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Mahindra Holidays & Resorts India Limited

Regd. Office: 2nd Floor, Mahindra Towers, No. 17/18, Patullos Road, Chennai - 600 002.
Website : www.clubmahindra.com • Email : investors@mahindraholidays.com

NOTICE OF THE EXTRA-ORDINARY GENERAL MEETING OF THE EQUITY SHAREHOLDERS

Notice is hereby given that an Extra-ordinary General Meeting of the Shareholders of Mahindra Holidays & Resorts India Limited (the "**Company**") will be held on Saturday, the 23rd day of February, 2013 at 3.00 p.m. at 4th Floor, Mahindra Towers, No. 17/18, Patullos Road, Chennai - 600 002, to transact the following business:

SPECIAL BUSINESS:

Item No. 1

Further Issue of Shares

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

"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s), statutory modification(s) or re-enactment thereof), enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges where Equity Shares of the Company (the "Equity Shares") are listed (the "Listing Agreements") and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (**"SEBI (ICDR) Regulations"**), Foreign Exchange Management Act, 1999, as amended (**"FEMA"**), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended from time to time and clarifications issued thereon from time to time and subject to other required rules, regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India (**"SEBI"**), the Reserve Bank of India (**"RBI"**), the Government of India (**"GOI"**), the stock exchanges and/or any other competent authorities from time to time to the extent applicable, and subject to any such approvals, permissions, consents and sanctions as may be necessary from SEBI, stock exchanges, RBI, Foreign Investment Promotion Board, GOI and/or any other concerned statutory or other relevant authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/or sanctions (hereinafter referred to as **"the requisite approvals"**) which may be agreed to by the Board of Directors of the Company (hereinafter referred to as **"the Board"** which term shall include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot Equity Shares of the face value of Rs.10/- (Rupees Ten only) each through an Institutional Placement Programme (**"IPP"**) under Chapter VIII-A of SEBI (ICDR) Regulations, in one or more tranches, in the course of an international and/or domestic offering as the case may be, to qualified institutional buyers as defined in the SEBI (ICDR) Regulations (**"Investors"**), whether or not such Investors are members of the Company (including with provision for reservation on firm and/or competitive basis of such part of the issue and for such categories of Investors as may be permitted), through an offer document and/or such other documents/ writings/ circulars / memoranda in such manner, at such price or prices at a discount or premium to the market price or prices in such manner and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company in relation to such issue(s) in accordance with the provisions of Chapter VIII-A of SEBI (ICDR) Regulations and other applicable laws, such that the total number of Equity Shares held by the 'public' (as defined in the Securities Contracts (Regulation) Rules, 1957, as amended) immediately at the completion of such offerings does not exceed 25 percent of the total number of outstanding Equity Shares as at the date of allotment of such Equity Shares (the "**Issue**").

FURTHER RESOLVED THAT the Equity Shares to be created, issued, allotted and offered in terms of this Resolution shall:

(a) be subject to the provisions of the Memorandum and Articles of Association of the Company; and

(b) shall rank pari passu in all respects with the existing Equity Shares of the Company in all respects.

FURTHER RESOLVED THAT these Equity Shares shall be listed on the stock exchanges, where the existing Equity Shares of the Company are listed.

FURTHER RESOLVED THAT such of these Equity Shares to be issued as are not subscribed may be disposed of by the Board in such manner and/or on such terms as the Board may deem fit and proper, in its sole and absolute discretion.

FURTHER RESOLVED THAT the approval is hereby accorded to the Board to appoint merchant bankers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts/ agreements, memorandum, documents, etc., with such agencies, to seek the listing of shares issued under the Issue on one or more recognised stock exchange(s).

FURTHER RESOLVED THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company in consultation with the merchant banker(s), advisors and/or other intermediaries as may be appointed by the Company in relation to the Issue, to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of the aforesaid Equity Shares and listing thereof with the stock exchanges or otherwise as may be required in relation to the Issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of any of the Equity Shares, including finalisation of the number of Equity Shares to be issued in the Issue and in each tranche thereof (if the Issue is in more than one tranche), finalisation and approval of the preliminary and final offer document, determine the form, terms and timing of the Issue and for each tranche of such Issue, including identification of the Investors to whom Equity Shares are to be offered, utilisation of the Issue proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the Issue and to agree to such conditions or modifications

that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to any of the aforesaid or otherwise in relation to the Issue, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

FURTHER RESOLVED THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any Committee of Directors or any executive Director or Directors or any other officer or officers of the Company to give effect to the aforesaid Resolutions."

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out material facts in respect of the business specified above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
4. Members are requested to bring their copy of the Notice to the Extra-ordinary General Meeting.

