effect from the Appointed Date pursuant to the provisions of Section 394 of the Companies Act, without requiring any deed or instrument of conveyance for transfer of the same.
- (c) The assets of the Undertaking as described in sub-clause (a) above, other than those referred to in sub-clause (b), shall without any further act, instrument or deed, be transferred to and vest in and / or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Section 394 of the Companies Act.
- (d) Without prejudice to the generality of the foregoing, all assets, estate, rights, title, interest and authorities held by the Transferor Company on the Appointed Date as regards the Land shall stand transferred to and vest in the Transferee Company upon the coming into effect of this Scheme.
- (e) All assets, estate, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and prior to, or as on the Effective Date for operation of the Undertaking, including any EBITDA, shall also stand transferred to and vest in the Transferee Company upon the coming into effect of this Scheme.
5. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts (including without limitation any contracts with employees, contracts or documents relating to intellectual property), deeds, bonds, offers, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Undertaking, to which the Transferor Company is a party or to the benefit of which the Transferor Company is or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act or deed, be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced, without any further act or deed, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, offers, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 5 of the Scheme.
- (d) Without prejudice to the other provisions of the Scheme and notwithstanding that the transfer and vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme.
- (e) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licenses, approvals, certificates, clearances, authorities given by, issued to or executed in favour of the Transferor Company including by any Governmental Authority, in relation to the Undertaking, including the benefits of any applications made for any of the foregoing, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.
6. (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the liabilities forming part of the Land shall, without any further act or deed, be and stand transferred to the Transferee Company and shall thereupon become the debts, liabilities and obligations of the Transferee Company which the Transferee Company shall meet, discharge and satisfy to the exclusion of the Transferor Company. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this sub-clause.
- (b) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on such later date,

shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

- (c) Where any of the liabilities forming part of the Undertaking have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
 - (d) Without prejudice to the other provisions of the Scheme and notwithstanding that the transfer and vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party.
7. (a) Upon the coming into effect of the Scheme, all legal, taxation (other than corporate taxes on profits under the Income Tax Act, 1961) or other proceedings, whether civil or criminal (including any proceedings before any statutory or quasi judicial authority or tribunal), by or against the Transferor Company under any statute, whether pending on the Effective Date or which may be instituted in future in respect of any matter and in each case relating to the Undertaking shall be continued and be enforced by or against the Transferee Company with effect from the Effective Date. In the event that the legal proceedings referred to herein require both the Transferor Company and the Transferee Company to be parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company.
8. From the Appointed Date and up to and including the Effective Date:
- (a) the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Undertaking and stand possessed of all the estates, assets, rights, title and interest of the Undertaking for and on account of, and in trust for, the Transferee Company; and
 - (b) all profits accruing to the Transferor Company, or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company.
9. (a) Upon the coming into effect of this Scheme, all employees of the Transferor Company as are engaged in the Undertaking and who are in the employment of the Transferor Company as on the Effective Date (the "Transferred Employees") shall, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company in relation to the Undertaking and without any interruption of or break in service as a result of the transfer of the Undertaking, become the employees of the Transferee Company with effect from the Effective Date. All expenses, emoluments and liabilities relating to the Transferred Employees shall be borne and paid by the Transferee Company from the Effective Date. The Transferee Company shall be legally liable to pay to each Transferred Employee, in the event of such Transferred Employee's retrenchment, compensation on the basis that such Transferred Employee's service has been continuous and has not been interrupted by the transfer. The Transferor Company shall pay or make adequate provision for making payment, in respect of all amounts due and payable and/or accrued to the Transferred Employees for the period prior to the Effective Date, including salaries, wages, remuneration, allowances, bonuses, ex gratia, service benefits, reimbursements and any and all payments and/or benefits whatsoever, including contributions required to be made to any gratuity trust, provident fund or any other such fund. The Transferee Company shall continue to abide by any agreement / settlement entered into by the Transferor Company in respect of the Undertaking with any union / employees of the Transferor Company in relation to the Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Transferred Employees with the Transferor Company shall also be taken into account, and the Transferee Company shall pay the same as and when payable.
- (b) Insofar as the existing gratuity trust created by the Transferor Company for its employees (including the Transferred Employees) is concerned, an amount equivalent to the actuarial liability of the Transferor Company with respect to the Transferred Employees as of the Effective Date shall be transferred to the fund established by the Transferee Company.
 - (c) In relation to those Transferred Employees for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including relating to the obligation to making contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Transferred Employees, on and with effect from the Effective Date.
 - (d) In relation to any other fund created or existing for the benefit of the Transferred Employees, on and with effect from the Effective Date, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of the Transferred Employees.
10. The transfer and vesting of the assets, liabilities and obligations of the Undertaking and the continuance of the proceedings by or against the Transferee Company pursuant to this Scheme shall not affect any transaction or proceedings already completed by the Transferor Company on the Effective Date to the end and intent that, subject to Clause 11, the Transferee Company accepts all acts, deeds and things done and executed by the Transferor Company as acts, deeds and things done and executed by and / or on behalf of the Transferee Company.

