



STERLING HOLIDAY RESORTS (INDIA) LIMITED

Registered Office : # 7, 3rd Floor, 3rd Cross Street, 'Citi Tower', Kasturba Nagar, Adyar, Chennai - 600 020
Phone : +91 44 33573300, Fax : +91 44 33573311, Website : www.sterlingholidays.com

NOTICE OF POSTAL BALLOT

(Pursuant to Section 192A of the Companies Act, 1956)

Dear Shareholder(s),

Notice is hereby given that pursuant to the provisions of Section 192A(2) of the Companies Act, 1956, (**"the Act"**) read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011, as amended from time to time (**"Ballot Rules"**), the proposed resolutions are circulated for approval of the Shareholders of the Company.

The draft resolutions and the explanatory statements setting out all the material facts and reasons for the proposal appended hereto are being sent to you along with the Postal Ballot Form (**"Form"**) for casting your votes.

The Board of Directors have appointed M.Damodaran & Associates, Practicing Company Secretaries having office at, New No. 109, Old No. 57, Kamalam's Park, 2nd Floor, R.K.Mutt Road, Mandaveli, Chennai – 600 028, as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed overleaf of the Form and return the Form duly completed (no other form or photocopy is permitted), in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer by no later than the close of working hours i.e. 5:00 p.m India Standard Time on March 12, 2014. Postal Ballot Forms received after such closing hours will be considered invalid and as not having been received. It is clarified that shareholders desiring to exercise their vote from outside India will have to arrange for postage from the country where the ballot papers are despatched to the Scrutinizer.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/Director of the Company. The results of the Postal Ballot will be announced by a Director or the Company Secretary of the Company on March 12, 2014 and displayed on the Notice Board at the Registered Office of the Company at #7, 3rd Cross Street, "Citi Tower", Kasturba Nagar, Adyar, Chennai - 600 020 and will be placed on the website of the Company at www.sterlingholidays.com for information of shareholders and will also be published in a leading English newspaper and a vernacular newspaper of the city in which the registered office of the Company is situated, besides being communicated to stock exchanges, on which the shares of the Company are listed.

In the event the proposed resolutions are approved by the requisite majority of shareholders of the Company by means of postal ballot, the date of declaration of results shall be deemed to be the date of passing of the said resolutions.

By order of the Board

For Sterling Holiday Resorts (India) Limited

M Balasubramaniyan
Company Secretary

Date: 7th February 2014

Place: Chennai



RESOLUTIONS FOR POSTAL BALLOT

(Pursuant to Section 192A of the Companies Act, 1956)

Item 1: Increase in Authorized Share Capital

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

“RESOLVED THAT pursuant to Section 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the authorized share capital of the Company be increased from Rs.772,000,000/- to Rs.925,000,000/- by the creation of 15,300,000 new equity shares having face value of Rs.10/- each ranking paripassu with the existing equity shares subject to the Memorandum and Articles of Association of the Company.”

“RESOLVED FURTHER THAT, any one of the Directors of the Company and/or Company Secretary, be and are hereby authorised, jointly and individually, to do all such acts, deeds, matters and things necessary or desirable in connection with or incidental to giving effect to this resolution, and make all necessary filings and intimations to the Registrar of Companies and other appropriate authorities.”

Item 2: Amendments to Memorandum of Association for Increase in Authorized Share Capital

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

“RESOLVED THAT the existing clause of the Memorandum of Association of the Company be and is hereby altered by deleting the existing clause V and substituting in its place the following as new clause

(V) The Authorized Share Capital of the Company is Rs.925,000,000/- divided into 92,500,000 equity shares of Rs. 10/-(Rupees Ten only) each. The Company has the power from time to time to increase or reduce its Capital. And of the said shares and any new shares hereafter to be created, may from time to time, be divided into shares of several classes in such manner as the Articles of Association of the Company may prescribe or allow and so that the Shares of each class may have or confer such preferred or other special rights and privileges and may be issued under such restriction and conditions whether in regard to dividend, voting, return of Capital or otherwise, as well have been assigned thereto or under the provisions of the Articles of Association but so that the special rights or privileges belonging to Share Holders of any Shares issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for by the Articles of Association of the Company for the time being.”

“RESOLVED FURTHER THAT, any one of the Directors of the Company and/or Company Secretary, be and are hereby authorized, jointly and individually, to do all such acts, deeds, matters and things necessary or desirable in connection with or incidental to giving effect to this resolution, and make all necessary filings and intimations to the Registrar of Companies and other appropriate authorities.”

