

**Chalet Hotels Limited**

Regd. Office: Raheja Tower, Plot No. C-30, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400051.
CIN: L55101MH1986PLC038538
Tel: +91-22-26564000 Fax: +91-22-26565451
Email: companysecretary@chalethotels.com
Website: www.chalethotels.com

**NOTICE TO EQUITY SHAREHOLDERS
NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF CHALET HOTELS LIMITED BY
VIDEO CONFERENCE PURSUANT TO THE ORDER DATED FEBRUARY 05, 2021 OF
THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

Meeting and Remote E-Voting Details

| | |
|------------------------------------|--|
| E-voting Start Date and Time: | Friday, April 09, 2021 at 09:00 a.m. |
| E-voting End Date and Time: | Sunday, April 11, 2021 at 05.00 p.m. |
| Date and Time of the Meeting: | Monday, April 12, 2021 at 11.00 a.m. |
| Venue: | Through Video Conference |
| Date of Announcement of Result: | On or before Wednesday, April 14, 2021 |
| Website for publication of result: | www.chalethotels.com/amalgamation |

CONTENTS:

| Sr. No. | Particulars | Page Nos. |
|----------------|---|------------------|
| 1. | Notice to the Equity Shareholders of Chalet Hotels Limited pursuant to the Order of the Hon'ble National Company Law Tribunal, Mumbai Bench along with E-voting instructions. | 2 |
| 2. | Explanatory Statement under Sections 102, 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. | 7 |
| 3. | Scheme of Arrangement and Amalgamation amongst Belaire Hotels Private Limited, Seapearl Hotels Private Limited and Chalet Hotels Limited and their respective Shareholders and Creditors. | 17 |
| 4. | Report adopted by the Board of Directors of the Transferee Company under Section 232(2)(c) of the Companies Act, 2013. | 36 |
| 5. | Supplementary Accounting Statements of Chalet Hotels Limited, Belaire Hotels Private Limited and Seapearl Hotels Private Limited for the period ended December 31, 2020. | 37 |

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. CA(CAA)1117/MB/2020**

**In the matter of:
The Companies Act, 2013
and**

**In the matter of:
Application under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013
and**

**In the matter of:
Scheme of Arrangement and Amalgamation between
BELAIRE HOTELS PRIVATE LIMITED ("Transferor No. 1 / Applicant Company No. 1") AND
SEAPEARL HOTELS PRIVATE LIMITED ("Transferor No. 2 / Applicant Company No. 2") AND CHALET HOTELS
LIMITED ("Transferee / Applicant Company No. 3") AND their respective Shareholders and Creditors**

FORM NO. CAA 2

**[Pursuant to Section 230(3) of the Companies Act, 2013 and Rules 6 & 7 of the Companies (Compromises,
Arrangement & Amalgamation) Rules, 2016]**

**NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF CHALET HOTELS LIMITED, TRANSFEREE
COMPANY, BY VIDEO CONFERENCE AS PER DIRECTION OF THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, MUMBAI BENCH**

To,
The Equity Shareholders of Chalet Hotels Limited (the "Applicant Company No. 3"):

NOTICE is hereby given that by an order ("**Order**") dated February 05, 2021, the Mumbai Bench of the Hon'ble National Company Law Tribunal ("NCLT") in the above mentioned Company Scheme Application has, *inter-alia*, directed that a meeting of the Equity Shareholders of the Applicant Company No. 3 be held by way of Video Conference ('VC') on **Monday, April 12, 2021 at 11.00 a.m. IST** to consider, and if thought fit, approve the Scheme of Arrangement and Amalgamation between Belaire Hotels Private Limited, Seapearl Hotels Private Limited and Chalet Hotels Limited and their respective Shareholders and Creditors, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") (the "**Scheme**" or "**Scheme of Amalgamation**"), at which date and time, the Equity Shareholders are requested to attend.

Due to COVID-19 outbreak, the Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 39/2020 dated December 31, 2020 ("MCA Circulars") has prescribed the process for convening of Extra-ordinary General Meetings through Video Conferencing or Other Audio Visual Means till June 30, 2021. Pursuant to the said MCA Circulars, companies have been advised to adhere to the social distancing norms laid down by the Government of India and take all decisions which require the approval of the Members without holding physical meetings, in accordance with the provisions of the Act and the said MCA Circulars. The Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 has in line with the MCA Circulars extended the relaxations in respect of general meetings held through electronic mode till December 31, 2021.

This Notice is accordingly being issued in compliance with the said MCA Circulars. This Notice is being sent through email to all the Members who have registered their email addresses with the Company or Depository / Depository Participants. However, as a practice of good corporate governance, the physical copy of the Notice is also being sent to the Members whose email addresses are not available.

The remote e-voting shall be available to the Members of the Company to vote during the meeting. However, pursuant to Rule 20 of the Companies (Management and Administration) Rules, 2014, the remote e-voting before the meeting shall be open on the following dates:

| | |
|-----------------------------|--|
| E-voting Start Date & Time: | Friday, April 09, 2021 at 09:00 a.m. IST |
| E-voting End Date & Time: | Sunday, April 11, 2021 at 05.00 p.m. IST |

Equity Shareholders are requested to vote thereon.

For voting through electronic means as per the facilities arranged by the Company, Members are requested to read the instructions in the Notes under the section 'Voting through Electronic Means' of this Notice. Members are requested to note that the voting on the said resolution shall only be through e-voting, as detailed herein.

Copies of the Notice, the Explanatory Statement along with the said Scheme and other Annexures, under Sections 230 to 232 read with Section 102 of the Act and the Rules framed thereunder have been uploaded on the website of the Company www.chalethotels.com/amalgamation/, and that of the Registrar & Share Transfer Agent (RTA) viz. <https://evoting.kfintech.com> and on the website of the National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com) and can

also be obtained free of charge from the Registered Office of the Applicant Company No. 3 up to the date of conclusion of the Meeting i.e. Monday, April 12, 2021 on any working day between 10.00 a.m. to 5.00 p.m. (IST).

The Hon'ble NCLT has appointed Ms. Prachi Wazalwar, Practising Advocate or in her absence Mr. Milind Wadekar as the Chairperson for the meetings of the Equity Shareholders of the Applicant Company No. 3 and for any adjourned meeting thereof.

The Hon'ble NCLT has appointed Mr. Avinash Bagul, Proprietor of Avinash Bagul and Associates, Practicing Company Secretaries as the Scrutiniser for the process of remote e-voting to be held before and during the Meeting. The abovementioned Scheme, if approved at the Meeting as instructed by the Tribunal, will be subject to the subsequent approval and order of the NCLT. The Scrutinizer will submit his report to the Chairperson of the Company or in his absence to any other person authorised by such Chairperson.

The voting rights of Shareholders shall be in proportion to their shareholding in the Company as on the close of business hours on Tuesday, April 06, 2021 ("Cut-off date").

The Board of Directors of the Company, at its meeting held on August 11, 2020, has approved the above-mentioned Scheme of Arrangement and Amalgamation, subject to the requisite approvals, and subject to the sanction of the Hon'ble NCLT and of such other authorities as may be necessary.

TAKE NOTICE that the following Resolution is proposed under Sections 230 to 232 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), and the provisions of the Memorandum of Association and Articles of Association of the Applicant Company No. 3, for the purpose of considering, and if thought fit, approving the Scheme:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other Rules, Circulars and Notifications made thereunder as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India from time to time, and relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the approval of the Mumbai Bench of the Hon'ble National Company Law Tribunal and such other approvals, permissions and sanctions of regulatory or Governmental and other authorities or Tribunals, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the Mumbai Bench of the Hon'ble National Company Law Tribunal, or by any regulatory or other authorities or tribunals, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company, the proposed amalgamation embodied in the Scheme of Arrangement and Amalgamation amongst Belaire Hotels Private Limited and Seaparl Hotels Private Limited and Chalet Hotels Limited and their respective Shareholders and Creditors (hereinafter referred to as the **"Scheme"**), be and is hereby approved with or without modification(s) and for conditions, if any, which may be required and/or imposed and/or permitted by the Mumbai Bench of the Hon'ble National Company Law Tribunal while sanctioning the Scheme and/or by any Governmental authority.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary to give effect to the above resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those, and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/or permitted by the Mumbai Bench of the Hon'ble National Company Law Tribunal while sanctioning the Scheme, or by any Governmental authorities, or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder, creditor, the Securities and Exchange Board of India, the Mumbai Bench of the Hon'ble National Company Law Tribunal, and/or any other authority, are in its view not acceptable to the Company, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto."

A copy of the Explanatory Statement under Section 230(3) of the Act, read with Section 102 of the Act and Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 along with copy of the Scheme and other annexures are enclosed herewith. Further, please note that in compliance with the Order and provisions of Section 230(4) read with Section 108 of the Act, Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, and in accordance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Paragraph 9 of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India (**"SEBI Scheme Circular"**) and aforesaid MCA Circulars, the Applicant Company No. 3 has provided to its Equity Shareholders the facility to vote on the Scheme by way of remote e-voting facility before and during the Meeting.

By Order of the Hon'ble National Company Law Tribunal, Mumbai Bench
Sd/-

Adv. Prachi Wazalwar
Chairperson appointed by Hon'ble NCLT

Registered Office: Raheja Tower, Plot No. C-30, Block G, Bandra Kurla Complex,
Bandra East, Mumbai 400051.
CIN: L55101MH1986PLC038538

Dated March 08, 2021, at Mumbai

Notes:

1. The Explanatory Statement pursuant to Section 102(1) and 230(3) of the Companies Act, 2013 ('the Act') relating to the business to be transacted at the Hon'ble NCLT Convened Meeting ('Meeting') is annexed hereto.
2. Pursuant to the MCA Circulars and the Hon'ble NCLT Order dated February 05, 2021, this Meeting is being held through Video Conference ('VC') and physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate Members are requested to send duly certified scanned copy of the Resolution of the Board or governing body, authorizing their representative(s) to attend through VC and vote through remote e-voting on their behalf at the Meeting pursuant to Section 113 of the Act. The said resolution / authorization shall be sent to the Scrutinizer by email through its registered email address to avinash.bagul1959@gmail.com with a copy marked to evoting@kfintech.com.
4. Members attending the Meeting through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In line with the MCA Circulars, at least 1,000 Members will be able to join the Meeting on a first-come-first-served basis. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Compensation, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc. can attend the Meeting without any restriction on account of first-come-first-served principle.
6. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. **Instructions for Members for attending the Meeting through VC:**
 - a. Members are being provided the facility to attend the Meeting through VC platform of KFin Technologies Private Limited ('KFin'). Members are requested to participate in the Meeting through VC by visiting the link <https://emeetings.kfintech.com> and logging in by using their e-voting credentials. Further, Members have to select the EVEN and the name of the Company and click on 'Video Conference' option to join the Meeting. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.
 - b. Facility of joining the Meeting through VC shall open 15 minutes before the time scheduled for the Meeting (i.e. 10.45 a.m. IST on Monday, April 12, 2021) and will be available for Members on first-come-first-served basis.
 - c. For a better experience, Members are encouraged to join the Meeting through their computers with Google Chrome browser.
 - d. Further, Members wishing to speak at the Meeting may be required to turn camera on/enable video and are requested to use internet with good speed to avoid any disturbance during the Meeting.
 - e. Please note that participants connecting from mobile devices / tablets / computers via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - f. Members who would like to express their views or ask questions during the Meeting may register themselves as a speaker shareholder by accessing the link <https://emeetings.kfintech.com> from Friday, April 09, 2021 to Sunday, April 11, 2021 upto 5.00 p.m. (IST). Only those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the Meeting and may have to allow camera access during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Meeting. Please note that, Members' questions will be answered only if they continue to hold shares as on the cut-off date.
8. **Instructions for Voting through electronic means (Remote e-voting):**
 - a. In compliance with the provisions of Section 108 of the Act, the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide its Members the facility to exercise their right to vote on resolution proposed to be considered at the Meeting by electronic means i.e. remote e-voting either before or during the Meeting. Resolution passed by Members through e-voting will be deemed as if they have been passed at the Meeting.
 - b. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on Tuesday, April 06, 2021 ('the cut-off date'), shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Any person, who acquires shares of the Company and becomes a Member after dispatch of the Notice and holds shares as of the cut-off date, may obtain the User ID and Password by following the procedure mentioned in the Notice.
 - c. The Members can opt for only one mode of voting i.e. either by remote e-voting before or during the Meeting. The Members who have not already cast their vote by remote e-voting before the Meeting shall be able to exercise their right during the Meeting through remote e-voting. The Members who have cast their vote by remote e-voting before the Meeting are eligible to attend the Meeting through VC but shall not be entitled to cast their vote again through remote e-voting during the Meeting.
 - d. The period of remote e-voting before the Meeting commences on Friday, April 09, 2021 (09:00 a.m. IST) and ends on Sunday, April 11, 2021 (05:00 p.m. IST). The remote e-voting module shall thereafter be disabled by KFin for voting; and subsequently enabled for remote e-voting, during the Meeting. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

