



NOTICE TO SHAREHOLDERS

The 27th Annual General Meeting of the Members of **Sterling Holiday Resorts (India) Limited** will be held on **Wednesday July 30, 2014** at **02.30 P.M.** at **THE MUSIC ACADEMY, MINI HALL, NEW NO.168 (OLD NO.306), T.T.K.ROAD, ROYAPETTAH, CHENNAI - 600 014**, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited and Consolidated Financial Statements of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of **Mr. Sidharth Shankar (DIN: 00608099)**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. Price Waterhouse & Co., Chartered Accountants, Bangalore (Firm Registration Number 007567S), be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors, R.Subramanian and Company, Chartered Accountants (Firm Registration Number 004137S) and V.Sankar Aiyar & Co., Chartered Accountants, (Firm Registration Number 109208W) from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting of the Company at a remuneration to be determined by the Board in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS

4. Appointment of Mr. Madhavan Karunakaran Menon as a Non-Independent Director of the Company

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

"RESOLVED THAT Mr. MADHAVAN KARUNAKARAN MENON (DIN : 00008542) who was appointed as an Additional Director (Non-Independent Director) of the company on March 14, 2014 by the Board of Directors holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the Company under section 160(1) of Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director (Non-Independent Director) of the Company liable to retire by rotation."

5. Appointment of Mr. Harsha Raghavan as a Non-Independent Director of the Company

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

"RESOLVED THAT Mr. HARSHA RAGHAVAN (DIN : 01761512) who was appointed as an Additional Director (Non-Independent Director) of the Company on March 14, 2014 by the Board of Directors holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member of the Company under section 160(1) of Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director (Non-Independent Director) of the Company liable to retire by rotation."



6. Appointment of Mr. Mahendra Kumar Sharma as an Independent Director of the Company

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

“RESOLVED THAT Mr. MAHENDRA KUMAR SHARMA (DIN : 00327684) who was appointed as an additional Director (Independent Director) of the company on March 14, 2014 by the Board of Directors holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the Company under section 160(1) Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director (Independent Director) of the Company, for a period of 5 (five) years.”

- 7 Appointment of Mr. Anil Kumar Madhok as an Independent Director of the Company

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

“RESOLVED THAT Mr. ANIL KUMAR MADHOK (DIN : 00033956) who was appointed as an additional Director (Independent Director) of the company on April 25, 2014 by the Board of Directors holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the Company under section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director (Independent Director) of the Company, for a period of 5 (five) years.”

8. Appointment of Mr. Pradipta Kumar Mohapatra as an Independent Director of the Company

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

“RESOLVED THAT Mr. PRADIPTA KUMAR MOHAPATRA (DIN : 00066239) who was appointed as an additional Director (Independent Director) of the company on April 25, 2014 by the Board of Directors holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member of the Company under section 160(1) of Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director (Independent Director) of the Company, for a period of 5 (five) years.”

9. Approval for payment of revised remuneration to Mr. Ramesh Ramanathan, Managing Director of the Company

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

“RESOLVED THAT pursuant to Sections 196, 197 and 198 of the Companies Act 2013, read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals, permissions and sanctions, as may be required, and subject to such conditions, modifications as may be prescribed or imposed by the authorities concerned while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded for payment of revised Remuneration and perquisites to Mr. Ramesh Ramanathan, Managing Director for the period with effective from April 1, 2014 to June 30, 2016 as given below.

SALARY:

A consolidated remuneration of INR 1,75,00,000 (Rupees One Crore Seventy Five lakhs only) per annum inclusive of basic pay, house rent allowance, special allowance, food & beverages and leave travel allowance. [Scale of Pay: INR 7,50,000 (INR 7,00,000 to INR 15,00,000)].



PERQUISITES:

In addition to the salary, the appointee shall also be entitled to the perquisites which would include two Cars with drivers, fuel and maintenance, driver's salary, contribution to provident fund, gratuity, contribution to superannuation fund as per company policy, Earned Leave (EL) encashment as per company policy, telephone facility for residence telephone, mobile and other communication facility, medical /personal accident insurance policy for INR 40,00,000 premium, reimbursement of medical expenses for INR 1,80,000 per annum, club fee and credit card fees (on official expenses) on actuals.

