



STERLING HOLIDAY RESORTS (INDIA) LIMITED

NOTICE TO SHARE HOLDERS OF EXTRAORDINARY GENERAL MEETING

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that an Extraordinary General Meeting of the Members of Sterling Holiday Resorts (India) Limited will be held on Saturday, the 13th day of August, 2011, at 11.30 a.m., at Rani Seethai Hall, No.603, Anna Salai, Chennai – 600 006, to transact the following business:

SPECIAL BUSINESS

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

"RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs.65,00,00,000/- (Rupees Sixty Five Crores only) To Rs.75,00,00,000/- (Rupees Seventy Five Crores only) divided into 7,50,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each.

"RESOLVED THAT the Clause V of Memorandum of Association of the Company be and is hereby amended as follows:

The following sentence in Clause V "The Authorised Share Capital of the Company is Rs.65,00,00,000/- (Rupees Sixty Five Crores only) divided into 6,50,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each" be and is hereby deleted and in its place the following sentence shall be inserted

"The Authorised Share Capital of the Company is Rs.75,00,00,000/- (Rupees Seventy Five Crores only) divided into 7,50,00,000 (Seven Crores and Fifty Lakhs only) Equity Shares of Rs.10/- (Rupees Ten only) each".

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act. 1956, ("the ACT") and subject to the approval of the Central Government, if necessary, 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 to the appointment of Mr. Ramesh Ramanathan as Managing Director and also for the payment of Remuneration and perquisites to him for a period of 5 (Five) years with effect from 1st July, 2011 as given below

Salary

A consolidated remuneration of Rs.75,00,000/- (Rupees Seventy Five Lakhs only) per annum, including all allowances, HRA etc., In addition to the above remuneration he will be entitled for the following:

Cars

The Company shall provide 2 cars for his official and personal use. The salary of one driver, all fuel costs and maintenance in respect of both the cars shall be borne by the Company. The value of perquisites shall be calculated as per the provisions of Income Tax Act.

Reimbursement of Medical Expenses / Medical Insurance for self and Family Members.

The Company shall reimburse all the medical expenses incurred by Mr. Ramesh Ramanathan for himself as well as his Direct Family Members. The total reimbursement shall not exceed Rs.1,80,000/- per annum.

Additionally the Company shall take out a medical insurance policy for Rs.40,00,000/- (Rupees Forty



Lakhs only) to cover the hospitalization charges for Mr. Ramesh Ramanathan, his wife, kids and dependent parent (Direct Family Members) and the premium in respect of the same shall be paid by the Company.

Incentive

As may be determined by the Compensation Committee based on the achievement of the performance parameters laid down.

Employees Stock Purchase Scheme and Employees Stock Option Scheme.

Mr. Ramesh Ramanathan is eligible to participate and for allotment of options / shares under the 'Employees Stock Option Scheme and Employees Stock Purchase Scheme' of the Company.

Leave encashment

As per Company Policy

Provident Fund/Superannuation Fund/Gratuity

Contribution to the Provident Fund and Superannuation Fund and Gratuity Fund shall be in accordance with the Company's Policy in force from time to time.

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 incentives 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 incentives and retirement benefits as stated above, as minimum remuneration for a period not exceeding 3 (three) years from the date of appointment 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 Remuneration Committee or any committee thereof for the time being exercising the powers conferred on the Board by this resolution) be and are hereby authorized, 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."

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

RESOLVED THAT in accordance with

1. The provisions of Section 81(1A) and all other provisions applicable, if any, of the Companies Act, 1956 (the Act) including any statutory modifications or re-enactments thereof for the time being in force.
2. The provisions of the Memorandum and Articles of Association of the Company.
3. The provisions of any rules/regulations/guidelines framed/issued by the Securities and Exchange Board of India ("SEBI") (including any amendments thereto or any re-enactment thereof for the time being in force),

4. The provisions of the Listing Agreement entered into by the Company with the Stock Exchanges where the shares in the Company are listed,
5. The provisions of Foreign Exchange Management Act, 1999, and rules and regulations framed there under, wherever applicable and subject to,
6. The applicable statutes, guidelines, regulations, approvals, consents, permissions or sanctions of the Central Government, the Reserve Bank of India ("RBI"), SEBI, Stock Exchanges and any other appropriate and / or concerned authorities, institutions or bodies (the "Approvals"); and
7. Such conditions or modifications as may be prescribed by any of them while granting any such Approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution);

Consent of the Company be and is hereby accorded to the Board to offer, issue and allot, the following Equity Shares on preferential basis under Chapter VII of the Securities and Exchange Board of India (Issue of capital and Disclosure requirements) Regulations, 2009 ("SEBI (ICDR) Regulations") for cash at a price of Rs.75/- per Equity Shares (including a premium of Rs.65/- per Equity Share) being a price higher than the price determined as per Chapter VII of SEBI (ICDR) Regulations, to the following entities / persons

Sr. No	Name of the Allotee	Shares
1	Radhakishan Damani	2125000
2	Shyam Sundar Chandak	100000
3	Manmohan Damani	50000
4	Manoj Bagri HUF	50000
5	Ramakant Baheti	50000

6	Ignatius Navil Noronha	50000
7	Hemchand J Purohit	50000
8	Mukundlal Baheti	25000
9	Jhunjhunwala Rakesh Radheshyam	1250000
10	Amit Goela	800000
11	Utpal Sheth	500000
12	Arvind Kumar Sanganeria	25000
13	Sushila Devi Gupta	25000
14	Vishal Gupta	25000
15	Renu Ruia	83333
16	India Horizon Fund Ltd	2400000
17	Anil Sanghavi	250000
18	S.Dhanalakshmi	16667
19	Chayanakya Corporate Service Pvt Ltd	125000
		8000000