A) Steps for remote e-voting before the Meeting:

In case of a Member who has received an e-mail from KFin (for Members whose e-mail IDs are registered with the Depository Participant(s)):

- a. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
- b. Enter the login credentials (i.e. User ID and Password). Your DP ID and Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and Password for casting your vote.
- c. After entering these details appropriately, click on 'LOGIN'.
- d. You will now reach 'Password Change Menu' wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one uppercase (A-Z), one lowercase (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details such as mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- e. You will need to login again with the new credentials.
- f. On successful login, the system will prompt you to select the 'EVENT' i.e., 'Chalet Hotels Limited - 5858'.
- g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under 'FOR / AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding as on the cut-off date, i.e. Tuesday, April 06, 2021. You may also choose the option 'ABSTAIN'. If the Member does not indicate either 'FOR' or 'AGAINST', it will be treated as 'ABSTAIN' and the shares held will not be counted under either heads.
- h. Members holding multiple Demat Accounts shall carry out the e-voting process separately for each Demat Account.
- i. You may then cast your vote by selecting an appropriate option and clicking on 'SUBMIT'.
- j. Thereafter, a confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify or change the votes cast.
- k. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send a scanned copy (pdf format) of the Board Resolution / Authority Letter etc., certified to be true, to the Scrutiniser at e-mail ID avinash.bagul1959@gmail.com with a copy marked to evoting@kfintech.com. The scanned copy of the abovementioned documents should be named in the format 'CHALET HOTELS LIMITED_EVENT NO. 5858'.
- l. Members who have already voted through remote e-voting before the Meeting will be eligible to attend the Meeting but shall not vote during the Meeting.

B) Steps for e-voting during the Meeting:

Only those Members present and attending at the Meeting through VC and who have not already cast their vote through remote e-voting shall be eligible to vote through e-voting during the Meeting. Voting during the Meeting is integrated with the VC platform and no separate login is required for the same. Members may click on the voting icon on the left side of the screen to cast their votes.

9. Procedure for attending the Meeting and e-voting by the Members whose email addresses are not registered with the Depositories/not submitted to the Registrar and Share Transfer Agent ('RTA'):

Pursuant to the MCA Circulars, the Meeting is being held by way of VC. Those Members who have not yet registered their email address and are desirous of attending the Meeting and casting their vote before or during the Meeting, by way of e-voting are requested to get their email addresses registered by following the procedure given below:

- a. Those Members who have not registered their email address, mobile numbers, address and bank details (including any changes thereof) may please contact and validate/update their details with their respective Depository Participant(s) for shares held in electronic form.
- b. Members who have not registered their email address, may temporarily get their email address and mobile number updated with the Company's RTA, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to umesh.pandey@kfintech.com. Members may however note that this is a temporary registration and the Company urges all Members to get their email address and mobile number registered with their respective Depository Participant(s).
- c. Alternatively a Member may send an email request at umesh.pandey@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy requesting for Notice, Explanatory Statement and the Annexures thereto and the e-voting instructions by email.
- d. After receipt of the User ID and Password, Members are requested to follow the steps given in Point 8 above.

10. Other Instructions:

Any person, who acquires shares of the Company and becomes a Member after dispatch of the Notice and holds shares as on the cut-off date, may obtain the 'User ID' and 'Password' in the manner mentioned below:

- a. where the mobile number of the Member is registered against DP ID and Client ID, the Member may send an SMS: MYEPWD (E-VotingEvent Number) + DP ID and Client ID to 9212993399. For example:
 - NSDL: MYEPWD IN12345612345678
 - CDSL: MYEPWD 1402345612345678
- b. where e-mail address or mobile number of the Member is registered against DP ID and Client ID, then on the home page of <https://emeetings.kfintech.com>, the Member may click "Forgot Password" and enter DP ID & Client ID and PAN to generate a password.

KFin shall endeavour to send User ID and Password to those new Members whose e-mail address is available.

Members can also reach out to KFin's toll free number 1800-3454-001 or send an e-mail request to umesh.pandey@kfintech.com.

11. General Instructions for Members:

- a. In case of any query and / or grievance, in respect of (i) attending the Meeting through VC, or (ii) voting by electronic means (iii) non-receipt of email of Notice convening the Meeting, Members may refer to the Help & Frequently Asked Questions (FAQs) and e-voting User Manual available at the Downloads section on the website of KFin i.e. <https://evoting.kfintech.com/> or contact Mr. Umesh Pandey (Unit: Chalet Hotels Limited) of KFin at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, email at umesh.pandey@kfintech.com or call KFin's toll free no. 1800-3454-001 for any further clarifications.
- b. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, April 06, 2021.
- c. As the Meeting will be conducted through VC, the route map to the Meeting venue is not annexed to this Notice.

12. a. The Hon'ble NCLT has appointed Mr. Avinash Bagul of Avinash Bagul & Associates, Practicing Company Secretary, to act as the Scrutiniser to scrutinise the remote e-voting process in a fair and transparent manner and Mr. Avinash Bagul has communicated his willingness to be appointed and be available for the purpose.
- b. The Scrutiniser shall, immediately after the conclusion of the remote e-voting at the Meeting, first count the votes cast through remote e-voting during the Meeting and thereafter unblock the votes cast through remote e-voting before the Meeting in presence of at least two witnesses not in the employment of the Company, and make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, and submit the same to the Chairperson of the Meeting or a person authorised by him in writing who shall countersign the same.
- c. The result on resolution shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolution will be deemed to be passed on the date of the Meeting, subject to receipt of the requisite number of votes in favour of the resolution.
- d. The result declared along with the Scrutiniser's Report will be made available on the website of the Company (www.chalet-hotels.com/amalgamation/) and on KFin's website (<https://evoting.kfintech.com>) and the same shall also be communicated to National Stock Exchange of India Limited and BSE Limited within 48 hours from the conclusion of the Meeting.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, BENCH AT MUMBAI
COMPANY SCHEME APPLICATION NO. CA(CAA)1117/MB/2020**

In the matter of:

The Companies Act, 2013

And

In the matter of:

Sections 230 to 232 of the Companies Act, 2013

And

In the matter of:

Scheme of Arrangement and Amalgamation between

BELAIRE HOTELS PRIVATE LIMITED

("Transferor No. 1")

AND

SEAPEARL HOTELS PRIVATE LIMITED

("Transferor No. 2")

AND

CHALET HOTELS LIMITED

("Transferee")

AND

their respective Shareholders and Creditors

| | | |
|--|-----|--|
| BELAIRE HOTELS PRIVATE LIMITED | ... | Applicant Company No. 1 / Transferor Company No. 1 / Belaire |
| SEAPEARL HOTELS PRIVATE LIMITED | ... | Applicant Company No. 2 / Transferor Company No. 2 / Seapearl |
| CHALET HOTELS LIMITED | ... | Applicant Company No. 3 / Transferee Company / Chalet |

The Transferor Company No. 1 and the Transferor Company No. 2 may jointly be referred to as Transferor Companies.

Applicant Company No. 1, Applicant Company No. 2 and Applicant Company No. 3 may jointly be referred to as Applicant Companies.

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102, 230 TO 232 OF THE COMPANIES ACT, 2013 ("ACT") READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE TO EQUITY SHAREHOLDERS AND PREFERENCE SHAREHOLDERS OF CHALET HOTELS LIMITED PURSUANT TO ORDER DATED FEBRUARY 05, 2021 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

This is the Statement accompanying the Notice to the Equity Shareholders and Preference Shareholders ("**Shareholders**") of the Applicant Company No. 3 for approval of Scheme of Arrangement and Amalgamation through meetings of the Equity and Preference Shareholders through Video Conference ("VC"), pursuant to the Order dated February 05, 2021 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Hon'ble NCLT**"), in the Company Application Number CA(CAA)1117/MB/2020, for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement and Amalgamation between Belaire Hotels Private Limited, Seapearl Hotels Private Limited ("**Transferor Companies**") and Chalet Hotels Limited ("**Transferee Company**") under Sections 230 to 232 read with Section 234 and other applicable provisions of the Act and the Rules made thereunder (the "**Scheme of Arrangement and Amalgamation**" or "**Scheme**").

Notice of the Meeting of the Equity Shareholders and Preference Shareholders, respectively, together with the copy of the Scheme of Arrangement and Amalgamation is provided herewith. This statement explaining the terms of the Scheme of Arrangement and Amalgamation is being furnished as required under Sections 102, 230 to 232 read with Section 234 of Act and other applicable provisions, if any of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 of the Act.

- Pursuant to the Order dated February 05, 2021 passed by the Hon'ble NCLT, approval of the Equity Shareholders of Applicant Company No. 3 is being sought by means of remote e-voting before and during the Meeting (to be held through VC) as per the details mentioned below:

| | |
|------------------------------------|--|
| Remote E-voting commences on: | Friday, April 09, 2021 at 09:00 a.m. IST |
| Remote E-voting concludes on: | Sunday, April 11, 2021 at 05:00 p.m. IST |
| Date and Time of the Meeting: | Monday, April 12, 2021 at 11.00 a.m. IST |
| Venue of the Meeting: | Through Video Conference |
| Date of Announcement of Result: | On or before Thursday, April 14, 2021 |
| Website for publication of Result: | www.chalet-hotels.com/amalgamation |

for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement and Amalgamation amongst Belaire Hotels Private Limited ("Applicant Company No. 1"), Seapearl Hotels Private Limited ("Applicant Company No. 2") and Chalet Hotels Limited ("Applicant Company No. 3") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Act (including any statutory modification or re-enactment or amendment thereof).

- Pursuant to the Order dated February 05, 2021 passed by the Hon'ble NCLT, the Meetings of the Preference Shareholders of Applicant Company No. 3, Chalet Hotels Limited are being convened at the Registered Office of the Company on Monday, April 12, 2021 at 12:00 p.m. (IST) for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement and Amalgamation amongst **Belaire Hotels Private Limited ("Applicant Company No. 1"), Seapearl Hotels**

Private Limited (“Applicant Company No. 2”) and Chalet Hotels Limited (“Applicant Company No. 3”) and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Act (including any statutory modification or re-enactment or amendment thereof).

