



# THE LEELA

PALACES HOTELS RESORTS

March 18<sup>th</sup>, 2019

**The Department of Corporate Services**  
**BSE Limited**  
1<sup>st</sup> floor, P J Towers  
B.S. Marg, Fort, Mumbai – 400 001  
**Stock Code: 500193**

**The Listing Department**  
**National Stock Exchange of India Limited**  
Exchange-Plaza, Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051  
**HOTEL LEELA**

Dear Sir,

**Sub: Outcome of the Board Meeting held on 18<sup>th</sup> March, 2019**

We wish to inform you that the Board of Directors of the Company at their meeting held today at The Leela Palace New Delhi, Chanakyapuri, New Delhi, have approved the execution of a Framework Agreement with BSREP III India Ballet Pte. Ltd. for the sale and transfer of the following to BSREP III India Ballet Pte. Ltd. or its affiliates (“**Brookfield**”):

1. The Company’s hotel business, together with all assets and liabilities of the hotels located at (a) Bangalore, (b) Chennai, (c) Delhi and (d) Udaipur, on a slump sale basis as a going concern, including the Company’s rights in the hotels, and underlying immovable properties;
2. The hospitality and hotel operations business of the Company on a slump sale basis as a going concern, which includes a transfer and assignment of all of the Company’s contracts for the operation and management of hotels together with contracts for the provision of amenity services in serviced apartments;
3. 100% shareholding of the Company in Leela Palaces and Resorts Limited which owns property and holds licenses for the development of a hotel in Agra;
4. All the intellectual property owned by the Company, used in, held for use in, or related to (1) and (2) above;

This will also include, as a part of the above transaction:

- a. All the intellectual property, if any, owned by the Promoters and their affiliates (other than HLVL), used in, held for use in, or related to (1) and (2) above, for a consideration of Rs. 150 Crores.
- b. Execution of an agreement between Brookfield and certain members of the Promoter Group or their affiliates, for the provision of business expansion services to Brookfield as may be mutually agreed, for a consideration of Rs. 150 Crores.
- c. Execution of a joint venture agreement between Brookfield and the Promoters (or their Affiliates) for the purposes of carrying out certain development activities jointly in the manner as mutually agreed.

Regd. Office:

HOTEL LEELAVENTURE LIMITED

The Leela Mumbai, Sahar, Mumbai 400 059 India. Phone: (91-22) 6691 1234; Fax: (91-22) 6691 1212; Email: leela@theleela.com; www.theleela.com

The Leela Palaces, Hotels and Resorts: New Delhi, Bengaluru, Chennai, Mumbai, Gurugram, Udaipur, Goa, Kovalam and Mahatma Mandir Convention and Exhibition Centre, Gandhinagar, Gujarat.

Upcoming Hotels: Jaipur, Hyderabad, Bhartiya City Bengaluru, Gandhinagar Gujarat and Indira

Corporate Identity Number (CIN): L55101MH1981PLC024097





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- d. Execution of a license agreement and centralised services agreement with the Company in connection with the 'The Leela' hotel situated at Mumbai; and
- e. Leasehold rights with respect to the land forming part of the larger land admeasuring 24,404 (twenty four thousand four hundred and four) square metres situated at Old Airport Road, Bangalore, by way of a fresh lease from Leela Lace Holdings Private Limited and cancellation of the existing lease with the Company.

As a part of the proposed transaction referred to above, voting and exclusivity agreements with *inter alia* the promoters have also been executed, where relevant members of the promoter group have provided their express consent to vote in favour of the shareholders' resolutions for the abovementioned transaction, in such manner so as to give effect to the transaction, and prescribing the manner of dealing with competing offers in relation to the transaction.

If any one of the transactions mentioned above are not consummated, the entire transaction will fail.

The above proposed transaction is subject to the fulfillment of various conditions, including the obtaining of the approval of the shareholders of the Company as well as the approval of the Lenders of the Company. The total consideration payable to the Company for the above transaction is an amount of Rs. 3950 Crores subject to adjustments on account of net working capital plus the applicable transaction cost. The said consideration will be paid to the lenders of the Company in accordance with the terms of the definitive agreements towards repayment of dues owed by the Company to its lenders, and after completion of the aforesaid transaction, all borrowings of the Company from all banks and financial institutions would stand repaid. The Company will continue to operate the hotel in Mumbai and own certain land in Hyderabad and the joint development project of residential apartments with Prestige Developers in Bangalore. Brookfield will have a right of first refusal over the Company's hotel in Mumbai, as a part of the transaction.

The shareholding of the Company shall remain unaffected pursuant to the aforesaid sale.