The Relevant Date in accordance with the provisions of Chapter VII of the SEBI (ICDR Regulations), on the basis of which the minimum price of the Equity shares shall be determined, shall be 30 days prior to the passing of the resolution. i.e. 14-07-2011. ("Relevant Date")

"RESOLVED FURTHER THAT

- i). The Equity Shares as may be issued and allotted forming part of any issuance as mentioned in the resolution set out above, as may be necessary, in accordance with the terms of the relevant offering, shall rank pari passu with the then existing Equity Shares in the Company in all respects, including in respect of dividend;
- ii). For the purpose of giving effect to the foregoing and 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, the Board be and is hereby authorised for and on behalf of the Company:



- a. To enter into and execute all such agreements/ arrangements as the case may be with any authorities / agencies, listing of the shares / securities on Exchange(s);
- b. To settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit;
- c. To do all such acts, deeds, matters and things as the Board may at its sole discretion deem fit, necessary or desirable for such purpose, including without limitation the drafting, finalization, entering into and execution of any arrangements or agreements with the allottees including but not limited to the shareholders' agreement/s;
- d. To delegate from time to time, all or any of the powers conferred herein upon the Board to any Committee of the Board or the Managing Director or any other Director or any other Officer or Officers of the Company."

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

RESOLVED THAT in accordance with

1. The provisions of Section 81(1A) and all other provisions applicable, if any, of the Companies Act, 1956 (the Act) including any statutory modifications or re-enactments thereof for the time being in force.
2. The provisions of the Memorandum and Articles of Association of the Company.
3. The provisions of any rules/regulations/guidelines framed/issued by the Securities and Exchange Board of India ("SEBI") (including any amendments thereto or any re-enactment thereof for the time being in force),
4. The provisions of the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed,
5. The applicable statutes, guidelines, regulations, approvals, consents, permissions or sanctions

of the Central Government, the Reserve Bank of India ("RBI"), SEBI, Stock Exchanges and any other appropriate and / or concerned authorities, institutions or bodies (the "Approvals"); and

6. Such conditions or modifications as may be prescribed by any of them while granting any such Approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution);

Consent of the Company be and is hereby accorded to the Board to offer, issue and allot warrants on preferential basis under Chapter VII of the Securities and Exchange Board of India (Issue of capital and Disclosure requirements) Regulations, 2009 ("SEBI (ICDR) Regulations") to the following entities / persons, at a subscription price of Rs.18.75/ (Rupees Eighteen and Paise Seventy Five only) (being 25%) for each Warrant conferring an option to the holder to subscribe to One Equity Share per Warrant at an exercise price of Rs.75/- (Rupees Seventy Five only) per Warrant, being a price higher than the price determined as per Chapter VII of SEBI (ICDR) Regulations 2009 and the subscription amount for the Warrants being adjusted against the exercise price of the Warrants. The subscription amount shall be forfeited, if the option to acquire shares is not exercised.

Sr. No	Name of the Allotee	Warrants
1	Radhakishan Damani	1000000
2	Gopikishan Damani	1500000
3	Jhunjhunwala Rakesh Radheshyam	1250000
4	Amit Goela	800000
5	Utpal Sheth	500000

6	RajeshKumar Radheshyam Jhunjhunwala	50000
7	Arvind Kumar Sanganeria	25000
8	Sushila Devi Gupta	25000
9	Avinash Sule	33333
10	Vishal Gupta	25000
11	Bay Capital Investment Managers Pvt. Ltd.	1950000
12	Anil Sanghavi	250000
13	S. Dhanalakshmi	666667
14	Chanakya Corporate Service Pvt. Ltd	125000
		8200000

- I. The Relevant Date in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations 2009, on the basis of which the minimum price of the Equity shares shall be determined, shall be 30 days prior to the passing of the resolution. i.e. 14-07-2011. ("Relevant Date")
- II. Subject to the applicable provisions of law. 82,00,000 warrants to be allotted to the above persons/entities, may, at the options of the holder, be convertible into Equity Shares of the Company, within 18 months from the date of their allotment, in one or more tranche(s)."

"RESOLVED FURTHER THAT

- i). The Equity Shares as may be issued and allotted upon conversion of the convertible securities forming part of any issuance as mentioned in the resolution set out above, as may be necessary, (including the Warrants as above) in accordance with the terms of the relevant offering, shall rank pari passu with the then existing Equity Shares in the Company in all respects, including in respect of dividend;
- ii). For the purpose of giving effect to the foregoing and 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, the Board be and is hereby authorised for and on behalf of the Company

- a. To enter into and execute all such agreements/ arrangements as the case may be with any authorities / agencies, listing of the shares / securities, Equity Shares to be issued on conversion of the aforesaid Warrants on Exchange(s);
- b. To settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit;
- c. To do all such acts, deeds, matters and things as the Board may at its sole discretion deem fit, necessary or desirable for such purpose, including without limitation the drafting, finalization, entering into and execution of any arrangements or agreements with the allottee/s;
- d. To delegate from time to time, all or any of the powers conferred herein upon the Board to any Committee of the Board or the Managing Director or any other Director or any other Officer or Officers of the Company."