3. The definitions contained in the Scheme will apply to this Explanatory Statement also.
4. A copy of the Scheme setting out in detail the terms and conditions governing the proposed Scheme of Arrangement and Amalgamation amongst Applicant Company No.1, Applicant Company No.2 and Applicant Company No.3 and their respective Shareholders and Creditors, which has been approved by the Board of Directors of the Applicant Company No.3 at its meeting held on August 11, 2020 is attached to this Explanatory Statement and forms part of this statement. All the Directors of the Applicant Company No. 3 voted in favour of the resolution approving the Scheme.
5. In terms of the Order dated February 05, 2021, passed by Hon’ble NCLT, in Company Scheme Application No. CA(CAA)1117/MB/2020, if the entries in the Register of Members of the Applicant Company No. 3 in relation to the value of the shares are disputed, the Chairperson appointed by the Hon’ble NCLT for the Meetings shall determine the value for the purposes of the voting and the Chairperson’s decision in that behalf shall be final.
6. The Transferee Company has filed a copy of the Scheme with BSE and NSE vide its letter dated September 17, 2020. Since the Scheme is between a Parent Company and its Wholly Owned Subsidiaries, as per Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same does not require prior approval of the Securities and Exchange Board of India or any of the Stock Exchanges. It is confirmed that a copy of the Scheme has been filed by the Transferor Companies and the Transferee Company with the Ministry of Corporate Affairs/Registrar of Companies on October 21, 2020. Further, in view of the exemption to Schemes involving Wholly Owned Subsidiaries as stated in Para 7 of the Circular No CFD/DIL3/CIR/2017/21 issued by the Securities and Exchange Board of India on March 10, 2017, Valuation Report and Fairness Opinion has not been obtained by the Company and hence is not being annexed hereto.

7. BACKGROUND OF THE APPLICANT COMPANY NO. 3 / TRANSFEE COMPANY / CHALET HOTELS LIMITED:

- a. The Applicant Company No.3 / Transferee Company is a Public Limited Company, originally incorporated on January 6, 1986 under the provisions of the Companies Act, 1956, continuing its existence under the Companies Act, 2013. Its name was changed from Chalet Hotels Private Limited to Chalet Hotels Limited upon conversion into a public company on June 6, 2018. Chalet’s shares are listed on BSE Limited and National Stock Exchange of India Limited.
- b. Corporate Identity Number (CIN): L55101MH1986PLC038538
- c. Permanent Account Number (PAN): AAACK0411E
- d. Email address is companysecretary@chalethotels.com.
- e. Registered Office: Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
- f. Details of the Authorized, Issued, Subscribed and Paid-up Share Capital of the Applicant Company No.3 as on December 31, 2020, is as under:

| Particulars | Amount in INR |
|---|-------------------------|
| Authorised Share Capital | |
| 22,91,00,000 Equity Shares of Rs.10/- each. | 229,10,00,000/- |
| 20,000, 0.00% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs.1,00,000/- each. | 200,00,00,000/- |
| 1600, 0.001% Non-Convertible Redeemable Preference Shares of Rs.1,00,000/- each. | 16,00,00,000/- |
| Total | 445,10,00,000/- |
| Issued and Subscribed Share Capital | |
| 20,50,23,864 Equity Shares of Rs.10 each/- | 205,02,38,640/- |
| 1600, 0.001% Non-Cumulative Redeemable Preference Shares of Rs.1,00,000/- each. | 16,00,00,000/- |
| 10,000, 0.00% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs.1,00,000/- each, fully paid up (Series – A) | 100,00,00,000/- |
| 10,000, 0.00% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs.1,00,000/- each, partly paid up, Rs.25,000/- per share (Series – B) | 100,00,00,000/- |
| Total | 421,02,38,640/- |
| Paid-up Share Capital | |
| 20,50,23,864 Equity Shares of Rs.10 each/- | 205,02,38,640/- |
| 1600, 0.001% Non-Cumulative Redeemable Preference Shares of Rs.1,00,000/- each. | 16,00,00,000/- |
| 10,000, 0.00% non-cumulative, non-convertible redeemable preference shares of Rs.1,00,000/- each, fully paid up (Series – A) | 100,00,00,000/- |
| 10,000, 0.00% non-cumulative, non-convertible redeemable preference shares of Rs.1,00,000/- each, partly paid up, Rs.25,000/- per share (Series – B) | 25,00,00,000/- |
| Total | 3,46,02,38,640/- |

- g. Details of shareholding of the present Promoters and Director of the Applicant Company No. 3 along with their addresses as on December 31, 2020 is as under:

| Category and Name | Address | No. of fully paid-up Equity Shares held | Shareholding % |
|--|--|---|----------------|
| PROMOTERS | | | |
| <u>Individuals / Hindu Undivided Family</u> | | | |
| Neel Chandru Raheja | Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050. | 1,03,26,318 | 5.04 |
| Ravi Chandru Raheja | | 1,03,26,318 | 5.04 |
| Sub Total (a) | | 2,06,52,636 | 10.07 |
| | | | |
| <u>Bodies Corporate</u> | | | |
| Ivory Properties and Hotels Private Limited* | Raheja Tower, Plot No. C-30, Block 'G', Opp. SIDBI, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. | 1,13,51,833 | 5.54 |
| K Raheja Private Limited | | 1,24,00,000 | 6.05 |
| K Raheja Corp Private Limited | | 37,85,824 | 1.85 |
| Touchstone Properties and Hotels Private Limited | | 1,45,00,000 | 7.07 |
| Genext Hardware and Parks Private Limited | | 80,00,000 | 3.90 |
| Sub Total (b) | | 5,00,37,657 | 24.41 |
| | | | |
| <u>Limited Liability Partnership</u> | | | |
| Cape Trading LLP | Raheja Tower, Plot No. C-30, Block 'G', Opp. SIDBI, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. | 1,31,16,180 | 6.40 |
| Casa Maria Properties LLP | | 1,64,96,280 | 8.05 |
| Capstan Trading LLP | | 1,64,95,680 | 8.05 |
| Raghukool Estate Developement LLP | | 1,64,95,680 | 8.05 |
| Anbee Constructions LLP | | 1,31,16,180 | 6.40 |
| Palm Shelter Estate Development LLP | | 4,92,387 | 0.24 |
| Sub Total (c) | | 7,62,12,387 | 37.17 |
| Promoter Total (a) + (b) + (c) | | 14,69,02,680 | 71.65 |
| | | | |
| DIRECTOR | | | |
| Joseph Conrad D'Souza | 501, Hasmukh Mansion, Plot No. 375, 14 th Road, Khar (W), Mumbai 400 052. | 689 | 0.00 |

*Ivory Properties and Hotels Private Limited (Registered Owner) holds 77,80,404 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust, out of its total shareholding of 1,13,51,833 Equity Shares.

- h. The Shareholding Pattern of the Equity Shareholders of Applicant Company No.3 prior to the Amalgamation as on December 31, 2020 is given hereinunder:

| Sr. No. | Category Shareholder | No. of shares held | Shareholding as a % of total no. of shares |
|------------|--|---------------------|--|
| A | Promoter and Promoter Group Shareholders | | |
| (1) | Indian | | |
| (a) | Individuals/Hindu Undivided Family | 2,06,52,636 | 10.07 |
| (b) | Central Government/State Government(s) | - | - |
| (c) | Financial Institutions/Banks | - | - |
| (d) | Bodies Corporate/LLPs | 12,62,50,044 | 61.58 |
| | Sub-Total (A)(1) | 14,69,02,680 | 71.65 |
| (2) | Foreign | | |
| (a) | Individuals (Non-Resident Individuals/Foreign Individuals) | - | - |
| (b) | Government | - | - |
| (c) | Institutions | - | - |
| (d) | Foreign Portfolio Investor | - | - |
| | Sub-Total (A)(2) | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2) | 14,69,02,680 | 71.65 |
| | Details of Shares which remain unclaimed for Promoter & Promoter Group | - | - |
| B | Public Shareholders | | |
| (1) | Institutions | | |
| (a) | Mutual Funds | 3,21,85,292 | 15.70 |
| (b) | Venture Capital Funds | - | - |
| (c) | Alternate Investment Funds | - | - |
| (d) | Foreign Venture Capital Investors | - | - |

| | | | |
|---|--|---------------------|---------------|
| (e) | Foreign Portfolio Investors | 1,22,17,594 | 5.96 |
| (f) | Financial Institutions/Banks | - | - |
| (g) | Insurance Companies | - | - |
| (h) | Provident Funds/Pension Funds | - | - |
| (i) | Any Other (Qualified Institutional Buyers) | 30,62,689 | 1.49 |
| Sub-Total (B)(1) | | 4,74,65,575 | 23.15 |
| (2) | Central Government/State Government(s)/President of India | - | - |
| Sub-Total (B)(2) | | - | - |
| (3) | Non-Institutions | | |
| a(i) | Individuals: i. Individual shareholders holding nominal share capital up to Rs.2 lakhs. | 55,71,624 | 2.72 |
| a(ii) | Individuals: ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs. | 8,72,438 | 0.43 |
| (b) | NBFCs registered with RBI | - | - |
| (c) | Employee Trusts | - | - |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | - | - |
| (e) | Others (NRIs/Clearing Members/Bodies Corporate/HUF) | 4211547 | 2.05 |
| Sub-Total (B)(3) | | 10,65,56,009 | 5.20 |
| Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3) | | 5,81,21,184 | 28.35 |
| | Details of the shareholders acting as persons in Concert for Public | - | - |
| | Details of Shares which remain unclaimed for Public | - | - |
| C | Non-Promoter Non-Public Shareholders | | |
| (1) | Custodian/DR Holder - Name of DR Holders | - | - |
| (2) | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | - | - |
| Total Non-Promoter Non-Public Shareholding (C) = (C)(1) + (C)(2) | | - | - |
| Total (A+B+C) | | 20,50,23,864 | 100.00 |

There is no change in the Shareholding Pattern envisaged on account of this Scheme of Arrangement and Amalgamation as the entire issued, subscribed and paid up share capital of the Transferor Companies is held by the Transferee Company and its nominees. Accordingly, pursuant to the Scheme, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Companies. Upon the Scheme coming into operation, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Companies and the paid-up share capital of the Transferor Companies shall stand cancelled and extinguished.

i. Details of Preference Shareholders of the Applicant Company No. 3 as on December 31, 2020 is as under:

a) 0.001% Non-Cumulative Redeemable Preference Shares:

| Sr. No. | Name of the Preference Shareholder | Number of Preference Shares held | % of Preference Shares held |
|---------|--|----------------------------------|-----------------------------|
| 1. | Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja* | 1,600 | 100.00 |
| | Total | 1,600 | 100.00 |

*held by the said Registered Owners for and on behalf of the beneficiaries of Ivory Property Trust, as per the declaration in Form No. MGT-4 dated 28.02.2018 received from Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja, declaration in Form No. MGT-5 dated 28.02.2018 received from the beneficiaries of Ivory Property Trust and e-form MGT-6 in this respect filed by the Company with the Registrar of Companies on 03.08.2018.

