

VICEROY HOTELS LIMITED



Regd Off: D.No. 8-2-120/115/14, 5th Floor, Shangrila Plaza, Opp. KBR Park, Road No.2, Banjara Hills, Hyderabad- 500034, AP
Email: secretarial@viceroymhotels.com, Website: www.viceroymhotels.com

NOTICE

May 08, 2013

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011

Dear Shareholder(s),

The Company is proposing to sell its 'Chennai Project Division' measuring about 100 grounds together with the semi constructed hotel building at Satyadev Avenue, MRC Nagar, Main Road, RA Puram, Chennai – 600028, subject to the approval of the Shareholders in terms of section 293 (1) (a) of the Companies Act, 1956. In terms of the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 the said proposal requires consent of the Members by passing ordinary resolution through Postal Ballot Process, accordingly NOTICE is hereby given that the Company is seeking Consent of its Members by passing an Ordinary Resolution through Postal Ballot in respect of the Special Business as mentioned above.

The proposed Special Business, along with Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 and a Postal Ballot Form is enclosed for your consideration. The Board of Directors at their meeting held on May 08, 2013 has appointed Ms. N. Vanitha, Practicing Company Secretary, as Scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self addressed, prepaid postage envelope, so as to reach the Scrutinizer on or before the close of working hours on June 15, 2013. The Ballot Forms received after the said date will be treated as not received. The Scrutinizer will submit her report to the Chairman and Managing Director after completion of the scrutiny and the result of the Postal Ballot shall be announced on June 17, 2013 at 5 p.m. at the Registered Office of the Company. The result of the Postal Ballot will also be posted on the Company's website www.viceroymhotels.com besides communication to the Stock Exchanges where the Company's shares are listed and also through Paper Advertisement in at least one English and one Vernacular language newspaper circulating in Hyderabad.

The date of declaration of result shall be deemed to be the date of passing of the said Resolution.

SPECIAL BUSINESS – ORDINARY RESOLUTION

Item No.1: Sale of 'Chennai Project Division':

To consider and if deemed fit, to pass through Postal Ballot, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT in supersession of the postal ballot resolution duly passed and declared on June 03, 2011 and subsequent revocation and cancellation of all arrangements, agreements, commitment and other bindings, if any, on the subject matter of the said postal ballot resolution, CONSENT, APPROVAL and PERMISSION be and is hereby accorded to the Board of Directors (the Board) pursuant to Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to approvals and permission as may be required from Government regulatory or judicial authorities, lenders and other authorities, if any, to sell, transfer, assign or otherwise dispose off the 'Chennai Project Division' measuring about 100 grounds together with the semi constructed hotel building at Satyadev Avenue, MRC Nagar, Main Road, RA Puram Chennai - 600028, for a total cash consideration of Rs.480 crores to CEEBROS HOTELS PRIVATE LIMITED, Chennai.”

“RESOLVED FURTHER THAT the Board be and are authorized to do all such acts, deeds, matters and things and further authorized to constitute any committee and to execute any agreements, documents, sale deed and other writings with CEEBROS HOTELS PRIVATE LIMITED in the aforesaid subject matter.”

Hyderabad
May 08, 2013

**By Order of the Board
For Viceroy Hotels Limited**

Sd/-
M. Satish Choudhury
Company Secretary

NOTES:

1. A Shareholder who is entitled to vote at a general meeting is entitled to exercise his/her vote through Postal Ballot.
2. An Explanatory Statement pursuant to Section 173 (2) read with section 192A of the Companies Act, 1956 in respect of business under Item No.1 is annexed hereto.
3. Shareholders are requested to register their email i.d. with the Company or Share Transfer Agent for receiving any future correspondence from the Company.
4. The Company has appointed Ms. N. Vanitha, Practicing Company Secretary as Scrutinizer for the purpose of the Postal Ballot exercise.
5. The notice will be sent to all the Members, whose names would appear in the Register of Members as on May 10, 2013.
6. A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the Members will also be accepted. The envelope containing the Postal Ballot should reach the Scrutinizer not later than the close of working hours on June 15, 2013. Ballot Forms received after the date will be strictly treated as if the reply from the member has not been received.
7. The result of the Postal Ballot should be announced by the Chairman, or in his absence by any other person authorized by the Chairman, on June 17, 2013 at 5.00 p.m. at the Registered Office of the Company and the resolution will be taken as passed effectively on the date of the announcement of the result by the Chairman or such other authorized person in his behalf, if the result of the Postal Ballot indicates that the requisite majority of the shareholders had assented to the respective Resolution.
8. Subsequently Result of the Postal Ballot will be published in at least one English and one Vernacular language newspaper circulating in Hyderabad.
9. Shareholders are requested to carefully read the instructions printed on the back of the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

ITEM No. 1:

The shareholders vide Postal Ballot issued on March 26, 2011 and the result of which duly decided on June 03, 2011 accorded approval to sell, transfer, assign or otherwise dispose of 'Chennai Project Division' comprising the 'Chennai Hotel Project' and 'Chennai Residential Project' to 'Mahal Hotel Private Limited' and 'Esteem Housing Developers Private Limited' for a lump sum cash consideration of not less than Rs. 480 crores and Rs. 20 crores respectively. 'Mahal Hotel Private Limited' and 'Esteem Housing Developers Private Limited', though initially agreed, subsequently because of the changes in CRZ Rules (Environment) and the Rules of Chennai Metropolitan Development Authority, they were unable to get the constructed area which they were originally envisaging and therefore expressed their inability to purchase, acquire and continue the said projects and further consented their no objection to the Company to sell, transfer or otherwise to deal with the properties to any other persons.

The Board of Directors after detailed consideration, at their meeting held on May 08, 2013 approved the proposal to sell the entire 'Chennai Project Division' comprising the 'Chennai Hotel Project' and 'Chennai Residential Project' to 'Ceebros Hotels Private Limited, Chennai', for a total cash consideration of Rs. 480 crores. The Board is confident that that the present proposal be completed as planned and the Company be relieved off its financial commitments.

The transfer of the Projects is subject to receipt of all consents and approvals including the approval of its Shareholders under Section 293 (1) (a) of the Companies Act, 1956.

Section 293 (1) (a) of the Companies Act, 1956 provides *inter alia* that the Board of Directors of a public company shall not, without the prior consent of the members of the Company sell, lease or otherwise dispose off of the whole or substantially whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially whole of any such undertaking. The members are requested to empower the Board with requisite authority under said Section to sell and transfer the 'Chennai Project Division' to 'Ceebros Hotels Private Limited, Chennai'. Therefore, as per the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, it is necessary to obtain prior approval of the members pursuant to the said Section through postal ballot process.

The Board of Directors is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence recommends the Resolution for your approval.

The Directors of the Company may be deemed to be concerned or interested in the resolution as set out in the Notice pursuant to Section 192A of the Companies Act, 1956 to the extent of their respective Shareholding in the Company as would appear in the register of Directors' Shareholding. None of the Directors have any concern or interest in the potential buyer.

Hyderabad
May 08, 2013

**By Order of the Board
For Viceroy Hotels Limited**

Sd/-
M. Satish Choudhury
Company Secretary