5. 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 all other applicable provisions, if any, of the Companies Act, 1956 ("**the Act**") including any amendments thereto, and in terms of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "the Guidelines") and any other law in force, and subject to any such other approvals, consents, permissions and sanctions as may be required from appropriate authorities or bodies, and subject to such conditions and modifications, as may be considered necessary by the Board of Directors



of the Company (hereinafter referred to as "the Board" and which term shall include any Committee including Compensation Committee of the Board), or as may be prescribed while granting such approvals, consents, permissions and sanctions, which may be accepted by the Board in its sole discretion, the consent and approval of the Shareholders be and is hereby accorded to offer, grant and issue in one or more tranches an aggregate of 35,00,000 Equity Shares of Rs. 10/- each in the Equity Capital of the company, whether directly or through a Trust, to such employees of the Company, Directors of the Company whether Whole-Time Directors or otherwise (hereinafter collectively referred to as the "Employees"), as may be decided by the Board under the Employees Stock Purchase Scheme to be evolved and made pursuant to these resolutions under the name and style of the "Sterling Holiday Resorts (India) Limited - Employees Stock Purchase Scheme 2011" ("ESPS 2011" or "Scheme") on such terms and conditions as may be determined by the Board in accordance with these resolutions, the Guidelines and other applicable provisions of any law as may be prevailing at that time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, finalize and decide upon and bring into effect the ESPS 2011 on such terms and conditions including allotment of shares at different price(s) to different category of employees, as contained in these resolutions read with the Explanatory Statement and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of ESPS 2011 from time to time including but not limited to, amendment(s) with respect to the offer price, eligibility criteria or to suspend, withdraw, terminate or revise the ESPS 2011, without requiring the Board to secure any further consent or approval of the Shareholders of the Company in this regard."

"RESOLVED FURTHER THAT the Equity Share(s) under ESPS 2011 may be allotted through an existing trust or trust which may be set up in any permissible manner and that it may also envisage for providing

any financial assistance to the trust to enable it to acquire, purchase or subscribe Equity Shares of the Company."

"RESOLVED FURTHER THAT the Equity Shares to be issued and allotted by the Company in the manner aforesaid and in accordance with ESPS 2011 shall rank pari-passu in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the Company shall comply with the disclosure and the accounting policies prescribed under Clause 19.2 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and The Institute of Chartered Accountants of India."

"RESOLVED FURTHER THAT all the Directors and Mr.M.Balasubramanian, Company Secretary of the Company, be and is hereby severally authorized to take necessary steps for listing of the Equity Shares proposed to be allotted under ESPS 2011, as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, all the Directors, the Chief Executive Officer, Finance Head and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the Equity Shares, without requiring to secure any further consent or approval of the Shareholders of the Company in this regard."

6. 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 the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and any amendment thereto, the consent and approval of

the Shareholders be and is hereby accorded to the Board to offer, allot and issue Equity Shares, whether directly or through a trust in one or more tranches, under the ESPS 2011, in accordance with the terms and conditions of the said ESPS 2011, to Mr. Ramesh Ramanathan, Managing Director of the Company in excess of 1% of the issued capital (excluding the outstanding Warrants and Conversions) during any year."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, all the Directors, the Chief Executive Officer, Finance Head and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the Equity Shares, without requiring to secure any further consent or approval of the Shareholders of the Company in this regard."

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

Place : Chennai M. Balasubramaniyan
Date : 20-07-2011 Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. (PROXY FORM IS ANNEXED HEREWITH). SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.

2. The Explanatory Statement setting out the material facts concerning the Special Business of the accompanying Notice as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Registered Office of the Company in respect of their physical share folios, if any.
4. Members / Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to bring their Client Id and DP Id numbers for easy identification for attendance at the meeting.
5. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in order of the names will be entitled to vote.
6. **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 recognizing 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 electronic form or with the Registrar and Transfer Agent (Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai - 600 002) or the Company in case the shares are held in physical form.



ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956.

Item No. 1

The present Authorised Capital is Rs.65,00,00,000/- divided into 6,50,00,000 Equity Shares of Rs.10/- each. In order to meet eventualities such as augmenting resources, issue of shares etc., it is proposed to increase the Authorised Capital to Rs.75,00,00,000/- divided into 7,50,00,000 Equity Shares of Rs.10/- each.

This requires amendment of Capital Clause V of Memorandum of Association with the approval of the Shareholders by way of Ordinary Resolution. Hence the proposals are placed for your approval.

None of the Directors is interested in this resolution.

This resolution is placed for approval of the Members.

Item No. 2

The Board of Directors at their meeting held on 1st July, 2011 have approved the appointment and payment of remuneration to Mr. Ramesh Ramanathan as Managing Director of the Company for a period of 5 (Five) Years, with effect from 1st July, 2011, subject to the approval of members and the Central Government.

The Remuneration Committee has also approved the appointment and payment of Remuneration to Mr. Ramesh Ramanathan, Managing Director.

The other terms of remuneration and perquisites payable to Mr. Ramesh Ramanathan are set out under Item No. 2 of the Notice. This may be treated as an abstract of the terms of appointment of Mr. Ramesh Ramanathan, Managing Director under Section 302 of the Companies Act, 1956.

Pursuant to the provisions of Sections 269, 198 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, the appointment and the payment of remuneration

to Mr. Ramesh Ramanathan, Managing Director is placed before the members for their approval by way of a Special Resolutions.

Your Directors recommend the special resolution for approval of the Members.

Mr. Ramesh Ramanathan is interested in this resolution. None of the other Directors is interested in this resolution.

In this regard as required under Part II Sec. II of the Schedule XIII to the Companies Act, 1956, the following additional information is furnished.

I. General Information

1. Nature of industry

The company is engaged in main business of Hospitality, Vacation Ownership Sales and Resorts and Hotel Sales.

2. Date or expected date of commence of commercial production

The Company was incorporated on 22nd May, 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

Financial Parameters	2008-09	2009-10	2010-11
Turnover (including other Income)	3272.96	3193.08	3986.48
Net Profit / (Loss) as per Profit & Loss Account	(2181.87)	(902.23)	(1694.60)
Rate of Dividend	NIL	NIL	NIL

5. Export performance and net foreign exchange collaborations: Nil**6. Foreign Investments or Collaborators, if any**

Investment in shares – 34.65%

Collaborations – Nil;

II. INFORMATION ABOUT THE APPOINTEE**1. Background Details**

Mr. Ramesh Ramanathan (aged 56 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 33 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 organized 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 11 ½ 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

Not applicable since this is new appointment

3. Recognition or 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.

Considering his past track record, qualifications, vast experience, and his achievement in the same business, Mr. Ramesh Ramanathan is best suited for the assignment as Managing Director of the Company.