Item 3: Amendments to Main Object Clause of the Memorandum of Association

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

“RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force), the Main Objects Clause of the Memorandum of Association of the Company be and is hereby altered by (i) deleting the existing Clauses 3 and 4 in its entirety and (ii) by deleting the existing Clauses 2 and substituting in its place the following as new clause:

2. To construct, develop and carry on the business of hotels and holiday resorts, guest houses, motel, holiday camps, flats, rooms, suites, roadhouse, caravan sites and letting such properties out to visitors or guests including for holidays, meetings, conferences or exhibitions or giving it out on a time sharing or property sharing basis by days, weeks, months, points and any undivided shares with or without holiday exchange basis, both in India and outside India.”

“RESOLVED FURTHER THAT, any one of the Directors of the Company and/or Company Secretary, be and are hereby authorized, jointly and individually, to do all such acts, deeds, matters and things necessary or desirable in connection with or incidental to giving effect to this resolution, and make all necessary filings and intimations to the Registrar of Companies and other appropriate authorities.”

Item 4: Preferential Allotment of equity shares of the Company

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

“RESOLVED THAT in accordance with Sections 81(1A) of the Companies Act, 1956 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as **“ICDR Regulations”**) and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time (**“SEBI Takeover Regulations”**), and the provisions of Memorandum and Articles of Association of the Company and subject to such other consent, approval, if any, including rules/regulations/guidelines issued by the Foreign Investment



Promotion Board, stock exchanges where the shares of the Company are listed (including provisions of the listing agreement with them) and/or Reserve Bank of India as may be required and on such conditions and modifications as may be prescribed by any and all other appropriate authorities and institutions, rules, regulations, guidelines and directions for the time being in force, and subject further to such other terms, conditions, stipulations, alterations, amendments, modifications or variations, the consent and approval of the members of the Company be and is hereby accorded to the Board of Directors, (hereinafter referred to as the “**Board**”, which term shall be deemed to include any committee which the Board may constitute to exercise its powers) to create, offer, issue and allot in one or more tranches, on private placement and/or preferential basis, up to 20,650,000 equity shares to Thomas Cook Insurance Services (India) Limited (“**TCISIL**”, having its registered office at Thomas Cook Building, Dr. D. N. Road Fort, Mumbai, Maharashtra – 400001), as the Board may decide in its absolute discretion with each equity share having a face value of Rs.10/- at a price of Rs. 90.49/- per equity share which includes a premium of Rs. 80.49/- per equity share, which price is not less than the minimum price at which equity shares of the Company are permitted to be issued as per Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**ICDR Regulations**”), on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company at the time of issue or allotment.”

“**RESOLVED FURTHER THAT** the equity shares of the Company to be issued and allotted, as mentioned herein above shall rank paripassu in all respects with the existing equity shares in the Company including entitlement to dividend.”

“**RESOLVED FURTHER THAT** the equity shares of the Company be listed on the stock exchanges on which the existing equity shares of the Company are listed.”

“**RESOLVED FURTHER THAT** the subscription proceeds be used for such purposes as the Board may deem fit, including for meeting future requirements for resort refurbishments and operations, expansion of the business activities of the Company, financing additional working capital requirements and general corporate purposes.”

“**RESOLVED FURTHER THAT**, the Relevant Date for determining the price of the equity shares of the Company to be allotted, shall be February 10, 2014, being the date which is 30 days prior to the date of declaration of the postal ballot results (i.e March 12, 2014) which is deemed to be the date of the general meeting passing the resolution in accordance with Section 192A of the Companies Act, 1956 read with the relevant rules thereunder.”

“**RESOLVED FURTHER THAT** the entire pre-issue shareholding of the above allottee, if any, shall be under lock-in from the relevant date up to a period of six months from the date of trading approval or such other period, if any, be applicable under the applicable ICDR Regulations as amended from time to time.”

“**RESOLVED FURTHER THAT** the equity shares of the Company so issued and allotted to TCISIL as set out above shall be subject to the lock-in as per the ICDR Regulations as amended from time to time, and shall be listed and traded on all the stock exchanges on which the existing equity shares of the Company are listed.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized in its entire discretion to decide to proceed with the issue of the equity shares of the Company and authorized to accept and to agree any request for modification in number of offer, issue/allotment of the equity shares of the Company.

“**RESOLVED FURTHER THAT** to give effect to the aforesaid resolutions, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any Director or any other officer(s) of the Company and for the purpose of giving effect to this resolution, the Board acting on its own or through a Committee of Directors or any other person duly authorized in this regard by the Board/Committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/matters arising with respect to the offer, issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of the shares, execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to the aforesaid resolution, take such further steps as are required for allotment and listing on one or more stock exchange(s) of the said shares to be issued, offered and allotted as aforesaid, to take such other steps that are incidental and ancillary in this regard; and to do, make or accept such alterations, modifications or variations in the foregoing, as may be considered desirable or expedient by the Board/Committee/such Authorised Person in the best interest of the Company and its shareholders.”