ABSENCE OR INADEQUACY OF PROFITS

In the event of absence or inadequacy of profits in any financial year, the above remuneration by way of salary, allowances, perquisites amenities, facilities and retirement benefits to Mr. Ramesh Ramanathan, Managing Director shall be paid as a minimum remuneration subject to the approval of the Central Government.

GENERAL

i) Remuneration shall be valued in terms of the actual expenditure incurred by the Company in providing benefit to the Employee. However, in cases, where the actual amount of expenditure cannot be ascertained with reasonable accuracy the perquisites shall be valued as per Income Tax

Rules.

ii) Mr. Ramesh Ramanathan would be subject to all other service conditions as applicable to the Managing Director as per the Company Policy.

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any Financial Year during the tenure of the Managing Director, the Company shall pay to the Managing Director the remuneration by way of salary, allowances, perquisites amenities, facilities and retirement benefits as stated above, as minimum remuneration for the period effective from April 1, 2014 to June 30, 2016 subject to the required approvals, if any, from the Central Government.

"RESOLVED FURTHER THAT the Board of Directors of the Company, (herein after referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee or any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) be and are hereby authorised, for the purpose of giving effect to this resolution, to do all such acts, deeds, things and matters as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be deemed necessary, proper, desirable and expedient."

By Order of the Board
For **Sterling Holiday Resorts (India) Limited**

M. BALASUBRAMANIYAN
Company Secretary


Place: **Chennai**

Date: **April 26, 2014**



NOTES :

1. **A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member. (Proxy form is annexed herewith)**
2. **The proxy form duly completed and in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the commencement of the meeting.**
3. **A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percentage of the total share capital of the company carrying voting rights. A member holding more than ten percentage of the total share capital of the company holding voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.**
4. The Company's Registrar and Share Transfer Agent for its Share Registry work (Physical and Demat) are Cameo Corporate Services Limited, having their office premises at 'Subramanian Building', No.1, Club House Road, Chennai - 600 002.
5. **The Register of Members and Share Transfer Books of Equity Shares of the Company will remain closed from Wednesday, the July 23, 2014 to Wednesday, the July 30, 2014 (both days inclusive).**
6. Members can avail of the facility of nomination in respect of shares held by them in physical form. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 (Form attached) duly filled in to the Company's Registrar and Share Transfer Agent: Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002. Members holding shares in demat form may contact their respective Depository Participants for availing this facility.
7. Members are requested to intimate immediately any change of address to their respective Depository Participants (DPs) in respect of holding in demat form and to the Company's Registrar and Share Transfer Agent Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002, in respect of physical share folios.
8. Members who are desirous of seeking any further information or clarification, if any, particularly with regard to the accounts are requested to write to the Company at least seven days in advance of the meeting so that the information can be made available at the meeting.
9. Members are requested to note that the Company's Equity Shares are under Compulsory Demat trading with effect from August 28, 2000 for all investors. Members are therefore requested to demat their shareholdings to avoid inconvenience in future.
10. Appointment / re-appointment of Directors as per Clause 49(IV)(G) of the Listing Agreement entered into by the Company with the Stock Exchanges, the brief resume, functional expertise of the Directors proposed for appointment / re-appointment are furnished in the Corporate Governance section forming part of the Annual Report.
11. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.
12. Members are requested to bring their Attendance Slip (annexed) along with their copy of the Annual Report to the Meeting.
13. **As part of "Green Initiative" in Corporate Governance, Ministry of Corporate Affairs (MCA) vide circular No.18/2011 dated 29.04.2011, has permitted paperless compliances by recognising communication through electronic mode to shareholders under the Companies Act, 1956. Accordingly, it has been decided to send**



all future communication from the Company including Notices, Annual Reports, Attendance slip, proxy form etc., to the shareholders in electronic form to their registered email address.

Investors are requested to update their e-mail IDs with Depository Participants (DP) for shares held in demat form or with the Registrar and Share Transfer Agent Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002 (RTA) (or) the Company in case the shares are held in physical form.