5. Remuneration Proposed

Salary of Rs.75 lakhs per annum plus perks and allowances as setout in the notice.

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 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 of loss or inadequate profits**

The sale of Vacation Ownership declined due to crash in Stock Market, recession in Real Estate and Investment Markets and other external factors.

2. Steps taken or proposed to be taken for improvement

The Company has already organized funds for servicing the loans, developing and refurbishing the resorts and completing the pending projects. Recruited a strong team of expertise to lead the Company towards achievement.



3. Expected increase in productivity and profits in measurable terms

In view of the all out effects 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 nearest future.

ITEM No. 3

The members are informed that to strengthen the financial position and network, to augment the long term resources and for General Corporate purposes, and taking into consideration, the performance and positive outlook of the company, as well as the strategy and growth plan, and in order to part finance the ongoing expansion programme, to complete the projects of the company to meet the capital expenditure, and augment the working capital, it is to considered prudent to raise long term resources.

It is, therefore, proposed to raise further capital by way of preferential issue as per the Chapter VII of the Securities and Exchange Board of India (Issue of capital and Disclosure requirements) Regulations, 2009 ("SEBI (ICDR) Regulations").

Your Board at its meeting held on 20th July, 2011, subject to approval by the Company in General Meeting and requisite Statutory Approvals, has proposed to offer for subscription by way of preferential basis, for cash at a price of Rs.75/- per Equity Shares (including a premium of Rs.65/- per Equity Share) being a price higher than the price determined as per Chapter VII of SEBI (ICDR) Regulations, to the following entities / persons.

Sr. No	Name of the Allottee	Shares
1	Radhakishan Damani	2125000
2	Shyam Sundar Chandak	100000
3	Manmohan Damani	50000
4	Manoj Bagri HUF	50000

5	Ramakant Baheti	50000
6	Ignatius Navil Noronha	50000
7	Hemchand J Purohit	50000
8	Mukundlal Baheti	25000
9	Jhunjhunwala Rakesh Radheshyam	1250000
10	Amit Goela	800000
11	Utpal Sheth	500000
12	Arvind Kumar Sanganeria	25000
13	Sushila Devi Gupta	25000
14	Vishal Gupta	25000
15	Renu Ruia	83333
16	India Horizon Fund Ltd	2400000
17	Anil Sanghavi	250000
18	S.Dhanalakshmi	16667
19	Chanakya Corporate Service Pvt Ltd	125000
		8000000

The acquisition / allotment of shares to the above allottees and pursuant to these resolutions is being made independently and the allottees are not acting in concert with each other or with any other persons in relation to proposed acquisition of the shares of the Company.

As per Chapter VII of SEBI (ICDR) Regulations 2009, an issue on a preferential basis can be made only at a price, which is not less than the higher of the following

- The average of the weekly high and low of the closing prices of the shares quoted on the Stock Exchange during the six month preceding the "Relevant Date"; or
- The average of the weekly high and low of the closing prices of the shares quoted on a Stock Exchange during the two weeks preceding the "Relevant Date".

The "Relevant Date" for the preferential offer also means the date thirty days prior to the date on

which the Extraordinary General Meeting of the Company is held, to consider amongst others, the proposed preferential offer under Section 81(1A) of the Act. Accordingly the "Relevant Date" for the preferential offer is 14-07-2011. For this propose also, Stock Exchange means Bombay Stock Exchange Limited in which the highest trading volume in the company's shares has been recorded during the six months immediately preceding the relevant date. The average price as computed on the above basis during the six months preceding the Relevant Dates Rs.71.74/- per Equity Share where as during the two weeks preceding the Relevant Date is Rs.73.38/- per Equity Share.

As against this, the Equity Shares of the Company being subscribed to the allottees is proposed to be issued at Rs.75/- per Equity Share as stated in resolution No. 3. The Equity Shares of the Company to be allotted shall be subject to the Memorandum of Association and Articles of Association of the Company and the terms of the issue.

The consummation of the proposed investment is subject to approval from any governmental / or

regulatory authorities etc., if required and / or as applicable.

The Board believes that the preferential offer to the persons/entities stated in the proposed resolution will be in the best interest of the Company and its Members.

As per regulation 73 of Chapter VII of SEBI (ICDR) Regulations 2009 and amendments thereof, the other required details are furnished as under.

Objects of the preferential issue

The object of the issue of the Equity Shares by way of the proposed preferential offer is to part finance the ongoing expansion programme, to complete the projects of the Company, to meet the capital expenditure and to augment its working capital for growth, and for other corporate purposes.

Intention of the Promoters / Directors / Key Management Persons to subscribe to the offer

Mrs. S.Dhanalakshmi, belongs to Promoter Group.

None of the Other Promoter Group / Directors / Key management persons would be subscribing to the preferential issue authorised by the resolution.