b) 0% Non-Cumulative, Non-Convertible, Redeemable Preference Shares – Series A (Fully Paid):

| Sr. No. | Name of the Preference Shareholder | Number of Preference Shares held | % of Preference Shares held |
|---------|---|----------------------------------|-----------------------------|
| 1. | K. Raheja Corp. Private Limited | 4,500 | 45.00 |
| 2. | Ravi C. Raheja | 2,325 | 23.25 |
| 3. | Neel C. Raheja | 2,325 | 23.25 |
| 4. | Ivory Properties and Hotels Private Limited | 850 | 8.50 |
| | Total | 10,000 | 100.00 |

c) 0% Non-Cumulative, Non-Convertible, Redeemable Preference Shares – Series B (Partly Paid):

| Sr. No. | Name of the Preference Shareholder | Number of Preference Shares held | % of Preference Shares held |
|---------|---|----------------------------------|-----------------------------|
| 1. | K. Raheja Corp. Private Limited | 4,500 | 45.00 |
| 2. | Ravi C. Raheja | 2,325 | 23.25 |
| 3. | Neel C. Raheja | 2,325 | 23.25 |
| 4. | Ivory Properties and Hotels Private Limited | 850 | 8.50 |
| | Total | 10,000 | 100.00 |

j. Details of the present Directors and Key Managerial Personnel (KMP):

| Sr. No. | Name | Designation | DIN | Address |
|------------------|---------------------------|--|----------|--|
| DIRECTORS | | | | |
| 1. | Mr. Hetal Gandhi | Chairman - Independent Director | 00106895 | B/2, 1203, Vivarea, Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai 400 011. |
| 2. | Mr. Joseph Conrad D'Souza | Independent Director | 00010576 | 501, Hasmukh Mansion, Plot No. 375, 14 th Road, Khar (W), Mumbai 400 052. |
| 3. | Mr. Arthur De Haast | Independent Director | 07893738 | Sheepleas House, Epsom Road, Leatherhead West Horsley, UK KT246AL. |
| 4. | Ms. Radhika Piramal | Independent Director | 02105221 | 50 Apartment 8, Furnival House, Cholmoley Park, London N65AD Great Britain. |
| 5. | Mr. Ravi Chandru Raheja | Non-Executive Director | 00028044 | Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050. |
| 6. | Mr. Neel Chandru Raheja | Non-Executive Director | 00029010 | Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050. |
| 7. | Mr. Sanjay Sethi | Managing Director & CEO | 00641243 | 3302, World One West Wing, Senapati Bapat Marg, Lower Parel, PO: Delisle Road, Mumbai 400 013. |
| KMP | | | | |
| 1. | Mr. Milind Wadekar | VP – Finance & Tax (Interim Chief Financial Officer) | N.A. | 3405, Grandeur, Vasant Marvel, Western Express Highway, Borivali East, Mumbai, 400 066. |
| 2. | Ms. Christabelle Baptista | DGM – Legal & Company Secretary (Compliance Officer) | N.A. | 704, Sai Link CHS, Gautam Buddha Lane, Orlem, Malad West, Mumbai 400 064. |

None of the Directors and the Key Managerial Personnel (as defined under the Companies Act, 2013 and Rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Companies Act, 2013 and Rules framed thereunder) have any interest in the Scheme except to the extent of Equity Shares held by them in the Applicant Company No. 3. The effect of the Scheme on the interests of the Directors and Key Managerial Personnel and their relatives, is not any different from the effect of the Scheme on other shareholders of the Transferee Company. The details of the shareholding of the Directors, Key Managerial Personnel and entities in which they are deemed to be concerned or interested is as mentioned at points (g) and (i) hereinabove.

The Directors of the Transferee Company and their relatives may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding directly and indirectly in the respective company that is subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies.

Save as aforesaid, none of the Directors and KMPs of the Applicant Companies and their relatives have any material concern or interest, financial and / or otherwise in the Scheme.

k. The main objects as set out in the Memorandum of Association of the Transferee Company are as under:

1. *To own, construct, run, furnish of, take over, manage, carry on the business of hotel, holiday resorts, restaurant, café, tavern bars, refreshment-rooms, boarding and lodging, housekeepers, clubs in India or in any other part of the world.*
2. *To provide lodging and boarding, restaurants, eating houses, bar, swimming pool and other facilities to the public, including tourists, visitors and other delegates coming to India from foreign countries and to members of delegations and missions from foreign countries.*
3. *To carry on business of building, erecting and constructing structures, buildings, houses or sheds including RCC works and other fixtures on lands and or building and to convert squares, gardens and other conveniences and to make, build or construct surface metal or otherwise repair roads and carry on business of builders, constructors, contractors and road repairers of all kinds of dams, bunds, canals, bridges and irrigation works including and construction of power house or power stations.*
1. The relevant ancillary/incidental objects containing provisions relating to amalgamation as set out in the Memorandum of Association of the Transferee Company are as follows:
 1. *To acquire by purchase, lease, exchange or otherwise equip, act as collaborators, technicians, financiers of any other hotels in Bombay or elsewhere in India.*
 2. *To purchase, take on lease or in exchange or otherwise acquire any lands and buildings in the State of Maharashtra or elsewhere and any estate or interest in and any rights connected with any such lands and buildings.*
 9. *To acquire and take over any business or undertaking carried on in connection with any land or building which the Company may desire to acquire or become interested in and the whole or any of the assets and liabilities of such business or undertaking and to carry on the same or to dispose or remove or put an end thereto”.*

8. **BACKGROUND OF THE APPLICANT COMPANY NO. 1 / TRANSFEROR COMPANY NO. 1 / BELAIRE HOTELS PRIVATE LIMITED:**

- The Applicant Company No.1 / Transferor Company No.1 is a Private Limited Company, originally incorporated on May 14, 2007, under the provisions of the Companies Act, 1956, continuing its existence under the Companies Act, 2013. The shares of the Applicant Company No.1 are not listed on any of the Stock Exchanges.
- Corporate Identity Number (CIN): U55101MH2007PTC170789
- Permanent Account Number (PAN): AADCB1851C
- Email address is compliance@chalethotels.com
- Registered Office: Raheja Tower, 4th Floor, Block-G, Plot No. C-30, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. The previous Registered Offices of Belaire are as follows:
On Incorporation: B-1, 204, 2nd Floor, Boomerang, Chandivali Farm Road, Andheri (East), Mumbai 400 072.
w.e.f. October 28, 2015: Office No. 5 AB, 5th Floor, Rushabh Chambers, Marol Makwana Road, Andheri (East), 400 059.
w.e.f. October 1, 2018: Unit No. 405, B-Wing, 4th Floor, Everest Chambers, Marol Naka, Andheri Kurla Road, Andheri (East), Mumbai – 400 059.
- The Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Company No. 1 as on December 31, 2020 is as under:

| Particulars | Amount in INR |
|---|-----------------|
| Authorised Share Capital | |
| 14,10,00,000 Equity Shares of Rs.10/- each. | 141,00,00,000/- |
| Subscribed and fully Paid-up Share Capital | |
| 14,07,04,838 Equity Shares of Rs.10/- each. | 140,70,48,380/- |

- Details of the shareholding of the present Promoters of the Applicant Company No. 1 as on December 31, 2020 is as under:

| Ledger Folio | Name of Equity Shareholder | Type of Share | No. of Equity Shares | Amount paid per share (in Rs.) |
|--------------|---|---------------|----------------------|--------------------------------|
| 7 | Chalet Hotels Limited | Equity | 14,07,04,837 | 10 |
| 8 | Chalet Hotels Limited jointly with Mr. Neel C. Raheja | Equity | 1 | 10 |
| | Total | | 14,07,04,838 | |

Details of Debenture holders as on December 31, 2020:

| Ledger Folio | Name of Debenture holder | Type of Debentures | No. of Debentures | Amount paid per Debenture (in Rs.) |
|--------------|--------------------------|---|-------------------|------------------------------------|
| FCCD 05 | Chalet Hotels Limited | Fully Compulsorily Convertible Debentures | 84,50,354 | 100 |
| | Total | | 84,50,354 | |

- Details of the present Directors and Key Managerial Personnel (KMP):

| Sr. No. | Name | Designation | DIN | Address |
|------------------|--------------------|-------------------------|----------|--|
| DIRECTORS | | | | |
| 1. | Mr. Sanjay Sethi | Director | 00641243 | 3302, World One West Wing, Senapati Bapat Marg, Lower Parel, PO: Delisle Road, Mumbai 400 013. |
| 2. | Mr. Milind Wadekar | Additional Director | 08627229 | 3405, Grandeur, Vasant Marvel, Western Express Highway, Borivali East, Mumbai, 400 066. |
| 3. | Mr. Rajib Dattaray | Whole-time Director | 06704770 | B-701, Iraisia, Next to RBK School, Beverly Park, Mira Road East, Thane 401 107. |
| 4. | Ms. Karuna Nasta | Director | 08627149 | D-58, Kataria Colony, Cadell Road, Opp. Bombay Mercantile Bank, Mahim West, Mumbai 400 016. |
| KMP | | | | |
| 1. | Mr. Rajib Dattaray | Chief Financial Officer | N.A. | B-701, Iraisia, Next to RBK School, Beverly Park, Mira Road East, Thane 401 107. |
| 2. | Ms. Anshu Shroff | Company Secretary | N.A. | 51/1376, MIG Adarsh Nagar, Veer Nariman Road, Next to Janta School, Worli, Mumbai 400 030. |

- The main object as set out in its Memorandum of Association of the Applicant Company No.1 is as under:

- To establish and carry on in India and abroad, the business of developing, owning, acquiring, managing, operating, renovating, refurbishing and promoting hotels, service apartments, restaurants, eating places, conference and convention centres and other hospitality related facilities and activities, either by itself or jointly with any third party whether as a shareholder, unit holder, joint venture partner.

- j. The relevant ancillary/incidental objects containing provisions relating to amalgamation as set out in the Memorandum of Association of the of the Applicant Company No. 1 are as follows:

2. *To establish, provide, maintain and conduct research, training and other services for the training, education and instruction of personnel in the business of developing, constructing, owning, leasing, acquiring, renovating, refurbishing and promoting hotels, service apartments, restaurants, eating places, conference and convention centres and other hospitality related facilities and activities related and incidental thereto, either by itself or jointly with any third party whether as a shareholder, unit holder, joint venture partner, lessor or lessee or any other manner.*
3. *To carry on business as tourism agents and contractors to facilitate the travel and tourism in India and abroad and promote the provision of conveniences of all kinds such as tickets, reservations, hotels, serviced apartments and other such accommodation, guides, safe deposits, inquiry bureaus, libraries and related services and facilities, by itself or jointly with any third party whether as a shareholder, unit holder, joint venture partner, lessor or lessee or any other manner.*
12. *To amalgamate with any other company or companies, to enter into any partnership or partially amalgamate with or acquire interest in the business of any other company, person or firm carrying on or engaged in or about to carry on or engage in any business or transaction included in the objects of the company or enter into any arrangement of sharing profits or for co-operation or for limiting competition or for mutual assistance, with any such persons, firms or company”.*

9. **BACKGROUND OF THE APPLICANT COMPANY NO. 2 / TRANSFEROR COMPANY NO. 2 / SEAPEARL HOTELS PRIVATE LIMITED:**

- a. The Applicant Company No. 2 / Transferor Company No. 2 is a Private Limited Company, originally incorporated on March 13, 2007, under the provisions of the Companies Act, 1956, continuing its existence under the Companies Act, 2013. The shares of the Applicant Company No. 2 are not listed on any of the Stock Exchanges.
- b. Corporate Identity Number (CIN): U55204MH2007PTC168713.
- c. Permanent Account Number (PAN): AAKCS6859E
- d. Email address is compliance@chalethotels.com
- e. Registered Office: Raheja Tower, 4th Floor, Block-G, Plot No. C-30, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. The previous Registered Offices of Seapearl are as follows:

On Incorporation: B-1, 204, 2nd Floor, Boomerang, Chandivali Farm Road, Andheri (East), Mumbai 400 072.

w.e.f. October 28, 2015: Office No. 5 AB, 5th Floor, Rushabh Chambers, Marol Makwana Road, Andheri (East), 400 059.

w.e.f. October 1, 2018: Unit No. 405, B-Wing, 4th Floor, Everest Chambers, Marol Naka, Andheri Kurla Road, Andheri (East), Mumbai – 400 059.