The members may also note that the Notice of Annual General Meeting and the Annual Report will also be available on the Company's website www.sterlingholidays.com for download.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar and Share Transfer Agent.

15. **E-Voting:**

In terms of provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the items of Business given in the Notice of Annual General Meeting may be transacted through electronic voting system and the Company is providing e-voting facility to the members who are members as on June 30, 2014 (End of Day) being the "Record Date" fixed for the purpose, to exercise their right to vote at the Annual General Meeting by electronic means through the e-voting platform provided by Central Depository Services Limited (CDSL).

E-voting period starts from Thursday, July 24, 2014 at 9.00 A.M. and ends on Saturday, July 26, 2014 at 5.00 P.M. The e-voting module will be disabled after 5.00 P.M. on Saturday, July 26, 2014 for voting by shareholders.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cDSLindia.com

THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-

IN CASE OF MEMBERS RECEIVING AN E-MAIL:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "**Sterling Holiday Resorts (India) Limited**" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification Code as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below.

Now, fill up the following details in the appropriate boxes:



For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. #Please enter the DOB or Dividend Bank Details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. **Sequence number has been provided as Serial number in the address label.** Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "**Sterling Holiday Resorts (India) Limited**" on which you choose to vote.
- (xii) On the voting page, you will see Resolution Description and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Institutional Shareholders

Institutional shareholders (i.e., other than Individuals, UF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutiniser to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Thursday, July 24, 2014 at 9.00 A.M. and ends on Saturday, July 26, 2014 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date June 30, 2014 may cast their vote electronically.

The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

16. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.

17. The following records shall be available for inspection at the Annual General Meeting of the Company:-

1. Register of proxies received
2. Register of members
3. Register of contracts or arrangements in which the directors and Key Managerial Personnel are interested.
4. Register of Directors and Key Managerial Personnel and their share holding.
5. Auditor's Report

EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Mr. Madhavan Karunakaran Menon was appointed as an Additional Director (Non-Independent Director) of the Company by the Board of Directors at the Meeting held on March 14, 2014. He will hold office up to the ensuing Annual General Meeting.

A notice under Section 160(1) of the Companies Act, 2013 along with a cheque for INR 1,00,000 has been received from a member of the Company proposing the name of Mr. Madhavan Karunakaran Menon for appointment as a Director of the Company, liable to retire by rotation. Mr. Madhavan Karunakaran Menon has confirmed that he is not disqualified from being appointed as a Director of the Company under Section 164(2) of the Companies Act, 2013 and has given his consent to act as a Director.

Mr. Madhavan Karunakaran Menon does not hold any equity shares in the Company.

A brief resume of Mr. Madhavan Karunakaran Menon, nature of his expertise in specific functional areas and name of the Companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding in the Companies as stipulated under Clause 49 of the Listing agreement with the Stock Exchanges, are provided in the Corporate Governance report forming part of the Annual Report.



Except Mr. Madhavan Karunakaran Menon none of the other Directors / Key Managerial Personnel of the Company / their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution set out in Item no. 4.

A copy of the existing Memorandum and Articles of Association of the Company and the notice under Section 160(1) of the Companies Act, 2013 received from a member are kept open for inspection of the shareholders at the Registered Office of the Company on any working day between 10.00 a.m. to 1.00 p.m. till the date of the Annual General Meeting.

The Board recommends this Ordinary Resolution as set out in Item No. 4 of the Notice.

ITEM NO. 5

Mr. Harsha Raghavan was appointed as an Additional Director (Non-Independent Director) of the Company by the Board of Directors at the Meeting held on March 14, 2014. He will hold office up to the ensuing Annual General Meeting.

A notice under Section 160(1) of the Companies Act, 2013 along with a cheque for INR 1,00,000 has been received from a member of the Company proposing the name of Mr. Harsha Raghavan for appointment as a Director of the Company, liable to retire by rotation. Mr. Harsha Raghavan has confirmed that he is not disqualified from being appointed as a Director of the Company under Section 164(2) of the Companies Act, 2013 and has given his consent to act as Director.