S.No	Category	Shareholding Pattern before this offer		Shareholding Pattern After the proposed issue	
		of Shares	% to Capital	of Shares	% to Capital
A	PROMOTER'S HOLDING				
(i)	Indian Promoters	7217674	14.486	7234341	12.511
(ii)	Acquires & PAC				
B	NON-PROMOTER HOLDING				
(i)	Institutional Investors				
(a)	Mutual Fund	7450	0.015	7450	0.013
(b)	Banks, Financial Institutions, Insurance Companies	4650	0.009	4650	0.008



S.No	Category	Shareholding Pattern before this offer		Shareholding Pattern After the proposed issue	
		of Shares	% to Capital	of Shares	% to Capital
(c)	Foreign Institutional Investors	9470015	19.006	11870015	20.527
(ii)	Others				
(a)	Private Corporate Bodies	6329796	12.704	6454796	11.163
(b)	Indian Public	15451602	31.011	20909935	36.160
(c)	Non-Resident Indians / Overseas Bodies Corporate	8453990	16.967	8453990	14.620
(d)	Trusts	2841108	5.702	2841108	4.913
(e)	Clearing Members	49300	0.099	49300	0.085
	Total	49825585	100.000	57825585	100.000

Note: The proposed share holding pattern has been arrived on the assumption that the entire, Equity Shares would be fully subscribed by the above mentioned investors.

Proposed time within which the allotment shall be completed

The allotment of the Equity Shares are proposed to be completed within 15 days of the date of passing of the above resolutions at the general meeting, provided that where the allotment is pending on account of pendency of any regulatory authority or Central Government approval(s), the allotment shall be completed within 15 days from the date of receipt of such approval(s).

Auditor's Certificate

A Certificate, from M/s. R. Subramanian and Company, Chartered Accountants and M/s.Sankar Aiyar & Co,

Chartered Accountants, Chennai, the Joint-Statutory Auditors of the Company, certifying that the issue of shares by way of the proposed preferential allotment, including pricing thereof, is being made in accordance with the requirements of SEBI's guidelines for preferential issue as contained in Chapter VII of SEBI (ICDR) Regulations 2009, and amendments thereof, shall be read before the shareholders at the Extraordinary General Meeting.

Lock-in

The Shares to be allotted on preferential basis to the investors shall be subject to the Lock-in periods as applicable in accordance with Chapter VII of SEBI (ICDR) Regulations 2009.

Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them

Sl. No.	Name of the proposed allottees	No. of Shares and percentage held by the proposed allottees prior to the preferential issue		No. of shares and percentage of post preferential issue capital that may be held by one or more of the proposed allottees	
				Nos.	% of
1	Radhakishan Damani	NIL	NIL	2125000	3.675
2	Shyam Sundar Chandak	NIL	NIL	100000	0.173
3	Manmohan Damani	NIL	NIL	50000	0.086
4	Manoj Bagri	NIL	NIL	50000	0.086

5	Ramakant Baheti	NIL	NIL	50000	0.086
6	Ignatius Navil Noronha	NIL	NIL	50000	0.086
7	Hemchand Purohit	NIL	NIL	50000	0.086
8	Mukund Baheti	NIL	NIL	25000	0.043
9	Rakesh Jhunjhunwala	NIL	NIL	1250000	2.162
10	Amit Goela	NIL	NIL	800000	1.383
11	Utpal Sheth	NIL	NIL	500000	0.865
12	Arvind Kumar Sanganeria	NIL	NIL	25000	0.43
13	Sushila Devi Gupta	NIL	NIL	25000	0.43
14	Vishal Gupta	NIL	NIL	25000	0.43
15	Renu Ruia	NIL	NIL	83333	0.144
16	India Horizon Fund Ltd	1686092	3.384	4086092	7.066
17	Anil Sanghavi	NIL	NIL	250000	0.432
18	S.Dhanalakshmi	3430000	6.884	3446667	5.960
19	Chanakya Corporate Service Pvt. Ltd	NIL	NIL	125000	0.216

The proposed allotment of the Equity Shares on a preferential basis, if made, will not result in change in the management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

The Company undertake that, it shall re-compute the price of the Security In terms of provisions of these regulations, wherever it is required to do so.

The Company undertake that the amount payable on account of re-computation of the price is not paid within the time stipulated in SEBI (ICDR) Regulations, 2009, the Security (Shares) shall continue to be locked in till the time of such amount is paid by the allottees.

The Company is taking necessary steps to obtain the requisite approvals from the Regulatory Authorities, as may be applicable, for the proposed investment.

Section 81(1A) of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further shares shall be offered to the

persons who at the date of the offer are holder of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Shareholders decide otherwise by way of a Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall issue or offer in the first instance all Securities to the existing Equity Shareholders of the Company unless the Shareholders decide otherwise.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, Chapter XIII of the SEBI (DIP) Guidelines and amendments thereof, and in terms of the provisions of the Listing Agreements, and such other approvals as may be necessary, to issue and allot securities as stated in the Special Resolution.

The proposed Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue in accordance with the normal practice. (b) power to issue and market the securities



and (c) for utilization of the issue proceeds as the Board may deem fit, without being required to seek any further consent or approvals of the Members or otherwise, with the intent that the Members shall be deemed to have given their approvals thereto expressly by the authority of this resolution.

The proposed issue of securities is in the interest of the Company and your Directors recommend the passing of the resolution under this item as a Special Resolution.

MEMORANDUM OF CONCERN OR INTEREST OF DIRECTORS

Mr. S. Sidharth Shankar, Vice Chairman being a relative of Mrs. S. Dhanalakshmi is interested in this resolution.

None of the other Directors of the Company is concerned or interested in the resolution.

DOCUMENTS FOR INSPECTION

A copy of the Certificate issued by the Statutory Auditors of the Company are kept open for inspection of the shareholders at the Registered Office of the Company on any working day between 10.00 a.m. and 1.00 p.m. up to the date of the Extraordinary General Meeting.

ITEM No. 4

The members are informed that taking into consideration, the performance and positive out look of the Company, as well as the strategy and growth plan, and in order to part finance the on going expansion programme, to complete the projects of the Company, to meet the capital expenditure and augmenting the working capital, it is considered prudent to raise long term resources.

It is, therefore, proposed to raise further capital by way of preferential issue as per the Chapter VII of the Securities and Exchange Board of India (Issue of capital and Disclosure requirements) Regulations, 2009 ("SEBI (ICDR) Regulations).