- f. The Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant No. 2 as on December 31, 2020 is as under:

| Particulars | Amount in INR |
|---|----------------|
| Authorised Share Capital | |
| 1,20,00,000 Equity Shares of Rs.10 each. | 12,00,00,000/- |
| Subscribed and fully Paid-Up Share Capital | |
| 52,66,000 Equity Shares of Rs.10/- each. | 5,26,60,000/- |

- g. Details of the shareholding of the present Promoters of the Applicant Company No. 2 as on December 31, 2020 is as under:

| Ledger Folio | Name of Equity Shareholder | Type of Share | No. of Equity Shares | Amount paid per share (in Rs.) |
|--------------|---|---------------|----------------------|--------------------------------|
| 6 | Chalet Hotels Limited | Equity | 52,65,999 | 10 |
| 7 | Chalet Hotels Limited jointly with Mr. Neel C. Raheja | Equity | 1 | 10 |
| | Total | | 52,66,000 | |

- h. Details of the present Directors:

| Sr. No. | Name | Designation | DIN | Address |
|---------|--------------------|---------------------|----------|--|
| 1. | Mr. Sanjay Sethi | Director | 00641243 | 3302, World One West Wing, Senapati Bapat Marg, Lower Parel, PO: Delisle Road, Mumbai 400 013. |
| 2. | Mr. Milind Wadekar | Additional Director | 08627229 | 3405, Grandeur, Vasant Marvel, Western Express Highway, Borivali East, Mumbai, 400 066. |
| 3. | Mr. Rajib Dattaray | Director | 06704770 | B-701, Iraisa, Next to RBK School, Beverly Park, Mira Road East, Thane 401 107. |
| 4. | Ms. Karuna Nasta | Director | 08627149 | D-58, Kataria Colony, Cadell Road, Opp. Bombay Mercantile Bank, Mahim West, Mumbai 400 016. |

- i. The main object as set out in its Memorandum of Association of the Applicant Company No. 2 is as under:

1. *To establish and carry on in India and abroad, the business of developing, owning, acquiring, managing, operating, renovating, refurbishing and promoting hotels, service apartments, restaurants, eating places, conference and convention*

centres and other hospitality related facilities and activities, either by itself or jointly with any third party whether as a shareholder, unit holder, joint venture partner.

- j. The relevant ancillary/incidental objects containing provisions relating to amalgamation as set out in the Memorandum of Association of the Applicant Company No. 2 are as follows:

2. *To establish, provide, maintain and conduct research, training and other services for the training, education and instruction of personnel in the business of developing, constructing, owning, leasing, acquiring, renovating, refurbishing and promoting hotels, service apartments, restaurants, eating places, conference and convention centres and other hospitality related facilities and activities related and incidental thereto, either by itself or jointly with any third party whether as a shareholder, unit holder, joint venture partner, lessor or lessee or any other manner.*
3. *To carry on business as tourism agents and contractors to facilitate the travel and tourism in India and abroad and promote the provision of conveniences of all kinds such as tickets, reservations, hotels, serviced apartments and other such accommodation, guides, safe deposits, inquiry bureaus, libraries and related services and facilities, by itself or jointly with any third party whether as a shareholder, unit holder, joint venture partner, lessor or lessee or any other manner.*
12. *To amalgamate with any other company or companies, to enter into any partnership or partially amalgamate with or acquire interest in the business of any other company, person or firm carrying on or engaged in or about to carry on or engage in any business or transaction included in the objects of the company or enter into any arrangement of sharing profits or for co-operation or for limiting competition or for mutual assistance, with any such persons, firms or company”.*

10. **CHALET** was incorporated in the year 1986 and is primarily engaged in the hospitality sector viz. hotels and restaurants and in real estate development, viz. commercial buildings and retail shopping complexes. The Transferor Companies / Belaire and Seaparl are Wholly Owned Subsidiaries of the Transferee Company. The Transferor Companies are engaged in the same field of business as the Transferee Company.

11. **DETAILS OF SECURED AND UNSECURED CREDITORS**

As on December 31, 2020, the details of Secured Creditors and the total amount due and payable by the Transferor Companies / Transferee Company to the said Secured Creditors is as given below:

| | Number | Amount in Rs. |
|--------------------------|--------|-----------------|
| Transferor Company No. 1 | 1 | 92,30,95,521 |
| Transferor Company No. 2 | Nil | Nil |
| Transferee Company | 9 | 17,91,88,29,781 |

As on December 31, 2020, the details of Unsecured Creditors and the total amount due and payable by the Transferor Companies / Transferee Company to the said Unsecured Creditors is as given below:

| | Number | Amount in Rs. |
|--------------------------|--------|----------------|
| Transferor Company No. 1 | 158 | 98,86,75,560 |
| Transferor Company No. 2 | 7 | 123,066 |
| Transferee Company | 2,426 | 1,39,16,30,968 |

12. **RATIONALE OF THE SCHEME**

The background, circumstances and benefits which justify the said Scheme are, *inter-alia*, as follows:

- a. The Transferor Companies are Wholly Owned Subsidiaries of the Transferee Company, engaged in the same field of business. The restructuring, consolidation and streamlining pursuant to this Scheme shall achieve the following benefits:
 - (i) Consolidation of the business of the Transferor Companies and the Transferee Company, leading to synergy in operations, greater financial strength, and improve the position of the merged entity post the completion of the Scheme;
 - (ii) Assisting in achieving higher long term financial returns and making available the assets, employees, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Transferor Companies and the Transferee Company leading to synergistic benefits, enhancement of future business potential, cost reduction and efficiencies, productivity gains and logistical advantages, including operational rationalization, organizational efficiency and optimal utilization of resources, which will be in the interest of shareholders, employees, if any, creditors and other stakeholders, thereby contributing to significant future growth and enhancement of shareholder value post the completion of the Scheme;
 - (iii) Rationalization and standardization of the business processes, economies of scale, corporate and administrative efficiencies, and streamlining of operations to enable more efficient management, control and day to day operations to reduce overheads, administrative and other expenditure, which will contribute to make the Transferee Company more profitable, thereby further enhancing the overall shareholder value post completion of the Scheme;
 - (iv) Enabling unified accounting, compliances and auditing resulting in reduction of costs, post the completion of the Scheme;
 - (v) Pooling in administrative synergies of the Transferor Companies with the Transferee Company, post the completion of the Scheme;
- b. Accordingly, in order to achieve the above objectives, the Board of Directors of the Applicant Companies have resolved to make requisite applications and/or petitions before the Hon'ble NCLT under Sections 230 to 232 of the Act, the Rules framed thereunder and other applicable provisions of law for the sanction of this Scheme.

- c. Pursuant to the Scheme, in accordance with Section 2(1B) of the Income-tax Act, 1961, the Transferor Companies shall amalgamate with the Transferee Company. This Scheme has been drawn up to comply with the conditions relating to “amalgamation” as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961, such that the modification shall not affect other parts of the Scheme.

13. **CORPORATE APPROVALS**

- a. The proposed Scheme, which provides for the amalgamation of the Transferor Companies, which are Wholly Owned Subsidiaries of the Applicant Company No. 3, with the Applicant Company No. 3, pursuant to which the Transferor Companies will cease to exist as separate legal entities and shall be deemed to be dissolved without winding up for the purposes of the Companies Act, 2013, as applicable and result in consequent cancellation of shares held by the Applicant Company No. 3 in the Transferor Companies and various other matters consequential to or otherwise integrally connected with the above, was placed before the Audit Committee of the Applicant Company No. 3 at its meeting held on August 11, 2020. On the basis of its evaluation and independent judgment, the Audit Committee has approved and recommended the Scheme to the Board of Directors of the Applicant Company No.3.
- b. The Scheme involves the amalgamation of 2 Wholly Owned Subsidiaries (i.e. the Transferor Companies) into its parent company (i.e. Transferee Company) and accordingly no new shares are to be issued by the Transferee Company pursuant to the Scheme. Accordingly, as SEBI Circular No. CFD/DIL3/CIR/2017/21 March 10, 2017, the Applicant Company No. 3 is not required to obtain a Valuation Report from an Independent Chartered Accountant as there is no change in the shareholding pattern of the Applicant Company No. 3 pursuant to the Scheme.
- c. The Board of Directors of the Applicant Company No. 3, at its meeting held on August 11, 2020, based on the recommendation of the Audit Committee and after considering the background, benefits and rationale of the Scheme and on the basis of their independent judgment, approved the Scheme.
- d. The written consent of the Members of each of the Transferor Companies in relation to the Scheme was obtained on September 15, 2020.
- e. Report as per the provisions of Section 232(2)(c) of the Act has been adopted by the Board of Directors of Chalet at its Meeting held on February 09, 2021, and the same is annexed herewith.

14. **SALIENT FEATURES:**

- a. The Scheme is divided into the following parts:
 - (i) Part A deals with the definitions and share capital of the relevant companies, being the Transferor Companies and Transferee Company;
 - (ii) Part B deals with the amalgamation of the Transferor Companies into Chalet / Transferee Company;
 - (iii) Part C deals with general terms and conditions that would be applicable to the Scheme.
- b. The Scheme of Arrangement and Amalgamation amongst the Applicant Companies and their respective Shareholders and Creditors is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and applicable provisions, if any, of the Companies Act 1956, and contemplates the amalgamation of the Transferor Company No. 1 and the Transferor Company No. 2 into the Transferee Company.
- c. “**Appointed Date**” means April 1, 2020 or such other date as may be fixed or approved by the National Company Law Tribunal, or such other competent authority;
- d. **Consideration**

The entire issued, subscribed and paid-up share capital of the Transferor Companies is held by the Transferee Company and its nominees. Accordingly, pursuant to the Scheme, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Companies. Upon the Scheme coming into operation, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Companies and the paid-up share capital of the Transferor Companies shall stand cancelled and extinguished.

- e. **Date of taking effect**

The Scheme as set out herein in its present form along with any modification(s) and/or amendments(s) made under Clause 18 of the Scheme, approved or imposed or directed by the NCLT/Governmental Authority as the case may be, shall be effective from the Appointed Date and become operative from the last of the dates on which all the conditions set out in Clause 19.1 of the Scheme are satisfied.

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME OF ARRANGEMENT AND AMALGAMATION, THE EQUITY SHAREHOLDERS AND PREFERENCE SHAREHOLDERS OF THE APPLICANT COMPANY NO. 3 ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME OF ARRANGEMENT AND AMALGAMATION TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

15. The coming into operation of this Scheme is conditional upon and subject to the following:

- a. The Scheme being approved by the requisite majority in number and value of the various class of shareholders and/or creditors (where applicable) of the Parties, as may be directed by the NCLT.
- b. The Scheme being sanctioned by the NCLT, Mumbai under Sections 230 to 232 and other applicable provisions of the Act.
- c. Certified copies of the orders of the NCLT sanctioning the Scheme, being filed with the Registrar of Companies.
- d. The requisite consent, approval or permission of any other statutory or regulatory authority including Depository(ies), which by law may be necessary for the implementation of this Scheme.

The Scheme, although to be effective from the Appointed Date, shall not become operative until the last of the dates on which the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in this Clause is obtained or passed.