Item 5: Amendment to the Articles of Association 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 section 31 and other applicable provisions, if any, of the Companies Act, 1956, the amended and restated articles of association (the “**Restated Articles of Association**”), be and hereby are adopted as the Articles of Association of the Company with effect from completion of the transactions contemplated under the Subscription Agreement, by way of amendment and restatement of the Articles of Association of the Company hitherto existing.”



“RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to do, or cause to be done all such acts, deeds and things as it may deem fit and proper in its discretion to give effect to the foregoing resolution for the adoption of the Restated Articles of Association, and to settle any/all questions, difficulties or doubts that may arise in that regard.

By order of the Board

For Sterling Holiday Resorts (India) Limited

M. Balasubramaniyan

Company Secretary

Date : 7th February 2014

Place : Chennai

Notes :

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, read with Section 192A of the Act, setting out material facts is annexed hereto.
2. In terms of Regulation 26(2)(c) of SEBI Takeover Regulations, read with Section 192A of the Companies Act, 1956, read with the applicable rules framed under the Companies Act relating to passing of the resolution by postal ballot, the items of business set out in the notice above are sought to be passed through postal ballot.
3. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on January 31, 2014. The date of dispatch of notice for Shareholders shall be announced through advertisement in newspapers and any recipient of this notice who has no voting rights as on the aforesaid date should treat the same as intimation only.
4. The Company has appointed M.Damodaran & Associates, Practicing Company Secretaries having office at New No. 109, Old No. 57, Kamalam's Park, 2nd Floor, R.K.Mutt Road, Mandaveli, Chennai - 600 028, as a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
5. Shareholders are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.
6. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on January 31, 2014.
7. The voting period ends on the close of working hours, i.e. 5:00 p.m. India Standard Time on March 12, 2014.
8. The Scrutinizer will submit his report to the Chairman or Managing Director or Secretary of the Company after completion of the scrutiny of the Postal Ballot Forms. The results of the Postal Ballot will be announced by a Director or the Company Secretary of the Company on March 12, 2014 and displayed on the Notice Board at the Registered Office of the Company at #7, 3rd Cross Street, "Citi Tower", Kasturba Nagar, Adyar, Chennai - 600 020 and will be placed on the website of the Company at www.sterlingholidays.com for information of shareholders and will also be published in a leading English newspaper and a vernacular newspaper of the city in which the registered office of the Company is situated, besides being communicated to stock exchanges, on which the shares of the Company are listed. In the event the draft resolution is assented to by the requisite majority of Shareholders by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution.
9. The Board of Directors has appointed Managing Director / Senior Vice President-Finance / Company Secretary as the persons responsible for the entire postal ballot process.

All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 10.00 a.m. to 12.00 noon on all working days at the Registered Office i.e. No. 7, 3rd Cross Street, Citi Tower, Kasturba Nagar, Adyar, Chennai - 600 020 up to the last date of voting under the postal ballot process i.e. March 12, 2014 on every working day between 10.00 a.m. and 5.00 p.m.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102
OF THE COMPANIES ACT, 2013**

Items 1 and 2 :

The present authorized share capital of the Company is Rs.772,000,000/- consisting of 77,200,000 equity shares of Rs.10/- each. In view of further equity of shares as contemplated at item no. 4 of this Notice, it is considered desirable to increase the authorized share capital from Rs.772,000,000/- to Rs.925,000,000/- comprising of 92,500,000 equity shares of Rs.10/- each aggregating Rs.925,000,000/-. Consequent upon the increase in the authorised capital as proposed, in item No.1, the Memorandum of Association of the Company will have to be altered accordingly.

Item 3 :

The Company is currently engaged in the business of leisure and hospitality services industry and is engaged in the construction and development of hotels, resorts and properties including for the purpose of giving out such properties to guests and visitors on a time sharing or property sharing business. It is accordingly proposed to amend the main objects clause of the Company for the purposes of accurately reflecting the exact nature of business that is currently carried out by the Company.

Item 4 :

The Board of Directors in order to raise funds to meet capital expenditure and other general corporate fund requirements of the company had in its meeting held on February 7, 2014, subject to receipt of relevant approvals, approved the issuance of up to 20,650,000 equity shares of the Company to Thomas Cook Insurance Services (India) Limited (“**TCISIL**”) on Private Placement/Preferential issue basis.