PART III- REMAINING BUSINESS

11. (a) The Remaining Business and all the assets, rights, titles, liabilities and obligations pertaining thereto shall continue to belong to and vest in and be managed by the Transferor Company.
- (b) All legal, taxation or other proceedings by or against the Transferor Company and relating to the Remaining Business under any statute, whether pending on the Effective Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company.
12. With effect from the Appointed Date and up to and including the Effective Date:
 - (a) the Transferor Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf; and
 - (b) all profits accruing to the Transferor Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferor Company.
13. From the date of filing this Scheme with the High Court and up to the Effective Date, the Transferor Company shall not alienate, charge, mortgage or encumber the Undertaking or any portion thereof and shall not deal with the Undertaking or any portion thereof, and the Transferor Company shall carry on the business and activities not expressly prohibited herein in relation to the Undertaking with reasonable diligence and business prudence and shall not undertake any additional financial commitments, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or any third party, except in each case in the following circumstances:
 - (a) if the same is in the ordinary course of business as carried on by it or is currently being considered as on the date of filing this Scheme with the High Court; or
 - (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Transferee Company has been obtained.

PART IV –SECURITY

14. (a) Insofar as the assets comprising the Undertaking which are being transferred to the Transferee Company pursuant to this Scheme are concerned, the security and charge over such assets relating to any loans, borrowing or debentures which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company) shall, without any further act, instrument or deed be released and discharged from such encumbrance and shall no longer be available as security in relation to the Remaining Business. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.
- (b) The provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any deed or writing or terms of sanction or issue or any security documents all of which instruments shall stand modified and / or superseded by this Clause.

PART V – CONSIDERATION

15. Upon this Scheme becoming effective, in consideration of the transfer and vesting of the Undertaking in the Transferee Company on the Effective Date, or on such later date as the Transferor Company may consent to in writing, the Transferor Company shall be entitled to receive, and the Transferee Company shall issue and allot to the Transferor Company the Consideration Shares, i.e. 9,999,800 (nine million nine hundred and ninety nine thousand eight hundred) fully paid-up equity shares of the face value of Rs. 10/- (Rupees Ten only) each of the Transferee Company, at a premium of Rs. 490/- (Rupees Four Hundred and Ninety Only) per share.
16. The Undertaking has been duly valued by BDO Consulting Private Limited, an independent valuer. Further, Fortress Capital Management Services Private Limited, independent merchant banker, has provided a fairness report on the fairness of the consideration determined for the transfer of the Undertaking to the Transferee Company as set out in Clause 15 above.
17. The Consideration Shares shall rank pari passu in all respects, with the existing equity shares in the Transferee Company. The shares issued to the Transferor Company by the Transferee Company pursuant to Clause 15 above, shall be issued in dematerialized form by the Transferee Company, unless otherwise notified in writing by the Transferor Company to the Transferee Company. The approval and consent to this Scheme by the shareholders of the Transferee Company pursuant to Sections 391 to 394 of the Companies Act, shall be deemed to mean that such shareholders have also accorded their consent for the issuance of shares by the Transferee Company to the Transferor Company pursuant to this Scheme, and other provisions of the Companies Act, as may be applicable.
18. Upon this Scheme coming into effect and with effect from the Appointed Date, the authorized share capital of the Transferee Company of Rs. 10,00,000/- (Rupees Ten Lakh Only) divided into 100,000 (one hundred thousand) equity shares of Rs. 10/- (Rupees Ten Only) each, in terms of Clause V of its Memorandum of Association shall stand ~~enlarged~~ by an amount of Rs. 9,99,98,000/- (Rupees Nine Crore Ninety Nine Lakh Ninety Eight Thousand Only). Accordingly, the words and figures in Clause V of the Memorandum of Association of Transferee Company shall stand modified and

substituted to be read as follows: "The authorised share capital of the Company is Rs. 10,00,98,000/- (Rupees Ten Crore Ninety Eight Thousand Only) divided into 10,009,800 (ten million nine thousand eight hundred) equity shares of Rs. 10/- (Rupees Ten Only) each."

19. Between the date of the sanction of this Scheme by the High Court and the Effective Date, the Transferee Company shall give effect to Clause 18, and shall also make payment of all necessary fees for enhancement of its authorized capital, as applicable. For the purposes of this Clause, the consent of the shareholders of Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution under Section 16 and Section 94 or any other applicable provisions of the Companies Act, would be required to be separately passed by Transferee Company.