16. GENERAL

- a. The rights and interest of the Equity Shareholders (Promoter and Non-Promoter) and Preference Shareholders of the Applicant Company No. 3 will not be adversely affected by the Scheme as the entities proposed to be amalgamated are Wholly Owned Subsidiaries of the Transferee Company and no shares are proposed to be issued as a consequence of the Scheme.
 - b. The rights and interests of the Secured Creditors and Unsecured Creditors of the Applicant Companies will not be adversely affected by the Scheme as in the case of both Secured and Unsecured Creditors there would be no reduction in their claims/interest, and dues, if any, will be paid off in the ordinary course of business.
 - c. All staff and employees, if any, who are in employment of the Transferor Companies on the date immediately preceding the date of coming into operation of the Scheme, shall be deemed on and from the Appointed Date, to have become staff and employees of Chalet without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Chalet shall not be less favorable than those applicable to them with reference to their employment in the Transferor Companies as on the date of coming into operation of the Scheme.
 - d. There are no investigation proceedings instituted and/or pending against any of the Applicant Companies. There are no winding up proceedings instituted or pending against any of the Applicant Companies.
17. A copy of the Order passed by the Hon'ble NCLT dated February 05, 2021 in the Company Scheme Application No. CA(CAA)1117/MB/2020 along with the Notice and its Annexures has been made available on the website of the Company at www.chalet-hotels.com/amalgamation/.
18. The following documents will be open for inspection by the Equity Shareholders and Preference Shareholders of the Applicant Company No. 3 upto the date of the conclusion of the Meeting at the Registered Office of the Applicant Company No. 3 between 10:00 a.m. and 5:00 p.m. (IST) on all working days (Monday to Friday):
- a. Copy of the Company Scheme Application No. CA(CAA)1117/MB/2020;
 - b. Copy of the Order of the Hon'ble NCLT dated February 05, 2021 in the above Company Scheme Application;
 - c. Copies of the Memorandum and Articles of Association of the Applicant Companies;
 - d. Copy of Audited Accounts and the Annual Report of the Applicant Companies for Financial Year 2019-2020;
 - e. The Scheme of Arrangement and Amalgamation;
 - f. Certificate by the Statutory Auditors pertaining compliance with the Accounting Treatment dated September 14, 2020.
- The same shall also be available for inspection electronically and Members seeking to inspect such documents can send an email to companysecretary@chalet-hotels.com.
19. Copies of the Notice, Scheme, Explanatory Statement and other Annexures under Sections 230 to 232 read with Section 102 of the Act and the Rules framed thereunder have been uploaded on the website of the Company www.chalet-hotels.com/amalgamation/, and that of the Registrar & Share Transfer Agent (RTA) viz. <https://evoting.kfintech.com> and on the website of the National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com) and can also be obtained free of charge from the Registered Office of the Applicant Company No. 3 up to the date of conclusion of the Meeting i.e. Monday, April 12, 2021 on any working day between 10.00 a.m. to 5.00 p.m. (IST).
20. The Notice convening the Meetings will be published through advertisement in Business Standard in English and Nav Shakti in Marathi.
21. The Notice of the Meeting includes the details pertaining to the process of remote e-voting before and during the Meeting, which facility is being made available to the Equity Shareholders of the Applicant Company No. 3.
22. A copy of the Scheme and this statement will be made available on request.

By order of the Hon'ble National Company Law Tribunal, Mumbai Bench

Sd/-

Adv. Prachi Wazalwar

Chairperson appointed by Hon'ble NCLT

Registered Office: Raheja Tower, Plot No. C-30, Block G, Bandra Kurla Complex, Bandra East, Mumbai 400051.
CIN: L55101MH1986PLC038538

Dated March 08, 2021, at Mumbai

**SCHEME OF ARRANGEMENT AND AMALGAMATION
(UNDER SECTION 230-232 OF THE COMPANIES ACT, 2013 READ WITH OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES
FRAMED THEREUNDER)**

AMONGST

CHALET HOTELS LIMITED

AND

BELAIRE HOTELS PRIVATE LIMITED

AND

SEAPEARL HOTELS PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

I. PREAMBLE

A. Description of Companies

1. Chalet Hotels Limited (hereinafter referred as “**Chalet**” or the “**Transferee Company**”), was incorporated on January 6, 1986 under the Companies Act, 1956 as Kenwood Hotels Private Limited in the State of Maharashtra. Pursuant to application being made for change of name, the name of the Transferee Company was initially changed to K. Raheja Resorts & Hotels Limited on April 6, 1998 and thereafter to Chalet Hotels Limited on May 4, 1999. Thereafter, upon an application for conversion into a private company, the Transferee Company name was changed to Chalet Hotels Private Limited on October 15, 2011. Subsequently, upon an application for conversion into a public company, the Transferee Company name was changed to Chalet Hotels Limited on June 6, 2018. The Corporate Identity Number of Chalet is L55101MH1986PLC038538. The registered office of Chalet is at Raheja Tower, 4th Floor, Block – G, Plot No. C-30, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Chalet is authorized to *inter alia* carry on the business of hotel, holiday resorts, restaurant, café, tavern bars, refreshment rooms, boarding, lodging, housekeepers, clubs, in India or in any other part of the world.
2. Belaire Hotels Private Limited (hereinafter referred as “**Belaire**” or the “**Transferor No. 1 Company**”), is a private limited company, incorporated on May 14, 2007 under the Companies Act, 1956 in the State of Maharashtra. The Corporate Identity Number of Belaire is U55101MH2007PTC170789. The registered office of Belaire was at B-1, 204, 2nd Floor, Boomerang, Chandivali Farm Road, Andheri (East), Mumbai 400 072. Subsequently, on October 28, 2015, the registered office was changed to Office No. 5 AB, 5th Floor, Rushabh Chambers, Marol Makwana Road, Andheri (East), 400 059. Thereafter, on October 1, 2018, the registered office was changed to Unit No. 405, B-Wing, 4th Floor, Everest Chambers, Marol Naka, Andheri Kurla Road, Andheri (East), Mumbai – 400 059. Presently, the registered office of Belaire is at Raheja Tower, 4th Floor, Block – G, Plot No. C-30, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Belaire is authorized to *inter alia* carry on in India and abroad the business of developing, owning, acquiring, managing, operating, renovating, refurbishing and promoting hotels, service apartments, restaurants, eating places, conference and convention centres and other hospitality related facilities and activities either by itself or jointly with any third party whether as a shareholder, unit holder, joint venture partner. Belaire is a wholly owned subsidiary of Chalet.
3. Seapearl Hotels Private Limited (hereinafter referred as “**Seapearl**” or the “**Transferor No. 2 Company**”), is a private limited company, incorporated on March 13, 2007 under the Companies Act, 1956 in the State of Maharashtra. The Corporate Identity Number of Seapearl is U55204MH2007PTC168713. The registered office of Seapearl was at B-1, 204, 2nd Floor, Boomerang, Chandivali Farm Road, Andheri (East), Mumbai 400 072. Subsequently, on October 28 2015, the registered office was changed to Office No. 5 AB, 5th Floor, Rushabh Chambers, Marol Makwana Road, Andheri (East), 400 059. Thereafter, on October 1, 2018, the registered office was changed to Unit No. 405, B-Wing, 4th Floor, Everest Chambers, Marol Naka, Andheri Kurla Road, Andheri (East),

Mumbai – 400 059. Presently, the registered office of Seapearl is at Raheja Tower, 4th Floor, Block – G, Plot No. C-30, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Seapearl is authorized to *inter alia* carry on in India and abroad the business of developing, owning, acquiring, managing, operating, renovating, refurbishing and promoting hotels, service apartments, restaurants, eating places, conference and convention centres and other hospitality related facilities and activities either by itself or jointly with any third party whether as a shareholder, unit holder, joint venture partner. Seapearl is a wholly owned subsidiary of Chalet.

“Belaire” and “Seapearl” are hereinafter collectively referred to as the “**Transferor Companies**”.

“Transferor Companies” and “Transferee Company” are hereinafter collectively referred to as the “**Parties**”.

B. Rationale for the Composite Scheme of Arrangement and Amalgamation

1. The Transferor Companies are wholly owned subsidiaries of the Transferee Company, engaged in the same field of business. The restructuring, consolidation and streamlining pursuant to this Scheme shall achieve the following benefits:
 - (i) Consolidation of the business of the Transferor Companies and the Transferee Company, leading to synergy in operations, greater financial strength, and improve the position of the merged entity post the completion of the Scheme;
 - (ii) Assisting in achieving higher long term financial returns and making available the assets, employees, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Transferor Companies and the Transferee Company leading to synergistic benefits, enhancement of future business potential, cost reduction and efficiencies, productivity gains and logistical advantages, including operational rationalization, organizational efficiency and optimal utilization of resources, which will be in the interest of shareholders, employees, if any, creditors and other stakeholders, thereby contributing to significant future growth and enhancement of shareholder value post the completion of the Scheme;
 - (iii) Rationalization and standardization of the business processes, economies of scale, corporate and administrative efficiencies, and streamlining of operations to enable more efficient management, control and day to day operations to reduce overheads, administrative and other expenditure, which will contribute to make the Transferee Company more profitable, thereby further enhancing the overall shareholder value post completion of the Scheme;
 - (iv) Enabling unified accounting, compliances and auditing resulting in reduction of costs, post the completion of the Scheme;

- (v) Pooling in administrative synergies of the Transferor Companies with the Transferee Company, post the completion of the Scheme;
- 2. Accordingly, in order to achieve the above objectives, the Board of Directors of the Parties have resolved to make requisite applications and/or petitions before the Hon'ble National Company Law Tribunal (as defined hereinafter) under Sections 230 to 232 of the Companies Act, 2013, the rules framed thereunder and other applicable provisions of law for the sanction of this Scheme.
- 3. Pursuant to the Scheme, in accordance with Section 2(1B) of the Income-tax Act, 1961, the Transferor Companies shall amalgamate with the Transferee Company. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of Section 2(1B) of the Income-Tax Act, 1961, the provisions of Section 2(1B) of the Income-Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-Tax Act, 1961, such that the modification to not affect other parts of the Scheme.

II. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- (i) Part A deals with the definitions and share capital of the relevant companies, being the Transferor Companies and Transferee Company;
- (ii) Part B deals with the amalgamation of the Transferor Companies into Chalet/ Transferee Company;
- (iii) Part C deals with general terms and conditions that would be applicable to the Scheme.

The Scheme also provides for matters consequential, incidental or otherwise integrally connected herewith.

PART A: DEFINITION AND SHARE CAPITAL OF THE COMPANIES

1. DEFINITIONS

"Applicable Law" means all applicable (i) statutes, enactments, acts of legislature or parliament, laws, ordinances, code, directives, rules, regulations, bye-laws, notifications, guidelines or policies of any applicable jurisdiction; and (ii) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals required from governmental authorities of, or agreements with any governmental authority;

"Appointed Date" means April 1, 2020 or such other date as may be fixed or approved by the National Company Law Tribunal, or such other competent authority;

“**Belaire FCCDs**” means the 8,45,034 unsecured zero coupon, fully compulsorily convertible debentures of face value of Rs. 100/- each, issued by Belaire, and held by Chalet.

“**Belaire ICD**” means the zero coupon, Inter Corporate Deposit availed by Belaire from Chalet, payable on demand.

“**Board of Directors**” or “**Board**” means and includes the respective Boards of Directors of the Transferor Companies and the Transferee Company, as the context may require, and shall include a committee duly constituted and authorized thereby for the purpose of matters pertaining to the Scheme and/or any other consequential or incidental matter in relation thereto;

“**Book Value**” means the value of the assets and liabilities of the Transferor Companies as appearing in books of accounts of the Transferor Companies, at the close of business hours on the day immediately preceding the Appointed Date.