Your Board at its meeting held on 20th July, 2011, subject to the approval by the Company in

General Meeting and requisite Statutory Approvals, has proposed to offer for subscription by way of preferential allotment up to the below allottees at a subscription price of Rs.18.75/- (Rupees Eighteen and paise Seventy Five Only) for each Warrant conferring an option to the holder to subscribe to One Equity Share per Warrant at an exercise price of Rs.75/- per Warrant, being a price higher than the price determined as per Chapter VII of the SEBI (ICDR) Regulations, 2009 and the subscription amount for the Warrants being adjusted against the exercise price of the Warrants.

Sr. No	Name of the Allottee	Warrants
1	Radhakishan Damani	1000000
2	Gopikishan Damani	1500000
3	Jhunjhunwala Rakesh Radheshyam	1250000
4	Amit Goela	800000
5	Utpal Sheth	500000
6	RajeshKumar Radheshyam Jhunjhunwala	50000
7	Arvind Kumar Sanganeria	25000
8	Sushila Devi Gupta	25000
9	Avinash Sule	33333
10	Vishal Gupta	25000
11	Bay Capital Investment Managers Pvt. Ltd.	1950000
12	Anil Sanghavi	250000
13	S. Dhanalakshmi	666667
14	Chanakya Corporate Service Pvt. Ltd	125000
		8200000

As per Chapter VII of the SEBI (ICDR) Regulations, 2009, an issue on a preferential basis can be made

only at a price, which is not less than the higher of the following

- (i) The average of the weekly high and low of the closing prices of the shares quoted on the Stock Exchange during the six month preceding the "Relevant Date"; or
- (ii) The average of the weekly high and low of the closing prices of the shares quoted on a Stock Exchange during the two weeks preceding the "Relevant Date".

The "**Relevant Date**" for the preferential offer also means the date thirty days prior to the date on which this Extraordinary General Meeting of the Company is held, to consider amongst others, the proposed preferential offer under Section 81(1A) of the Act. Accordingly the "Relevant Date" for the preferential offer is 14-07-2011. For this propose also, Stock Exchange means Bombay Stock Exchange Limited in which the highest trading volume in the company's shares has been recorded during the six months immediately preceding the Relevant Date. The average price as computed on the above basis during the six months preceding the Relevant Date is Rs.71.74/- per equity share where as during the two weeks preceding the Relevant Date is Rs.73.38/- per Equity Share.

As against this, the Warrants of the Company being subscribed to the allottees is proposed to be issued at Rs.75/- per Warrant as stated in resolution No.4. The Warrants to be allotted shall be subject

to the Memorandum of Association and Articles of Association of the Company and the terms of issue.

The consummation of the proposed investment is subject to approval from any Governmental / or regulatory authorities etc., if required and / or as applicable.

The Board believes that the preferential offer to the persons/entities stated in the proposed resolution will be in the best interest of the Company and its Members.

As per regulation 73 of Chapter VII of SEBI (ICDR) Regulations, 2009 and amendments thereof, the other required details are furnished as under.

Objects of the preferential issue

The object of the issue of the Equity Shares/ Warrants by way of the proposed preferential offer is to part finance the ongoing expansion programme, to complete the projects of the Company, to meet the capital expenditure, repayment of debts and to augment its working capital for growth, and for other corporate purposes.

Intention of the Promoters / Directors / Key Management Persons to subscribe to the offer

Mrs. S. Dhanalakshmi, belongs to Promoter Group.

None of the Other Promoter Group / Directors / Key Management Persons would be subscribing to the preferential issue authorised by the resolution.



Shareholding Pattern

S.No	Category	Shareholding Pattern before this offer		Shareholding Pattern before this Offer but including the preferential issue of Equity Shares		Shareholding Pattern After Conversion of the Warrants	
		of Shares	% to Capital	of Shares	% to Capital	of Shares	% to Capital
A	PROMOTER'S HOLDING						
(i)	Indian Promoters	7217674	14.486	7234341	12.511	7901008	11.967
(ii)	Acquires & PAC						
B	NON-PROMOTER HOLDING						
(i)	Institutional Investors						
(a)	Mutual Fund	7450	0.015	7450	0.013	7450	0.011
(b)	Banks, Financial Institutions,	4650	0.009	4650	0.008	4650	0.007
(c)	Insurance Companies						
	Foreign Institutional Investors	9470015	19.006	11870015	20.527	11870015	17.978
(ii)	Others						
(a)	Private Corporate Bodies	6329796	12.704	6454796	11.163	8529796	12.919
(b)	Indian Public	15451602	31.011	20909935	36.160	26368268	39.936
(c)	Non-Resident Indians / Overseas Bodies Corporate	8453990	16.967	8453990	14.620	8453990	12.804
(d)	Trusts	2841108	5.702	2841108	4.913	2841108	4.303
(e)	Clearing Members	49300	0.099	49300	0.085	49300	0.075
	Total	49825585	100.000	57825585	100.000	66025585	100.000

Note: The proposed share holding pattern has been arrived on the assumption that the entire, Equity Shares and Warrants would be fully subscribed by the above mentioned investors.

Proposed time within which the allotment shall be completed

The allotment of the Warrants are proposed to be completed within 15 days of the date of passing of the above resolutions at the General Meeting, provided that where the allotment is pending on account of pendency of any regulatory authority or Central Government approval(s), the allotment shall be completed within 15 days from the date of receipt of such approval(s).