The disclosure pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI Circular CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015 is as follows:

The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;	During the financial year 2017-18, the above hotel undertakings contributed Rs. 591 crores (80% of the total income) to the Company's total income of INR 743 Crore.  The above hotel undertakings contributed 88 % of the total net worth of the Company.
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Date on which the agreement for sale has been entered into	The Framework Agreement as mentioned above is proposed to be entered into today, 18 <sup>th</sup> March 2019. The remaining agreements for the completion of the transaction will be entered into in due course subject to fulfillment of the requisite conditions.
The expected date of completion of sale / disposal	Subject to fulfillment of various requisite conditions, the above transaction is expected to be completed within approximately 3 to 6 months from the date of Board Meeting.
Consideration received from such sale / disposal;	The total consideration that the Company would receive is Rs. 3950 Crores subject to certain adjustments on account of net working capital.
Brief details of buyers and whether any of the buyers belong to the promoter / promoter group/group companies. If yes, details thereof;	BSREP III India Ballet Pte. Ltd., a company incorporated in Singapore and an affiliate of BSREP III, Brookfield Asset Management's (NYSE: BAM) latest flagship private real estate fund. Brookfield Asset Management globally owns and operates \$350 billion of assets, with interests in various sectors. The Buyer does not belong to the promoters or the promoter group or the promoter group companies.
Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length";	The transaction is not a related party transaction.

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## THE LEELA

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Indicative disclosures provided for amalgamation / merger should also be provided for any slump sale. As per SEBI Circular CIR/CFD/CMD/4/2015 dated 9 <sup>th</sup> September, 2015, the following details are required to be disclosed for amalgamation / merger:	
a. Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;	There is no merger/amalgamation in this case. There is a proposed slump sale of various hotel undertakings as mentioned above. Details in this respect are set out above.
b. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	The transaction is not a related party transaction.
c. Area of business of the entity(ies);	The acquirer is an affiliate of BSREP III, Brookfield Asset Management's (NYSE: BAM) latest flagship private real estate fund. Brookfield Asset Management globally owns and operates \$350 billion of assets, with interests in various sectors.

Regd. Office:

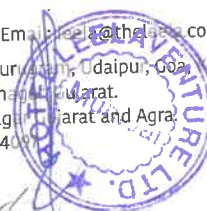
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d. Rationale for amalgamation/ merger;	The Company had restructured its debts under the Corporate Debt Restructuring (“CDR”) mechanism in September 2012. The Company and the promoters have been evaluating various options for a viable restructuring, including sale/ monetization of non-core assets, sale of hotels, equity infusion and debt refinancing by investors. In that regard, the Company has received a proposal from Brookfield for acquiring the Company’s hotel undertakings in Delhi, Bengaluru, Chennai and Udaipur as well as the Company’s business of hotel management operations, as well as to purchase the 100% shareholdings of LPRL, which owns property and holds licenses for the development of a hotel in Agra. The proceeds of the transaction would be used in accordance with the provisions of the definitive agreements to repay the existing lenders of the Company, after which all borrowings from all banks and financial institutions would have been repaid.
e. In case of cash consideration – amount or otherwise share exchange ratio;	Not applicable as there is no amalgamation / merger. The total consideration that the Company will receive is Rs. 3950 Crores subject to certain adjustments on account of net working capital.
f. Brief details of change in shareholding pattern (if any) of listed entity.	There is no change in the shareholding pattern of the Company.

Also please find enclosed a copy of the press release being issued by the Company in this regard.

The Board meeting started at 2.00 P.M. and concluded at 5.00 P.M.

Please take the above documents and information on record.

Yours faithfully,  
For **Hotel Leelaventure Limited**

  
**Vivek Nair**  
**Chairman and Managing Director**

Encl: a/a

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## **HOTEL LEELA VENTURE LIMITED ENTERED IN BINDING CONTRACT WITH BROOKFIELD**

**Mumbai, 18<sup>th</sup> March, 2019:** Hotel Leela Venture Limited (HLVL), announced today that it has entered into a binding agreement with a Brookfield Asset Management (Brookfield) sponsored private real estate fund, to sell by way of slump sale, four owned Leela hotels located at Bangalore, Chennai, Delhi and Udaipur and the property that it owns in Agra.

The transaction also includes assignment of all Hotel Management contracts currently in operation as well as all management contracts for hotels which are currently under development, along with the employees of the hotels. The total transaction value is Rs. 3950 crores plus the applicable transaction costs. This is subject to approval of shareholders, lenders and other regulatory and statutory approvals. Simultaneously, the Promoters who own the Leela brand would also be transferring the Leela brand to Brookfield for all hospitality businesses.

JM Financial Limited acted as the exclusive financial advisor to HLVL for this transaction.

Commenting on the transaction, Mr. Vivek Nair, Chairman and Managing Director of HLVL said "The Leela is rated amongst the top hospitality brands in the world and I am confident that the brand will receive a boost and be further strengthened and continue to be known for its world-class services."

Commenting on the transaction, Mr. Ankur Gupta, Managing Director and Head-India Real Estate, Brookfield Asset Management remarked "The Leela is one of the finest hospitality groups in India and over the years it has gained extraordinary recognition from some of the most prestigious authorities on travel and luxury in the world. We are excited with this opportunity and look forward to completing this transaction at the earliest, while ensuring that all operations remain unaffected. We expect the Leela hotels to continue to be market leaders."

### **Hotel Leelaventure Limited:**

HLVL is a leading Indian luxury hospitality group founded in 1986, with an award winning portfolio of nine hotels in India. For further information, please contact your travel counsellor or visit our website at [www.theleela.com](http://www.theleela.com). To view or download high resolution images, please visit our image gallery at <http://images.theleela.com>