“**Companies Act**” or “**Act**” means the Companies Act, 2013 the rules and regulations framed thereunder including any statutory modifications, amendments or re-enactments thereof from time to time;

“**Encumbrance or Encumbrances**” shall have the meaning as ascribed in Clause 5;

“**Funds**” has the same meaning as ascribed in Clause 12.2;

“**Governmental Authority**” means any governmental authority including, without limitation, the RoC, Ministry of Corporate Affairs, Regional Director, Official Liquidator or any other relevant authority approving the Scheme, as the case may be;

“**National Company Law Tribunal**” or “**NCLT**” means the National Company Law Tribunal, Mumbai as the context may require, including their respective benches;

“**Parties**” has the same meaning as ascribed in the Preamble;

“**Registrar of Companies**” or “**RoC**” means the Registrar of Companies, Mumbai;

“**Scheme**” or “**the Scheme**” or “**this Scheme**” or “**the Composite Scheme**” means this Scheme of Arrangement and Amalgamation in its present form along with any modification(s) and/or amendment(s) made under Clause 18 of the Scheme as approved or directed by the NCLT/Governmental Authority, as the case may be, as applicable;

- 1.1 Headings shall not affect the interpretation or construction of this Scheme;
- 1.2 Words using the singular terms shall also include the plural terms and vice versa;
- 1.3 Reference to the word “include” and “including” shall be construed without limitation;
- 1.4 References to a person includes any individual, firm, body corporate, Governmental Authority,

joint venture, association or partnership.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

The Scheme as set out herein in its present form along with any modification(s) and/or amendments(s) made under Clause 18 of the Scheme, approved or imposed or directed by the NCLT/Governmental Authority as the case may be, shall be effective from the Appointed Date and become operative from the last of the dates on which all the conditions set out in Clause 19.1 of the Scheme are satisfied.

3. SHARE CAPITAL OF THE PARTIES

3.1 The share capital of Parties as on July 31, 2020 is as set out below:

(i) Share capital of Chalet is as under:

| Particulars | Amount in Rs. |
|---|------------------------|
| <u>Authorised share capital</u> | |
| 22,91,00,000 equity shares of Rs. 10/- each. | 229,10,00,000/- |
| 20,000, 0.00 % non-cumulative non- convertible redeemable preference shares of Rs. 1,00,000/- each. | 200,00,00,000/- |
| 1600, 0.001% non-convertible redeemable preference shares of Rs. 1,00,000/- each. | 16,00,00,000/- |
| | 445,10,00,000/- |
| <u>Subscribed and fully paid-up share capital</u> | |
| 20,50,23,864 equity shares of Rs. 10 each/- | 205,02,38,640/- |
| 1600, 0.001% non-cumulative redeemable preference shares of Rs. 1,00,000/- each. | 16,00,00,000/- |

| | |
|--|------------------------|
| 10,000, 0.00% non-cumulative, non-convertible redeemable preference shares of Rs. 1,00,000/- each, fully paid up (Series – A) | 100,00,00,000/- |
| 10,000, 0.00% non-cumulative, non-convertible redeemable preference shares of Rs. 1,00,000/- each, partly paid up, Rs. 25,000/- per share (Series – B) | 25,00,00,000/- |
| | 346,02,38,640/- |

Subsequent to July 31, 2020 there is no change in the authorised, issued, subscribed and paid up share capital of Chalet. It is hereby clarified that between the Appointed Date and upon date of coming into operation of this Scheme, Chalet shall be entitled to issue further shares, make further calls on partly paid-up preference shares and make consequent changes to its authorised, issued, paid up and subscribed capital.

- (ii) Share capital of Belaire is as under:

| Particulars | Amount in Rs. |
|---|----------------------|
| <u>Authorised share capital</u> | |
| 14,10,00,000 equity shares of Rs. 10/- each. | 141,00,00,000/- |
| <u>Subscribed and fully paid-up share capital</u> | |
| 14,07,04,838 equity shares of Rs. 10/- each. | 140,70,48,380/- |

The entire subscribed and paid up share capital of Belaire is held by Chalet and its nominees.

- (iii) Share capital of Seapearl is as under:

| Particulars | Amount in Rs. |
|---|----------------------|
| <u>Authorised share capital</u> | |
| 1,20,00,000 equity shares of Rs. 10 each. | 12,00,00,000/- |
| <u>Subscribed and fully paid-up share capital</u> | |
| 52,66,000 equity shares of Rs. 10/- each. | 5,26,60,000/- |

The entire subscribed and paid up share capital of Seapearl is held by Chalet and its nominees.

PART B: AMALGAMATION OF THE TRANSFEROR COMPANIES INTO THE TRANSFEREE

4. TRANSFER AND VESTING

Transfer of Assets

- 4.1 With effect from the Appointed Date and upon the date of coming into operation of this Scheme, the Transferor Companies without any further act, instrument or deed, be and stand amalgamated, merged and transferred to and vested in or be deemed to be amalgamated, merged and transferred to and vested in Chalet, as a going concern, so as to vest in Chalet, all the rights, titles and interests of the Transferor Companies pursuant to the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the NCLT sanctioning this Scheme.
- 4.2 In respect of such assets and properties of the Transferor Companies as are movable in nature which are capable of passing by manual delivery or by endorsement and delivery, including cash in hand, they shall on and from the Appointed Date be transferred to or stand vested in and recorded pursuant to this Scheme and/or be deemed to be transferred to or vested in Chalet without requiring any deed or instrument of conveyance for the same and shall become the property and an integral part of Chalet. The vesting pursuant to this clause shall be deemed to have occurred by manual delivery or endorsement, as may be appropriate to the property being transferred or vested and title to the property shall be deemed to have been transferred and vested accordingly.
- 4.3 In respect of movable assets of the Transferor Companies, other than those specified in Clause 4.2 above, including but not limited to sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits with government bodies, customers, the same shall on and from the Appointed Date stand transferred to and vested in Chalet or be deemed to be transferred to and vested in Chalet without any requirement to provide notice or other intimation to such party, debtors or depositors, as the case may be. Chalet may, although it is not obliged, give notice in such form as it may deem fit and proper to each party, debtors or depositors, as the case may be, that pursuant to the orders of the NCLT sanctioning the Scheme, the said debts, loans, advances, etc., on and from the Appointed Date, be paid or made good or held on account of Chalet as the person entitled thereto and the right of the Transferor Companies to recover or realize the same stands extinguished. Chalet may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the orders of the NCLT sanctioning the Scheme, on and from the Appointed Date, the said debtor or depositor should pay the said debt, loan, advance or make good the same or hold the same to its account and that the rights of Chalet to recover or realize the same are in substitution of the rights of the Transferor Companies.

- 4.4 In respect of assets belonging to the Transferor Companies that require execution of separate documents to effect transfer, the relevant parties will execute the necessary documents, as and when required after the coming into operation of the Scheme. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in so far as the immovable properties comprised in the Transferor Companies are concerned, including but not limited to all land, buildings and rights and entitlements appurtenant thereto, the parties shall register the true copy of the orders of the NCLT/Governmental Authority, as the case may be, as applicable sanctioning the Scheme, with the offices of the relevant Governmental Authority having jurisdiction over such immovable property and shall also execute and register, as required, such other documents which may be necessary in this regard. The Transferor Companies shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of the immovable property is given to the Transferee.
- 4.5 With effect from the Appointed Date and upon the Scheme coming into operation, all unavailed credits and exemptions including any input credits, margin money, retention money, deposit with statutory authorities, other deposits and benefit of carried forward losses (if any) and unabsorbed depreciation and other statutory benefits, including in respect of income tax (including minimum alternate tax (MAT) credit), Goods and Services Tax (GST), Cenvat, customs, VAT, sales tax, service tax etc. to which the Transferor Companies are entitled to, shall be available to and vest in Chalet without any further act or deed.
- 4.6 With effect from the Appointed Date and upon the Scheme coming into operation, all the licenses, permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, exemptions, allotments, no-objection certificates, entitlements, municipal approvals, grants, rights, claims, leases (if any), tenancy rights (if any), insurance claims and policies, powers of attorney, interests, all other rights (including, but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, environmental clearances), liberties, special status and other benefits, advantages or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or be deemed to be transferred to and vested in and be available to Chalet so as to become as and from the Appointed Date, the licenses, permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, exemptions, allotments, no-objection certificates, entitlements, municipal approvals, grants, rights, claims, leases, (if any) tenancy rights (if any), insurance claims and policies, powers of attorney, interests, all other rights (including, but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, environmental clearances), liberties, special status and other benefits, advantages or privileges of the Transferor Companies and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately registered by the relevant statutory authorities in favour

of Chalet pursuant to this Scheme, in order to facilitate the continuation of operations of the Transferor Companies in Chalet without any hindrance, on and from the Appointed Date. Any and all Export Promotion Capital Goods (EPCG) scheme obligations and entitlements of the Transferor Companies shall be combined and consolidated with the obligations and entitlements of the Transferee Company.

- 4.7 Without prejudice to anything as provided in Clause 4.2 and 4.3 above, all assets, properties and undertakings of the Transferor Companies on the Appointed Date, whether or not included in the books of the Transferor Companies, and all assets and properties which are acquired by the Transferor Companies on or after the Appointed Date but prior to the date of coming into operation of the Scheme, shall be deemed to be, and shall become, the assets and properties of Chalet, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in Chalet from the date of coming into operation of the Scheme pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.8 Pursuant to this Scheme, all benefits, entitlements and incentives of any nature whatsoever (including sales tax concessions and incentives) of the Transferor Companies, to the extent statutorily available, shall be claimed by Chalet and without the imposition of any fees, charges, taxes or levy. Such benefits shall relate back to the Appointed Date as if Chalet was originally entitled to such benefits, subject to compliance by Chalet with all the terms entitled and conditions upon which such benefits were made available to the Transferor Companies. With respect to admissibility of claim under Section 43B of the Income-Tax Act, 1961 or such provisions becoming admissible in the period after the Appointed Date on discharging liabilities pertaining to the Transferor Companies, Chalet shall be entitled to such claims in the same manner and to the same extent as the Transferor Companies would have been entitled to deduction but for the amalgamation.
- 4.9 Upon the transfer of each of the benefits, entitlements and incentives of any nature whatsoever of the Transferor Companies to Chalet pursuant to the order of the NCLT, Chalet shall file the relevant notifications and communications, if any required, for the record of the appropriate authorities which shall take them on record.

Transfer of Liabilities

- 4.10 With effect from the Appointed Date and upon the Scheme coming into operation, all debts, liabilities, duties and obligations of the Transferor Companies shall, pursuant to the order of the NCLT under Sections 232 of the Companies Act, without any further act or deed, be transferred or deemed to be transferred to and vested in and assumed by Chalet so as to become the debts, liabilities, duties and obligations of Chalet. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which, such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause of this Scheme.

- 4.11 All debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date, whether or not provided in the books, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Companies on or after the Appointed Date and prior to the date coming into operation of the Scheme, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by Chalet by virtue of this Scheme.
- 4.12 Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date have been discharged or satisfied by the Transferor Companies after the Appointed Date and prior to the date of the Scheme coming into operation, such discharge or satisfaction shall be deemed to be for and on account of Chalet.
- 4.13 All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Companies in the ordinary course of its business, after the Appointed Date and prior to the date of the Scheme coming into operation shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Chalet and to the extent they are outstanding on the date of the Scheme coming into operation, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in Chalet and shall become the loans and liabilities, duties and obligations of Chalet which shall meet, discharge and satisfy the same.
- 4.14 With effect from the Appointed Date and upon the Scheme coming into operation, all taxes, duties, cess payable by the Transferor Companies including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims on account of Chalet.

PART C: GENERAL TERMS & CONDITIONS

5. ENCUMBRANCES

- 5.1 The transfer and vesting of the properties, assets, liabilities and undertakings of the Transferor Companies to and in Chalet in the manner as provided herein, shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 5.2 All existing encumbrances over the assets and properties of Chalet or any part thereof which relate to liabilities and obligations of Chalet prior to the coming into operation of the Scheme shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies that may have been transferred to and vested in Chalet.
- 5.3 The existing encumbrances, debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date, whether or not provided in the books of the Transferor Companies, and all debts and loans raised, and duties, liabilities and obligations incurred, or which arise or accrue to the Transferor Companies on or after the Appointed Date till the coming into operation of the Scheme, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by Chalet by virtue of this Scheme.
- 5.4 Any reference in any security documents or arrangements of the Transferor Companies and its assets and properties, shall be construed as a reference to Chalet. Without prejudice to the foregoing provisions, the Parties may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the RoC to give formal effect to the above provisions, if required.