Auditor's Certificate

A Certificate, from M/s. R. Subramanian and Company, Chartered Accountants and M/s. Sankar Aiyar & Co, Chartered Accountants, Chennai, the Joint-Statutory Auditors of the Company, certifying that the issue of shares by way of the proposed preferential allotment, including pricing thereof, is being made in accordance with the requirements of SEBI's guidelines for preferential issue as contained in Chapter VII of SEBI (ICDR) Regulations 2009, and amendments thereof, shall be read before the shareholders at the Extraordinary General Meeting.

Lock-in

The Warrants / Shares to be allotted on preferential basis to the investors shall be subject to the Lock-in

periods as applicable in accordance with Chapter VII of SEBI (ICDR) Regulations 2009.

Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them

Sl. No.	Name of the proposed allottees	No. of Shares and percentage held by the proposed allottee/s prior to the preferential issue		No. of Warrants and percentage of post preferential issue capital that may be held by of the proposed allottee/s	
				Nos.	%
1	Radhakishan Damani	2125000	3.675	3125000	4.733
2	Gopikishan Damani	NIL	NIL	1500000	2.272
3	Jhunjhunwala Rakesh Radheshyam	1250000	2.162	2500000	3.786
4	Amit Goela	800000	1.383	1600000	2.423
5	Utpal Sheth	500000	0.865	1000000	1.515
6	RajeshKumar Radheshyam Jhunjhunwala	NIL	NIL	50000	0.076
7	Arvind Kumar Sanganeria	25000	0.043	50000	0.076
8	Sushila Devi Gupta	25000	0.043	50000	0.076
9	Avinash Sule	NIL	NIL	33333	0.050
10	Vishal Gupta	25000	0.043	50000	0.076
11	Bay Capital Investment Managers Pvt. Ltd.	NIL	NIL	1950000	2.953
12	Anil Sanghavi	250000	0.432	500000	0.757
13	S. Dhanalakshmi	3446667	5.960	4113334	6.230
14	Chanakya Corporate Service Pvt. Ltd	125000	0.216	250000	0.380

The proposed allotment of the Equity Shares on conversion of warrants on a preferential basis, if made, will not result in change in the management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

The Company undertake that, it shall re-compute the price of the Security in terms of provisions of these regulations, wherever it is required to do so.

The Company undertake that the amount payable on account of re-computation of the price is not paid within the time stipulated in SEBI (ICDR) Regulations, 2009, the Security (Shares) shall continue to be locked in till the time of such amount is paid by the allottees.

The Company is taking necessary steps to obtain the requisite approvals from the Regulatory Authorities, as may be applicable, for the proposed investment.

Section 81(1A) of the Companies Act, 1956, provides, inter-alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further shares shall be offered to the persons who at the date of the offer are holder of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Shareholders decide otherwise by way of a Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges



also provide that the Company shall issue or offer in the first instance all Securities to the existing Equity Shareholders of the Company unless the Shareholders decide otherwise.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, Chapter VII of SEBI (ICDR) Regulations, 2009 and amendments thereof, and in terms of the provisions of the Listing Agreements, and such other approvals as may be necessary, to issue and allot securities as stated in the Special Resolution.

The proposed Special Resolution gives (a) adequate flexibility and discretion to the Board to finalize the terms of the issue in accordance with the normal practice. (b) power to issue and market the Securities and (c) for utilization of the issue proceeds as the Board may deem fit, without being required to seek any further consent or approvals of the Members or otherwise, with the intent that the Members shall be deemed to have given their approvals thereto expressly by the authority of this Resolution.

The proposed issue of Securities is in the interest of the Company and your Directors recommend the passing of the resolution under this item as a Special Resolution.

MEMORANDUM OF CONCERN OR INTEREST OF DIRECTORS

Mr. Sidharth Shankar, Vice Chairman, being relative of Mrs. S. Dhanalakshmi is interested in this resolution.

None of the other Directors of the Company is concerned or interested in the resolution.

DOCUMENTS FOR INSPECTION

A copy of the existing Memorandum and Articles of Association of the Company and the certificate issued by the Statutory Auditors of the Company are kept open for inspection of the Shareholders at the Registered Office of the Company on any working

day between 10.00 a.m. and 1.00 p.m. up to the date of the Extraordinary General Meeting.

Item Nos. 5 and 6

Sterling Holiday Resorts (India) Limited (hereinafter referred to as the "Company") has always believed in rewarding its employees and Directors for their continuous hard work, dedication and support, thereby ensuring that Company returns on a path of continuous growth. To enable more and more employees to enjoy the fruits of the growth that the Company expects, it is proposed to implement the Employees Stock Purchase Scheme 2011 ("ESPS 2011" or "Scheme"). The main objective of the ESPS 2011 is to give well performing employees, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and also to attract best talent available in the industry.

Stock plans have long been recognized internationally, as an effective instrument, to align the interests of the employees with those of the company and its shareholders, providing an opportunity to the employees to share growth of the company, and to create long-term wealth in the hands of the employees.

Stock plans create a sense of common ownership between the company and its employees, paving the way for unified approach to the common objective of enhancing overall shareholders value.

The Board therefore has proposed ESPS 2011 for the benefits of its permanent employees and Directors of the Company whether Whole Time Director or otherwise, and such other persons/ entities as may be prescribed by SEBI from time to time, and in accordance with the provisions of the prevailing regulations.

In case the Company calculates the employee compensation cost using the intrinsic value of the shares, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of shares, shall be disclosed in the Directors' Report and also the

impact of this difference on profits and on Earnings Per Share of the Company shall also be disclosed in the Directors' Report.