Mr. Harsha Raghavan does not hold any Equity Shares in the Company.

A brief resume of Mr. Harsha Raghavan, nature of his expertise in specific functional areas and name of the Companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding in the Companies as stipulated under Clause 49 of the Listing agreement with the Stock Exchanges, are provided in the Corporate Governance report forming part of the Annual Report.

Except Mr. Harsha Raghavan none of the other Directors / Key Managerial Personnel of the Company

/ their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution set out in Item no. 5.

A Copy of the existing Memorandum and Articles of Association of the Company and the notice under Section 160(1) of the Companies Act, 2013 received from a member are kept open for inspection of the shareholders at the Registered Office of the Company on any working day between 10.00 a.m. to 1.00 p.m. till the date of the Annual General Meeting.

The Board recommends this Ordinary Resolution as set out in Item No. 5 of the Notice.

ITEM NO.6

Mr. Mahendra Kumar Sharma was appointed as an Additional Director (Independent Director) of the Company by the Board of Directors at the Meeting held on March 14, 2014. He will hold office up to the ensuing Annual General Meeting.


A notice under Section 160(1) of the Companies Act, 2013 along with a cheque for INR 1,00,000 has been received from a member of the Company proposing the name of Mr. Mahendra Kumar Sharma for appointment as a Director of the Company, not liable to retire by rotation. Mr. Mahendra Kumar Sharma has confirmed that he is not disqualified from being appointed as a Director of the Company under Section 164(2) of the Companies Act, 2013 and his consent to act as a Director.

The Company has received a declaration from Mr. Mahendra Kumar Sharma that he meets with the criteria of Independence as prescribed both under of Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Mahendra Kumar Sharma fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Mr. Mahendra Kumar Sharma is independent of the management.

Mr. Mahendra Kumar Sharma does not hold any equity shares in the Company.

A brief resume of Mr. Mahendra Kumar Sharma, nature



of his expertise in specific functional areas and name of the Companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding in the Companies as stipulated under Clause 49 of the Listing agreement with the Stock Exchanges, are provided in the Corporate Governance report forming part of the Annual Report.

Except Mr. Mahendra Kumar Sharma none of the other Directors / Key Managerial Personnel of the Company / their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution set out in Item no. 6.

A Copy of the existing Memorandum and Articles of Association of the Company and the notice under Section 160(1) of the Companies Act, 2013 received from a Member are kept open for inspection of the shareholders at the Registered Office of the Company on any working day between 10.00 a.m. to 1.00 p.m. till the date of the Annual General Meeting.

The Board recommends this Ordinary Resolution as set out in Item no. 6 of the Notice.

ITEM NO. 7

Mr. Anil Kumar Madhok was appointed as an Additional Director (Independent Director), of the Company by the Board of Directors on April 25, 2014. He will hold office up to the ensuing Annual General Meeting.

A notice under Section 160(1) of the Companies Act, 2013 along with a cheque for INR 1,00,000 has been received from a Member of the Company proposing the name of Mr. Anil Kumar Madhok for appointment as a Director of the Company, not liable to retire by rotation. Mr. Anil Kumar Madhok as confirmed that he is not disqualified from being appointed as a Director of the Company under Section 164(2) of the Companies Act, 2013 and his consent to act as a Director.

The Company has received a declaration from Mr. Anil Kumar Madhok that he meets with the criteria of Independence as prescribed both under of Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Anil Kumar Madhok

fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Mr. Anil Kumar Madhok is independent of the management.

Mr. Anil Kumar Madhok does not hold any Equity Shares in the Company.

A brief resume of Mr. Anil Kumar Madhok, nature of his expertise in specific functional areas and name of the Companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding in the Companies as stipulated under Clause 49 of the Listing agreement with the Stock Exchanges, are provided in the Corporate Governance report forming part of the Annual Report.

Except Mr. Anil Kumar Madhok none of the other Directors / Key Managerial Personnel of the Company / their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution set out in Item no. 7.

