

Notice of Postal Ballot / Electronic Voting (e-voting)

Dear Members,

Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable laws, rules and regulations, India Tourism Development Corporation Limited (the 'Company') hereby seeks your approval by way of special resolution(s) through postal ballot / e-voting in respect of the following special business.

Detailed explanatory statement setting out the material facts concerning each resolution and instructions for e-voting are given in ballot form.

SPECIAL BUSINESS:

Item No. 1: Disinvestment of Undertaking(s) of ITDC.

To consider and if thought fit, to pass the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 180 (1)(a) and other applicable provisions of the Companies Act, 2013 and Rules made there under and pursuant to the applicable provisions of the Memorandum and Articles of Association of the Company, and subject to the compliance with all applicable laws and regulations and receipt of all applicable regulatory or Government approvals, and subject to such conditions and modifications as may be prescribed or imposed by the Government or by any regulatory or Governmental authorities, and pursuant to Letters, circulars or Office Memorandums relating to disinvestment process issued from time to time by Ministry of Tourism or any other Government Ministry or Department, consent of the company be and is hereby accorded to sell, lease or otherwise, dispose of whole or substantially the whole of such undertaking(s) of the Company and on such terms and conditions and to such persons or entities whether Government or otherwise as the Board of Directors of the Company may in their sole discretion or acting upon the directions of Ministry of Tourism or any other ministry deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution.”

Item No. 2: Disinvestment of Subsidiaries of ITDC.

To consider and if thought fit, to pass the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 24(5) and 24(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the applicable provisions of the Memorandum and Articles of Association of the Company, and subject to the compliance with all applicable laws and regulations and receipt of all applicable regulatory or Government approvals, and subject to such conditions and modifications as may be prescribed or imposed by the Government or by any regulatory or governmental authorities, and pursuant to Letters, circulars or Office Memorandums relating to disinvestment process issued from time to time by Ministry of Tourism or any other Government, Ministry or Department, consent of the company be and is hereby accorded to sell or dispose of shares held by ITDC in its subsidiary companies or relinquish, cease or give up in any manner whatsoever the exercise of control over the subsidiary companies or lease/sub-lease/hand over/transfer in PPP mode or any other Government approved mode, hotels/undertaking(s) of following subsidiary companies to third party and on such terms and conditions and to such persons or entities whether Government or otherwise as the Board of Directors of the Company may, in their sole discretion or acting upon the directions of Ministry of Tourism or any other ministry, deem fit :

- i) Madhya Pradesh Ashok Hotel Corporation Ltd.
- ii) Assam Ashok Hotel Corporation Ltd.

- iii) Pondicherry Ashok Hotel Corporation Ltd.
- iv) Donyi Polo Ashok Hotel Corporation Ltd.
- v) Ranchi Ashok Bihar Hotel Corporation Ltd.
- vi) Punjab Ashok Hotel Company Ltd.
- vii) Utkal Ashok Hotel Corporation Ltd. (Matter being sub-judice, the decision will be taken after the judgment of the Court)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution.”

By order of the Board
For **India Tourism Development Corporation Limited**

Sd/-
(V.K. Jain)

Company Secretary
ITDC, Core 8, SCOPE Complex, 7 Lodhi Road,
New Delhi – 110003

Registered Office:

ITDC, Core 8, SCOPE Complex, 7 Lodhi Road,
New Delhi – 110003

Dated: April 14, 2017

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts and the reasons for the proposal is annexed herein below.
2. Please read the instructions/ notes printed overleaf the Postal Ballot Form before exercising the vote.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 1

In accordance with the disinvestment policy of the Government of India and as per direction from the Government of India, Ministry of Tourism (MoT) (i.e. Administrative Ministry of ITDC) initiated the process of disinvestment of all hotels (undertakings) of ITDC except Hotel 'The Ashok' and Hotel 'Samrat'. The Ministry of Tourism formed an Inter Ministerial Group (IMG) for the purpose. The Transaction Advisors (TAs), for deriving the valuation and financial models, were appointed by the Ministry of Tourism in respect of following 4 hotels (undertakings):

- i) Hotel Jaipur Ashok, Jaipur
- ii) Lalitha Mahal Palace Hotel, Mysore
- iii) Hotel Patliputra Ashok, Patna
- iv) Hotel Kalinga Ashok, Bhubaneswar

In respect of others, the matter is under process.

As per decision and policy approved by the Govt. of India that strategic disinvestment of subsidiaries/JVs/units of CPSEs be processed by parent CPSE (holding Company) under the supervision of Ministries/Departments, it was decided by the IMG and conveyed to ITDC through the Office Memorandum dated 06.01.2017 of Ministry of Tourism that henceforth the process of disinvestment of ITDC hotels/properties/units will be taken by ITDC under the supervision of the Ministry of Tourism (MoT), Government of India. This will also include the transfer of rights, powers and obligations of TAs from MoT to ITDC.