Particulars	Salient features of the ESPS 2011
Equity Share(s)	Equity Shares shall mean the Equity Shares of the Company of par value as appearing in the Company's books.
Total number of Equity Shares to be issued under the ESPS 2011	<p>Total number of Equity Shares to be issued under this ESPS 2011 shall initially be 35,00,000 shares;</p> <p>Maximum Equity Shares per eligible Employee/ Director whether Whole Time Director or otherwise may exceed 1% of the issued capital during any year to any one Employee provided that such allotment to any one such Employee shall not be more than 10% of the issued capital of the Company on a fully diluted basis; and</p> <p>The Board/Compensation Committee may increase the maximum number of Equity Shares to be issued under the ESPS 2011 at anytime.</p>
Classes of employees entitled to participate	<p>Following classes of employees shall be entitled to participate in ESPS 2011:</p> <p>(a). A permanent employee of the Company</p> <p>(b) A Director of the Company, whether Whole Time or otherwise;</p> <p>However, Employees:</p> <ul style="list-style-type: none"> • who are either promoters or belong to the promoter group of the Company as defined in the Guidelines; or • holding 10% of the outstanding share capital of the Company's Equity Share capital at anytime after the commencement of this Scheme <p>will not be eligible for issue of Equity Shares under ESPS 2011.</p>
Offer Price	The Offer Price will be decided by the Board/Compensation Committee, provided that the Offer Price shall not be less than the par value of the Equity Shares of the Company and shall not be more than the price prescribed under Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or the market price (as defined in the Guidelines), whichever is more.
Offer Date	Offer Date means the date on which the Equity Shares are allotted to eligible Employees/Directors of the Company whether Whole Time or otherwise; by the Board/Compensation Committee.
Lock in requirements	Equity Shares issued pursuant to the ESPS 2011 shall be subject to a lock in for a period as may be decided by the Board/Compensation Committee provided that there shall be a minimum lock in period of one year from the date of the allotment to the eligible Employees / Directors whether Whole Time or otherwise, in accordance with the Guidelines



Offer Process	Eligible Employees/Directors whether Whole Time Director or otherwise, to deliver an acceptance form, in such form as the Board/Compensation Committee may prescribe, duly completed as required therein to the Board/Compensation Committee, with a copy to the trustees, on or before the closing date stated in the offer letter.
Appraisal process	Equity Shares would be distributed based on: a) past profile of the Employee including experience before joining the company b) future performance potential of the Eligible Employee: c) grade and merit of the Eligible Employee: d) the criticality of the Eligible Employee in furthering Company's interests e) the Employee's present and potential contribution to the success of the Company f) any other criteria as may be decided by the Board/Compensation Committee in its discretion.
Method of Accounting/ Accounting policies and adherence to the Guidelines	The Company shall comply with the disclosure and accounting policies prescribed by SEBI under Clause 19.2 of the Guidelines and The Institute of Chartered Accountants of India.

None of the Directors of the Company are in any way, concerned or interested in the resolutions, except to the extent of the Equity Shares that may be offered to them under the ESPS 2011.

As per Clause 17(5) of the Guidelines, approval of the Shareholders by way of a separate resolution is required to be obtained, in case of issue of Equity Shares to Employees under ESPS 2011, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding Warrants and conversions) of the Company at the time of issue of Equity Shares is proposed to be made.

It is proposed to issue/allot shares, during any one year, exceeding 1% of the issued capital (excluding outstanding Warrants and conversions) of the

Company, to Mr. Ramesh Ramanathan, Managing Director of the Company.

Mr. Ramesh Ramanathan is neither a promoter nor belongs to promoter group. Also he himself or through his relative or through any body corporate, directly or indirectly not holds more than 10% of the outstanding Equity shares of the Company

Mr. Ramesh Ramanathan, Managing Director is deemed to be interested or concerned in this resolution relating to the Equity Shares to be allotted to him. None of the other Directors is interested or concerned in this resolution.

Accordingly, the resolution as set out at Item No. 5 and 6 are being placed for approval of Shareholders.

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

**Place : Chennai
Date : 20-07-2011**

**M.Balasubramanian
Company Secretary**

STERLING HOLIDAY RESORTS (INDIA) LIMITED

Regd. Office : No.163, T.T.K. Road, Alwarpet, Chennai – 600 018.

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

MEMBER'S FOLIO NUMBER	Name of the attending Member (in Block Letters)	No. of Shares held
DPID #	<hr/> Name of Proxy (in Block Letter) (To be filled in if the Proxy attends instead of the Member)	
CLIENT ID #		

I hereby record my presence at the Extraordinary General Meeting held at Rani Seethai Hall, No.603, Anna Salai, Chennai – 600 006 on Saturday, the 13TH August, 2011 at 11.30 a.m

SINGNATURE OF SHAREHOLDER / PROXY

Note: For the convenience of the Member / Proxies attending the EGM and to facilitate quicker registration of attendance, Member / Proxy holders are requested to bring Attendance Slips duly filling Folio Number / DP ID and Client ID and affixing signature in it to the EGM. For immediate reference Folio Number / DP and Client ID is given address slip of the envelope.

* Strike out whichever is not applicable

Applicable for investors holding shares in electronic form

DP ID #

Folio No.

CLIENT ID #

No. of Shares

STERLING HOLIDAY RESORTS (INDIA) LIMITED

Regd. Office : No.163, T.T.K. Road, Alwarpet, Chennai – 600 018.

PROXY FORM

I/We _____ of _____

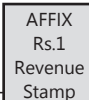
being a Member / Members of STERLING HOLIDAY RESORTS (INDIA) LIMITED do hereby appoint _____

_____ of _____ or failing him _____ of _____

_____ as my / our proxy to attend and vote for me / us on my / our behalf at the **Extraordinary General Meeting of the Company to be held at Rani Seethai Hall, No.603, Anna Salai, Chennai – 600 006 at 11.30 a.m. on Saturday, the 13th August, 2011 and at any adjournment thereof.**

Dated ___ day of _____ 2011

SIGNATURE BY THE SAID _____



Note : The Proxy Form must be deposited at the Registration Office of the Company not less than 48 hours before the time for holding the meeting.