A Copy of the existing Memorandum and Articles of Association of the Company and the notice under Section 160(1) of the Companies Act, 2013 received from a Member are kept open for inspection of the shareholders at the Registered Office of the Company on any working day between 10.00 a.m. to 1.00 p.m. till the date of the Annual General Meeting.

The Board recommends this Ordinary Resolution as set out in Item No. 7 of the Notice.

ITEM NO. 8

Mr. Pradipta K. Mohapatra was appointed as an Additional Director (Independent Director) of the Company by the Board of Directors on April 25, 2014. He will hold office up to the ensuing Annual General Meeting.

A notice under Section 160(1) of the Companies Act, 2013 along with a cheque for INR 1,00,000 has been received from a member of the Company proposing the name of Mr. Pradipta K. Mohapatra for appointment as a Director of the Company, not liable to retire by rotation. Mr. Pradipta K. Mohapatra has confirmed that he is not disqualified from being appointed as a Director of the Company under Section 164(2) of the Companies Act,



2013 and his consent to act as a Director.

The Company has received a declaration from Mr. Pradipta K. Mohapatra that he meets with the criteria of Independence as prescribed both under of Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Pradipta K. Mohapatra fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Pradipta K. Mohapatra is independent of the management.

Mr. Pradipta K. Mohapatra does not hold any Equity Shares in the Company.

A brief resume of Mr. Pradipta K. Mohapatra, nature of his expertise in specific functional areas and name of the Companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding in the Companies as stipulated under Clause 49 of the Listing agreement with the Stock Exchanges, are provided in the Corporate Governance report forming part of the Annual Report.

Except Mr. Pradipta K. Mohapatra none of the other Directors / Key Managerial Personnel of the Company / their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution set out in Item no. 8.

A Copy of the existing Memorandum and Articles of Association of the Company and the notice under Section 160(1) of the Companies Act, 2013 received from a member are kept open for inspection of the shareholders at the Registered Office of the Company on any working day between 10.00 a.m. to 1.00 p.m. till the date of the Annual General Meeting.

The Board recommends this Ordinary Resolution as set out in Item No. 8 of the Notice.

ITEM NO. 9

The Shareholders of the Company at their Extra-ordinary General Meeting held on August 13, 2011 had approved the appointment of Mr. Ramesh Ramanathan as Managing Director for a period of 5 years with effect from July 1,

2011 to June 30, 2016 and payment of Remuneration for a period of 3 years with effect from July 1, 2011 and the Ministry of Corporate Affairs, Government of India, New Delhi had approved the same.

In view of the growth in the business activities and increased volume of work, the Remuneration Committee and subsequently the Board of Directors considered it just, fair and reasonable to revise the remuneration payable to Mr. Ramesh Ramanathan, Managing Director.

The Remuneration Committee and the Board of Directors at their meeting held on March 14, 2014 have approved the payment of revised remuneration to Mr. Ramesh Ramanathan, Managing Director of the Company for a period effective from April 1, 2014 to June 30, 2016.

The terms of remuneration and perquisites payable to Mr. Ramesh Ramanathan are set out under Item No.9 of the Notice.

Pursuant to the provisions of Sections 196, 197 & 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Companies Act, 1956, the Special Resolution mentioned under Item No. 9 of the Notice of Annual General Meeting pertaining to payment of revised remuneration to Mr. Ramesh Ramanathan, Managing Director is placed before the members for approval.

The Board recommends this Special Resolution as set out in Item No. 9 for approval of the Members.

Except Mr. Ramesh Ramanathan and his spouse to the extent of their Shareholding in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution set out in Item no. 9.

In this regard as required under Clause B of Section II of Part II of Schedule V of the Companies Act, 2013, the following additional information is furnished.

I. GENERAL INFORMATION

1. Nature of Industry

The Company is engaged in the main business of Hospitality, Vacation Ownership Sales

and Resorts and Hotel Sales.

2. Date or expected date of commencement of commercial production

The Company was incorporated on May 22, 1986.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable.