On February 7, 2014, TCISIL entered into a Share Purchase Agreement (“**SPA / Share Purchase Agreement**”) with Bay Capital Investments Limited, India Discovery Fund Limited, Bay Capital Investment Managers Private Limited, Sidharth Shankar and Dhanalakshmi S. (collectively the “**Sellers**”), the Company and Thomas Cook (India) Limited (“**TCIL**”) and a Share Subscription Agreement with the Company and TCIL (“**Subscription Agreement**”). Pursuant to the Share Purchase Agreement, TCISIL has agreed to acquire a maximum of 18,007,677 equity shares of the Company from the Sellers but subject to a minimum of 11,592,846 equity shares of the Company. Further, in terms of the Subscription Agreement, TCISIL shall also be subscribing to 20,650,000 equity shares of the Company, post such preferential allotment, for an aggregate consideration of Rs.1,868,618,500/-. As a consequence of entering into the Share Purchase Agreement and the Subscription Agreement and pursuant to the rights available thereunder, TCISIL will be acquiring control over the Company.

In this context, on February 7, 2014, TCISIL has announced a mandatory open offer (“**Open Offer**”) in compliance with Regulations 3(1) and 4 of the SEBI Takeover Regulations (“**SEBI Takeover Regulations**”) to acquire 26% of the equity share capital of the Company, on a diluted basis.

As per Section 81(1A) of the Companies Act, 1956, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the SEBI Takeover Regulations, consent of the Members of the Company by way of a Special Resolution is required for allotment of equity shares of the Company on preferential basis by the Company. Since the preferential allotment is being made during the offer period of the Open Offer, as per Regulation 26(2) of SEBI Takeover Regulations, the special resolution in respect of the preferential allotment is required to be passed by postal ballot.

The issue of equity shares of the Company as aforesaid, shall be made in accordance with the provisions of the Companies Act, 1956, Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Listing Agreement of stock exchanges and other applicable laws and provisions.

As required under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, a certificate from the statutory auditors of the Company, certifying that the proposed preferential issue is being made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 will be available for inspection at the Registered Office of the Company at #7, 3rd Cross Street, "Citi Tower", Kasturba Nagar, Adyar, Chennai - 600 020 after the Relevant Date i.e. February 10, 2014 and upto the last date of voting under the postal ballot process i.e. March 12, 2014 on every working day between 2.00 pm and 5.00 pm.

The information as required under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 is as under:

a) Objects to the Issue :

The purpose of this issue is to raise financial resources by the Company to meet future requirements for resort refurbishments and operations, expansion of its business activities, finance additional working capital requirements and general corporate purposes.



b) Proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer

None of the shares to be issued by the Company pursuant to the aforesaid preferential allotment will be subscribed to by any of the promoters, directors or key management personnel of the Company. Post the investment, TCISIL will be a promoter of the Company.

c) Shareholding Pattern of the Company before and after issue of the equity shares of the Company:

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). Current Promoters	7,901,008	11.582%	7,901,008	8.891%	
	(ii). TCISIL (Proposed Promoter)*	-	20,650,000	23.237%		
B	NON-PROMOTER HOLDING					
	1. Institutional Investors					
	(a). Mutual Fund	7,450	0.011%	7,450	0.008%	
	(b). Banks, Financial Institutions, Insurance Companies	4,650	0.007%	4,650	0.005%	
	(c) Foreign Institutional Investors	13,485,424	19.768%	13,485,424	15.175%	
	2. Others					
	(a) Private Corporate Bodies	14,047,912	20.593%	14,047,912	15.808%	
	(b) Indian Public	21,398,566	31.368%	21,398,566	24.079%	
	(c) Non-Resident Indians / Overseas Bodies Corporate	9,305,949	13.642%	9,305,949	10.472%	
	(d) Foreign Nationals	325	0.0005%	325	0.0004%	
	(e) Trusts	1,966,542	2.883%	1,966,542	2.213%	
	(f) Clearing Members	99,347	0.146%	99,347	0.112%	
		Total	68,217,173	100.000%	88,867,173	100.000%
	* Post the proposed investment by TCISIL through preferential allotment route and Open Offer, TCISIL will be a promoter of the Company					

Note : The proposed shareholding pattern has been arrived on the assumption that the entire Equity Shares would be Fully Subscribed by the above mentioned investor/s

d) Pricing of the issue : The issue price of the equity shares of the Company to be allotted on preferential basis to TCISIL shall be Rs.90.49/- (Rupees ninety and forty nine paise only) or such higher price as may be determined in accordance with the ICDR Regulations.