PART VI - GENERAL TERMS & CONDITIONS

20. The Transferor Company and the Transferee Company shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 and 394 of the Companies Act.
21. The Transferor Company through its Board of Directors and the Transferee Company through its Board of Directors, either by themselves or through a committee appointed by them in this behalf, may in their full and absolute discretion:
- (a) assent to any alteration or modification to this Scheme which the High Court and / or any other authority may deem fit to approve or impose. In the event any of the conditions that may be imposed by the High Court and/or any regulatory or statutory authority are unacceptable to the Transferor Company and the Transferee Company, then they shall be at liberty to withdraw from the Scheme.
 - (b) give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective companies), or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under law).
 - (c) modify, vary or withdraw the Scheme prior to the sanction of the Scheme by the High Court in any manner at any time.
 - (d) decide any issue as to whether any asset, liability, employee, legal or other proceedings pertains to the Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.
22. The Scheme is conditional upon and subject to:
- (a) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company as required under the Companies Act, and the requisite orders of the High Court being obtained;
 - (b) such other sanctions and approvals including sanction of any Governmental Authority or creditor being obtained as may be required by law in respect of the Scheme; and
 - (c) the certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai.
23. The Transferor Company through its Board of Directors, shall have the right to waive any of the conditions referred to in Clause 22 above (other than those required to be complied with by law) and the waiver of such condition shall not affect in any manner the coming into effect of the Scheme.
24. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme.
25. The Transferee Company shall bear all costs, expenses and charges pertaining to all stamp duty costs in relation to the transfer of the Undertaking, all registration charges, all costs, fees and charges pertaining to the increase in its authorized share capital pursuant to Clause 18, penalties, etc. in relation to effecting mutation of the assets pertaining to the Undertaking in favour of the Transferee Company, all stamp duty and other costs in relation to this Scheme, and all charges for transfer of licenses, contracts and other assets of the Undertaking in favour of the Transferee Company. Notwithstanding anything to the contrary set out in this Clause 25, all costs pertaining to the filing of the Scheme and the court process until the receipt of the order of the High Court shall be borne by the Transferor Company.
26. Upon this Scheme becoming effective, the shareholders, creditors and counter parties to contracts of both the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Companies Act for giving effect to the provisions contained in this Scheme.



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 670 OF 2011**

In the matter of the Companies Act, 1956;

-And-

In the matter of Section 391 to 394 of the Companies Act, 1956;

-And-

In the matter of Hotel Leelaventure Limited
[CIN:L55101MH1981PLC024097] a company, incorporated
under the Companies Act, 1956 having its registered office at
The Leela, Sahar, Mumbai – 400 059;

-And-

In the matter of Scheme of Arrangement between Hotel
Leelaventure Limited and Kovalam Resort Private Limited and
their respective shareholders and creditors.

Hotel Leelaventure Limited [CIN: L55101MH1981PLC024097] }
a company, incorporated under the Companies Act, 1956 having }
its registered office at The Leela, Sahar, Mumbai – 400 059. } ...Applicant Company

FORM OF PROXY

I/We, the undersigned equity shareholder/s of the Applicant Company hereby appoint _____
of _____ and failing him/her _____ of _____ as my/our
proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at Rangsharda
Auditorium, K. C. Marg, Near Leelavati Hospital, Bandra Reclamation, Bandra (West), Mumbai – 400 050 on Wednesday, the
21st day of December, 2011 at 11:00 a.m. (1100 hours), for the purpose of considering, and if thought fit, approving, with or
without modification(s), the proposed Scheme of Arrangement between Hotel Leelaventure Limited and Kovalam Resort
Private Limited and their respective shareholders and creditors (the "Scheme"), and at such meeting and at any adjournment
or adjournments thereof, to vote, for me / us and in my / our name _____ (here, if
for, insert 'for'; if against, insert 'against', and in the latter case, strike out the words below after 'Scheme') the said Scheme,
either with or without modification(s)*, as my / our proxy may approve.

* Strike out what is not necessary.

Dated this day of 2011

Name :

Address :

:

No. of shares held:

(For Demat holding)

DP Id. Client Id.

(For Physical holding)

Folio No.

Signature of
Shareholder(s): Sole holder / First holder :

Signature of Proxy:

NOTES:

1. Alterations, if any, made in the Form of Proxy should be initialed.
2. Proxy must be deposited at the registered office of the Applicant Company at The Leela, Sahar, Mumbai – 400 059, not later than FORTY EIGHT hours before the scheduled time of the commencement of the said meeting.
3. In case of multiple proxies, the proxy later in time shall be accepted.



HOTEL LEE LAVENTURE LIMITED

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

ATTENDANCE SLIP

NOTE: Shareholders attending the meeting in Person or by Proxy or through Authorised Representative are requested to complete and bring the Attendance Slip with them and hand it over at the Entrance of the meeting Hall.

I hereby record my presence at the meeting of the Equity Shareholders of the Company, convened pursuant to an order dated November 18, 2011 of the Hon'ble High Court of Judicature at Bombay, at Rangsharda Auditorium, K. C. Marg, Near Leelavati Hospital, Bandra Reclamation, Bandra (West), Mumbai – 400 050, on Wednesday, the 21st day of December, 2011 at 11:00 a.m. (1100 hours).

Name and Address of
the Equity Shareholder
(in block letters)

.....
.....
.....

Folio No.

.....

DP ID No.*

.....

Client ID No.*

.....

No. of Share(s) held

.....

.....
Full name of the Equity Shareholder
(in block capitals)

.....
Signature

.....
Full name of Proxy
(in block capitals)

.....
Signature

*Applicable for Shareholders holding Shares in dematerialised form.