4. Financial performance based on given indicators (INR in lakhs)

Financial Parameters	2011-12	2012-13	2013-14
Turnover (Including Other Income)	7009.39	10868.26	13606.39
Net Profit/(Loss) as per Statement of Profit and Loss	(4044.08)	(2088.71)	(1635.93)
Rate of Dividend	Nil	Nil	Nil

5. Foreign Investments of Collaborators, if any:
NIL

II. INFORMATION ABOUT THE APPOINTEE

1. Background Details

Mr. Ramesh Ramanathan (aged 59 years) is an Economics graduate and a rank holder from Madras University, with a Management Degree from the Indian Institute of Management, Kolkata. He has over 36 years of work experience over a range of industries, starting with the intensely competitive Paint Industry. A successful stint of over 10 years in that industry was followed by other consumer durable industries, hospitality, internet, tyres and organised retail.

Mr. Ramesh Ramanathan has been one of the pioneers in the Holiday Industry in India and was successful in establishing the concept.

Prior to joining this Company he was the Managing Director of Mahindra Holidays & Resorts India Limited, a Company setup and successfully

managed for a period of 11½ years. He was a Group Executive Board Member of the Mahindra Group.

Mr. Ramesh Ramanathan is the founder member of the All India Resort Developers Association (AIRDA).

2. Past Remuneration

Consolidated remuneration of INR 75 lakhs with Perquisites as approved by Shareholders at their Extra-Ordinary General Meeting held on August 13, 2011 and subsequently approved by Ministry of Corporate Affairs, Government of India.

3. Recognition and Awards

Given in the Background Details.

4. Job Profile and his suitability

Mr. Ramesh Ramanathan, Managing Director, is responsible for the day-to-day management of the affairs of the Company subject to the superintendence, control and direction of the Board of Directors.

5. Remuneration proposed

A consolidated remuneration of INR 1,75,00,000 (Rupees One Crore Seventy Five lakhs only) per annum plus perquisites.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t., the country of his origin)

Taking into consideration the size of the Company, the responsibilities to be shouldered by him and the track record and profile of Mr. Ramesh Ramanathan, the proposed revised remuneration is commensurate with the remuneration packages paid to the equal level of senior managerial personnel in other Corporates.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Ramesh Ramanathan, has no pecuniary relationship, directly or indirectly with the Company

(except to the extent of the remuneration payable to him by the Company and his holding in the Equity Share capital of the Company).

III OTHER INFORMATION

1. Reasons for loss or inadequate profits

Increase in fixed overhead, recent inflation which affected the Tourism and Hotel Industry, Lower occupancy in the Resorts of the Company, resulting in lower turnover which affected the overall profitability of the Company.

2. Steps taken or proposed to be taken for improvement

The Company has already settled the loans and

other liabilities. Also the Company has started the process of refurbishing and developing the resorts and completing the pending projects. The Company has recruited a strong team of experts and professionals to lead the Company in the right direction.

3. Expected increase in productivity and profits in measurable terms

In view of the all-out efforts taken by the Company to refurbish the resorts, to complete the pending projects and steps to stimulate and to increase the marketing and sales activities, it is expected that the performance of the Company will improve in the near future.

IV DISCLOSURES

1.	The shareholders of the Company have been informed in respect of the remuneration package of Mr. Ramesh Ramanathan, Managing Director in the Notice of the Annual General Meeting to be held on July 30, 2014.	
2.	The disclosure to be specified in the Board of Directors' Report under the heading Corporate Governance has been duly disclosed.	
	i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors;	As specified in the Corporate Governance Report under the Board's Report.
	ii) Details of fixed component and performance linked incentives along with the performance criteria;	N.A
	iii) Service contracts, notice period, severance fees;	N.A
	iv). Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;	During the year ended March 31, 2014, following shares were issued to Mr. Ramesh Ramanathan, Managing Director under Employees Stock Purchase Scheme 2011. 1) 487171 Equity shares of INR 10 each at INR 47.38 per share with a discount of INR 28.72 per share. 2) 20651 Equity shares of INR 10 each at INR 45.55 per share with a discount of INR 14.40 per share.

By Order of the Board
For **Sterling Holiday Resorts (India) Limited**

M. BALASUBRAMANIYAN
Company Secretary

Place: **Chennai**

Date: **April 26, 2014**