By Order of the Board of Directors
For **Mahindra Holidays & Resorts India Limited**

Date : 21st January, 2013 **Dinesh Shetty**
Registered Office: Company Secretary
2nd Floor, Mahindra Towers,
No.17/18, Patullos Road, Chennai - 600 002.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 1

The Securities Contracts (Regulation) Rules, 1957, as amended (the **"SCRR"**) and Clause 40A of the Equity Listing Agreement provide for a mandatory public shareholding of atleast 25 percent for all listed companies. Listed companies that have public shareholding of less than 25 percent are required to increase their public shareholding to 25 percent in the manner prescribed by the Securities and Exchange Board of India (**"SEBI"**). The public shareholding of the Company as at 31st December, 2012 was 17.31 percent of the issued and paid-up Equity Share Capital of the Company. Mahindra & Mahindra Ltd. (**"Promoter"**) holds remaining 82.69 percent of the issued and paid-up Equity Share Capital of the Company.

SEBI has, pursuant to an amendment to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations") on 30th January, 2012, introduced the Institutional Placement Programme (**"IPP"**) as a mode through which companies which are currently not in compliance with the minimum public shareholding requirements may comply with minimum public shareholding requirements by issue of Equity Shares to Qualified Institutional Buyers, as defined in the SEBI (ICDR) Regulations (**"QIBs"**) through a public issue which shall not result in increase in public shareholding by more than 10 percent or such lesser percent as is required to achieve the prescribed minimum public shareholding. Such IPP may be undertaken in one or more tranches.

In addition, the Promoter may, at any time, divest any part of its shareholding in the Company pursuant to an offer for sale through the stock exchange mechanism or through any other route permitted by law. In such an event, the public shareholding in the Company will increase to the extent of such divestment and the number of shares that may be offered through the IPP in terms of the authority granted by the resolution at Item No. 1 will be reduced. Accordingly, in order to increase the public shareholding to achieve the minimum prescribed public shareholding of 25 percent, it is proposed that an issue of equity shares of face value of Rs. 10/- (Rupees Ten only) each through an IPP be offered to the QIBs, subject to requisite approvals and market conditions. The funds raised through the IPP will be utilised, *inter alia,* to meet the expansion / renovation of existing resorts, acquisition of new land parcels / properties, construction / development of new resorts at various locations within and outside India either by way of acquisition of fixed assets / companies or bodies corporate or by investment in subsidiaries / companies or bodies corporate which will hold such assets / develop resorts.

One of the conditions to issue Equity Shares through an IPP is that the shareholders of the Company should have specifically approved an issuance of Equity Shares through the IPP route. Resolution at Item No. 1 seeks to empower the Board to issue Equity Shares through an IPP in terms of Chapter VIII-A of the SEBI (ICDR) Regulations in one or more offerings / tranches, such that the total number of Equity Shares held by the 'public' (as defined in the SCRR immediately at the completion of such issue of shares) does not exceed 25 percent of the total number of outstanding Equity Shares as at the date of allotment of such Equity Shares.

The Resolution at Item No.1 seeks to give the Board powers to decide the number of Equity Shares to be issued in order to achieve minimum public shareholding in one or more tranches, at such times and at such price(s) as the Board may deem fit. The detailed terms and conditions including the form, terms, timing and pricing of the issue(s) / offering(s) will be determined by the Board in its sole discretion and/or in consultation with the advisors, merchant banker(s), underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted would be listed with the stock exchanges where the existing Equity Shares of the Company are listed. The offer, issue and allotment would be subject to the availability / receipt of regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Listing Agreement.

Section 81(1A) of the Companies Act, 1956 ("Companies Act") and the relevant clauses of the Listing Agreement with the stock exchanges where the Equity Shares of the Company are listed provide, *inter alia,* that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company in the manner laid down in Section 81(1) of the Companies Act unless the shareholders in a General Meeting by a Special Resolution decide otherwise. Since, the Resolution at Item No. 1 proposed in the business of the Notice results in the issue of Equity Shares of the Company to persons other than shareholders of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act and in terms of the provisions of the Listing Agreement executed by the Company with the stock exchanges where the Equity Shares of the Company are listed.

The Resolution at Item No.1, if passed, will have the effect of allowing the Board to offer, issue and allot Equity Shares to the Investors, who may or may not be the existing shareholders of the Company.

The Directors of the Company may be deemed to be concerned or interested in the passing of Resolution to the extent of Equity Shares allotted to the companies in which they are Directors or members. Save as aforesaid none of the Directors of the Company is in any way interested in this Resolution.

The Board of Directors of the Company commends the Resolution for the approval of the members as a Special Resolution.

By Order of the Board of Directors
For **Mahindra Holidays & Resorts India Limited**

Date : 21st January, 2013 **Dinesh Shetty**
Registered Office: Company Secretary
2nd Floor, Mahindra Towers,
No.17/18, Patullos Road, Chennai - 600 002.