As per Section 180(1)(a), approval of members by passing special resolution is required to sell, lease or dispose off the whole or otherwise the whole of the undertaking.

However, Units to be sold, leased or otherwise disposed of do not fall within the definition of undertaking as given in the explanation below section 180(1)(a). However ITDC being a Government Company, predominantly owned by Govt. of India (GoI), it was found desirable to seek shareholders approval for sell, lease or otherwise disposal of Units as a matter of good corporate governance, to maintain full transparency and also because some of the units may be leased to non –government entities.

Section 180(4) of the Companies Act, 2013 states that any special resolution passed by the company consenting to the transaction may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions. Accordingly, it may be submitted that ITDC will seek shareholders approval again once the exact transaction or deal for sell, lease or otherwise disposal has been finalized as a matter of good corporate governance and to maintain full transparency.

The Board recommends the resolutions under Item No.1 above for approval of the members as a Special Resolutions in its Board Meeting held on 23.03.2017.

In view of the above, approval of the shareholders is being sought through special resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is deemed to be concerned or interested, financially or otherwise in the said resolutions except to the extent of their shareholding, if any.

The relevant documents, resolutions passed at the Board and Committee Meetings and other allied documents, if any, being referred in this resolutions, would be available for inspection by the members, free of cost, at the Registered Office of the Company during 11.00 A.M. to 01.00 P.M. on all working days (Monday to Friday), up to and including the last date of voting on the Postal Ballot.

Item No. 2

In accordance with the disinvestment policy of the Government of India and as per direction from the Government of India, Ministry of Tourism (MoT) (i.e. Administrative Ministry of ITDC) initiated the process of disinvestment, through sale of entire stake of ITDC in the subsidiary companies of ITDC or through lease/sub-lease/given on PPP mode of the Hotels/Undertaking(s) to third party, of all subsidiaries of ITDC except in case of Utkal Ashok Hotel Corporation Ltd. in which case the matter is sub-judice and the decision will be taken after the judgment of the court. The Ministry of Tourism formed an Inter Ministerial Group (IMG) for the purpose. The Transaction Advisors/Consultants, for deriving the valuation and financial models, were appointed by the Ministry of Tourism in respect of following 5 subsidiary companies:

- i) Madhya Pradesh Ashok Hotel Corporation Ltd.
- ii) Assam Ashok Hotel Corporation Ltd.
- iii) Pondicherry Ashok Hotel Corporation Ltd.
- iv) Donyi Polo Ashok Hotel Corporation Ltd.
- v) Punjab Ashok Hotel Company Ltd.

In respect of others, the matter is under process.

As per decision and policy approved by the Govt. of India that strategic disinvestment of subsidiaries/JVs/units of CPSEs be processed by parent CPSE (holding Company) under the supervision of Ministries/Departments, it was decided by the IMG and conveyed to ITDC through the Office Memorandum dated 06.01.2017 of Ministry of Tourism that henceforth the process of disinvestment of ITDC hotels/properties/units will be taken by ITDC under the supervision of the Ministry of Tourism (MOT), Government of India. This will also include the transfer of rights, powers and obligations of TAs from MoT to ITDC.

As per Regulation 24(5) of SEBI (LODR) Regulations, 2015, a listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting. As per Regulation 24(6) of SEBI (LODR)

Regulations, 2015, selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution.

However, the JVs/Subsidiaries in which entire equity stake of ITDC will be disposed off or hotels/unit(s) will be leased/sub-leased/given under PPP mode, do not fall within the parameters of material subsidiaries under SEBI (LODR) Regulations, 2015. However ITDC being a Government Company, predominantly owned by Govt. of India (Gol), it was found desirable to seek shareholders approval as a matter of good corporate governance, to maintain full transparency and also, because some of the units/JVs may be leased/sub-leased to non –government entities.

The Board recommends the resolutions under Item No.2 above for approval of the members as a Special Resolutions in its Board Meeting held on 23.03.2017.

In view of the above, approval of the shareholders is being sought through special resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is deemed to be concerned or interested, financially or otherwise in the said resolutions except to the extent of their shareholding, if any.

The relevant documents, resolutions passed at the Board and Committee Meetings and other allied documents, if any, being referred in this resolutions, would be available for inspection by the members, free of cost, at the Registered Office of the Company during 11.00 A.M. to 01.00 P.M. on all working days (Monday to Friday), up to and including the last date of voting on the Postal Ballot.

By order of the Board
For **India Tourism Development Corporation Limited**

Sd/-
(V.K. Jain)
Company Secretary
ITDC, Core 8, SCOPE Complex, 7 Lodhi Road,
New Delhi – 110003

Registered Office:

ITDC, Core 8, SCOPE Complex, 7 Lodhi Road,
New Delhi – 110003

Dated: April 14, 2017

Encl.:

1. Postal Ballot Form
2. Postage pre-paid self addressed envelope