Currently, the ICDR Regulations provide that the issue of shares on preferential basis can be made at a price not less than higher of the following:

- The average of the weekly high and low of the closing prices of the related equity shares of the Company quoted on the recognised Stock Exchange during the twenty six weeks preceding the Relevant Date; or
- The average of the weekly high and low of the closing prices of the related equity shares of the Company quoted on the recognised Stock Exchange during the two weeks preceding the Relevant Date.

The “**Relevant Date**” for the purpose of calculating the price of the equity shares of the Company shall be February 10, 2014, being the date which is 30 days prior to the date of declaration of the results of the Postal Ballot i.e. March 12, 2014.

“**Stock Exchange**” for this purpose, shall mean any of the recognised stock exchanges in which the equity shares of the Company are listed and in which the highest trading volumes in respect of the equity shares of the Company has been recorded during the preceding twenty six weeks prior to the Relevant Date.



e) Proposed time limit within which allotment will be completed :

The proposed allotment of shares will be completed within 15 days period from the later of: (i) date of declaration of results of the Postal Ballot conducted herein; and (ii) the receipt of approvals / permissions from any regulatory authority.

f) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed allottees with percentage of expanded capital to be held by them

Sr. No.	Proposed Allottee	Existing Shareholding		Shareholding post preferential issue	
		No. of shares	%	No. of shares	% (of post allotment equity share capital)
1.	TCISIL	0	0.00	20,650,000	23.24%

TCISIL entered into insurance distribution in 2002 and is a corporate agent of Bajaj Allianz General Insurance Company Limited. TCISIL is 100% subsidiary of TCIL.

TCIL is a company listed on the National Stock Exchange of India Limited and the BSE Limited. The registered office of TCIL is situated at Thomas Cook Building, Dr. D. N. Road Fort, Mumbai, Maharashtra – 400001, India. TCIL is involved in providing travel related services mainly in India, Mauritius and Sri Lanka and operates in two key divisions: (i) Financial Services - Authorized dealers (Category II) in foreign exchange focused on providing travel related foreign exchange and payment solutions, and (ii) Travel Related Services - Services include consumer leisure travel retailing (such as retailing of package tours), corporate travel management services (such as air and hotel reservations), leisure inbound service (services for customers of third party tour operators at their arrival) and general sales agency business. TCIL currently has its presence in over 204 (including 25 airport counters) locations spread over 78 cities and is supported by a strong partner network of 117 Gold Circle Partners and 166 preferred sales agents in over 100 cities across India.

Pursuant to the proposed preferential issue, the Articles of Association of the Company shall be amended to provide TCISIL certain rights with respect to the Company. There will be a change in control of the Company after the proposed preferential issue.

g) Lock-in : The equity shares of the Company proposed to be issued to TCISIL shall be locked in for the period as specified under Regulation 78 of the ICDR Regulations. Further the entire pre-allotment shareholding of TCISIL, if any, shall be locked in from the Relevant Date up to a period of 6 months from the date of the trading approval of equity shares of the Company to TCISIL or such other period, if any, be applicable under the ICDR Regulations as amended from time to time.

h) Undertakings

The Company hereby undertakes that it shall recompute the price of the specified securities in terms of the provisions of the ICDR Regulations where it is required to do so.

The Company also undertakes that if the amount payable on account of the recomputation of price is not paid within the time stipulated in the ICDR Regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

i) None of the Directors of the Company is in any way concerned or interested in the resolution.

Item 5 :

As per the terms and conditions of the Subscription Agreement, the Company is required, as a condition to the investment, to amend and restate its Articles of Association in the form agreed to with TCISIL (the “**Restated Articles of Association**”) to give effect to the terms of the investment.

The amendments are proposed to reflect the rights of TCISIL in the Company as set out in the Subscription Agreement which includes: (i) TCISIL having the right to nominate upto 3 Directors on the Board of the Company and (ii) TCISIL having certain veto / affirmative rights with respect to certain specified matters with respect to the Company.



Pursuant to the provisions of Section 31 of the Companies Act, 1956, approval of the shareholders of the company by special resolution is required for the adoption of the Restated Articles of Association by way of amendment and restatement of the existing Articles of Association and accordingly, the approval of the shareholders is being sought for the proposed adoption of the Restated Articles of Association.

The Restated Articles of Association to be adopted by the Company and the Subscription Agreement are available for inspection at the Registered Office of the Company during business hours.

None of the Directors or key managerial persons of the Company or their relatives is in any way concerned or interested in the resolution.

By order of the Board

For Sterling Holiday Resorts (India) Limited

M. Balasubramaniyan
Company Secretary

Date : 7th February 2014

Place : Chennai