6. CANCELLATION OF SHARES

- 6.1 The entire issued, subscribed and paid up share capital of the Transferor Companies is held by the Transferee Company and its nominees. Accordingly, pursuant to the Scheme, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Companies. Upon the Scheme coming into operation, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Companies and the paid up share capital of the Transferor Companies shall stand cancelled and extinguished. The investment in the shares of the Transferor Companies appearing in the books of the Transferee Company, shall without any further act or deed, stand cancelled.

7. INCREASE IN THE AUTHORISED CAPITAL OF THE TRANSFEE COMPANY

- 7.1 Upon the Scheme coming into operation, the authorised share capital of the Transferor Companies shall be added to that of the Transferee Company and the Memorandum of Association and Articles of Association of the Transferee Company, shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company,

including payment of stamp duty and fees payable to the Registrar of Companies, by an aggregate amount of Rs. 153,00,00,000, and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, or any other applicable provisions of the Companies Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Companies on their authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital. Accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorised share capital so increased.

- 7.2 The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall upon the scheme coming into operation stand substituted to read as follows:-

“The Authorised Share Capital of the Company is Rs. 598,10,00,000 divided into 38,21,00,000 Equity Shares of Rs. 10 (Rupees Ten) each, 20,000, 0.00% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 1,00,000/- (Rupees One Lakh) each and 1,600, 0.001% Non-Cumulative Redeemable Preference Shares of Rs. 1,00,000/- (Rupees One Lakh) each, with the rights, privileges and conditions attaching thereto as provided by the Articles of Association of the Company for the time being with power of the Company to increase or reduce such capital original or increased with or without any preference, priority or special privileges or subject to any postponement of rights or to any conditions or restrictions, and so that unless the conditions of issue otherwise expressly declare, any issue of shares, whether declared to be preference or otherwise shall be subject to the power hereinbefore contained.”

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE PARTIES

- 8.1 The accounting treatment of the amalgamation shall be as of the Appointed Date and Parties shall account for the amalgamation in accordance with “the acquisition method” as specified under the Indian Accounting Standards (Ind AS) 103 and other applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles in India.

The accounting treatment will be as under:

- i. for the purpose of accounting for and dealing with the Book Value of the assets, liabilities and reserves in the books of account of the Transferee upon the Scheme becoming effective, the audited financial statements of the Transferor Companies as on the close of business on the day immediately preceding the Appointed Date shall be forwarded to the Transferee Company by the Transferor Companies;
- ii. the Book Value of all the assets, liabilities (excluding the Belaire FCCD's and Belaire ICD) and reserves of Transferor Companies as recorded in the financial statements referred to in sub-clause (i) above shall be recorded in the books of accounts of the

Transferee Company as such, subject to suitable adjustments being made, if any, to ensure uniformity of accounting policies;

- iii. investments in the Share Capital of the Transferor Companies in the books of accounts of the Transferee Company, whether held directly or indirectly through nominees, shall stand cancelled;
- iv. surplus or deficit, if any, arising as a result of amalgamation of the Transferor Companies into and with the Transferee Company, in terms of this Scheme, after adjustment of the amount of investment of the Transferee Company in the Transferor Companies due to cancellation of the share capital of the Transferor Company, shall be adjusted to reserves in the books of the Transferee Company;
- v. identity of the reserves of the Transferor Companies, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies, as on the Appointed Date;
- vi. all outstanding balances (including the Belaire FCCD's and Belaire ICD) as on the Appointed date between the Transferor Companies and the Transferee Company will stand cancelled and there shall be no further obligation in that behalf;
- vii. in case of any differences in accounting policies followed by Transferor Companies from that of Transferee Company, impact of the same till the date immediately preceding the Appointed Date shall be quantified and be appropriately adjusted and reported in accordance with Accounting Standards in the books of the Transferee Company, so as to ensure that the financial statements of Transferee reflect the financial position on the basis of consistent accounting policies.

9. DISSOLUTION OF THE TRANSFEROR COMPANIES

- 9.1 Upon the Scheme coming into operation, the Transferor Companies shall stand dissolved without being wound-up.
- 9.2 On effect from the date of coming into operation of the Scheme, the name of the Transferor Companies shall be struck off from the records of the RoC.

10. PROFITS, DIVIDEND

- 10.1 All Parties shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the coming into operation of this Scheme in the ordinary course.
- 10.2 On and from the Appointed Date, the profits of the Transferor Companies shall belong to and be the profits of Chalet and will be available to Chalet for being disposed of in any manner as it thinks fit.

11. CONDUCT OF BUSINESS TILL THE COMING INTO OPERATION OF SCHEME

- 11.1 From the date of approval of the Scheme by the Board of the Transferor Companies and up to and including the date of coming into operation of the Scheme, the Transferor Companies shall carry on their business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Chalet, alienate charge, mortgage, encumber or otherwise deal with or dispose of the assets forming part of the business of the Transferor Companies and shall not undertake any new business other than business contemplated/commenced as per business plans of the Transferor Companies.

12. EMPLOYEES OF THE TRANSFEROR COMPANIES

- 12.1 From the date of coming into operation of the Scheme, all staff and employees, if any, who are in employment of the Transferor Companies on the date immediately preceding the date of coming into operation of the Scheme, shall be deemed on and from the Appointed Date, to have become staff and employees of Chalet without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Chalet shall not be less favorable than those applicable to them with reference to their employment in the Transferor Companies as on the date of coming into operation of the Scheme.
- 12.2 On and from the date of coming into operation of the Scheme and with effect from the Appointed Date, the provident fund, gratuity fund, superannuation fund, employee state insurance scheme or any other special fund or trusts, (hereinafter collectively referred as “**Funds**”) if any, created or existing for the benefit of the staff and employees of the Transferor Companies for any and all purposes whatsoever in relation to the administration or operation of such Fund(s) or in relation to the obligation to make contributions to the said Fund(s) in accordance with the provisions thereof, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund(s) shall become those of Chalet. It is clarified that the services of the staff and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund(s).

13. LEGAL PROCEEDINGS

- 13.1 All legal proceedings or other proceedings under any statute of whatsoever nature by or against the Transferor Companies pending on and/or arising after the Appointed Date shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Chalet in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies.

14. TREATMENT OF TAXES

- 14.1 With effect from the Appointed Date and upon the Scheme coming into operation, all taxes, duties, cess payable by the Transferor Companies including all advance tax payments, tax

deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims on account of Chalet.

- 14.2 With effect from the Appointed Date and upon the Scheme coming into operation, all unavailed credits and exemptions including any input credits, margin money, retention money, deposit with statutory authorities, other deposits and benefit of carried forward losses / unabsorbed depreciation (if any) and other statutory benefits, including in respect of income tax (including minimum alternate tax (MAT) credit), Goods and Services Tax, Cenvat, customs, VAT, sales tax, service tax etc. to which the Transferor Companies are respectively entitled to, shall be available to and vest in Chalet without any further act or deed.
- 14.3 Upon the Scheme coming into operation, the Parties are permitted to revise and file their respective income tax returns, including tax deducted at source certificates, any returns under the goods and service tax, sales tax/ value added tax returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme and in accordance with the applicable laws.
- 14.4 Chalet shall be entitled to file/ revise its income tax returns, TDS certificates, TDS returns, and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of tax deducted / collected at source, credit of taxes paid/ withheld etc., if any, as may be required consequent to implementation of this Scheme.

15. CONTRACTS, DEEDS, ETC.

- 15.1 Upon the Scheme coming into operation and subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature to which the Transferor Companies are a party to and which is subsisting or having effect on the date of coming into operation of the Scheme, shall be in full force and effect against or in favor of Chalet and may be enforced by or against Chalet as fully and effectually as if, Chalet had been a party thereto in place of the Transferor Companies respectively.
- 15.2 Chalet may at any time after the coming into operation effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or other writings or confirmations or enter into any tripartite arrangements, confirmations or novation's, to which the Transferor Companies will, if necessary, also be parties in order to give formal effect to the provisions of this Scheme if so required or becomes necessary. Chalet shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

16. SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities and obligations of the Transferor Companies and

continuance of any legal proceedings by or against the Transferor Companies shall not in any manner affect any transaction or legal proceedings already completed by the Transferor Companies till the Appointed Date to the extent that Chalet shall accept all such acts, deeds and things done and executed by and/or behalf of the Transferor Companies as acts, deeds and things done and executed by and on behalf of the Transferor Companies.

17. APPLICATION TO NCLT

The Parties shall make all necessary applications under Sections 230 to 232 and other applicable provisions of the Companies Act to the NCLT as per the directions of their respective Board of Directors for seeking approval of the Scheme and for dissolution of the Transferor Companies without being wound up.

18. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 18.1 The Parties by their respective Boards of Directors and with the consent of the NCLT, may assent to/make and/or consent to any modifications/amendments of any kind to the Scheme or to any conditions or limitations that the NCLT /Governmental Authority, as the case may be, as applicable and/or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors).
- 18.2 The Parties by their respective Board of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith and the same shall be binding on all Parties, in the same manner as if the same were specifically incorporated in this Scheme.
- 18.3 The Parties by their respective Board of Directors may jointly modify, vary or withdraw this Scheme at any time. Any modification to the Scheme by the Parties after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT.

19. CONDITIONALITY OF THE SCHEME

- 19.1 The coming into operation of this Scheme is, and shall be conditional upon, and subject to:
- (i) The Scheme being approved by the requisite majority in number and value of the various class of shareholders and/or creditors (where applicable) of the Parties, as may be directed by the NCLT.
 - (ii) The Scheme being sanctioned by the NCLT, Mumbai under Sections 230 to 232 and other applicable provisions of the Act.
 - (iii) Certified copies of the orders of the NCLT sanctioning the Scheme, being filed with the RoC.

(iv) The requisite consent, approval or permission of any other statutory or regulatory authority including depository(ies), which by law may be necessary for the implementation of this Scheme.

19.2 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the Board of the Parties.

19.3 The Board of Directors of the Transferor and Transferee shall, with the leave of the Tribunal (as applicable) be at liberty to withdraw the Scheme at any stage prior to obtaining the sanction of the Tribunal. Upon such withdrawal, the Scheme shall stand revoked, cancelled and be of no effect and no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Transferor Companies and the Transferee Companies or their respective shareholders or creditors or employees or any other person.

20. EFFECT OF NON-RECEIPT OF APPROVALS

20.1 In the event of any of the said sanctions and approvals referred to in Clause 19 are not satisfied then the Parties have the power to withdraw the Scheme in the manner as provided in Clause 19.3.

20.2 In the event the Scheme is withdrawn by the Parties in the manner as provided in Clause 19.3, then in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such a case each Party shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme.

21. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Parties arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne in such manner as may be mutually agreed between the Parties and without prejudice to such mutual agreement between the Parties, any cash balances lying to the account of the Transferor Companies may be utilised towards meeting such costs, charges, taxes including duties, levies and all other expenses, if any.

22. RESIDUAL PROVISIONS

22.1 From the date of coming into operation of the Scheme, the Transferee Company shall be entitled to operate all bank accounts relating to the Transferor and realize all monies and complete and enforce all subsisting contracts and transactions in respect of the Transferor Companies in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Companies under this Scheme is formally accepted by the parties concerned.

- 22.2 All approvals, permits, sanctions, statutory and other registers of any authorities as well as any record maintained by any statutory or other authority shall upon request of the Transferee Company be modified by the relevant authorities to record the impact on such registers and records by virtue of this Scheme.
- 22.3 Any error, mistake, omission, commission, which is apparent and/or absurd in the Scheme should be read in a manner which is appropriate to the intent and purpose of the Scheme and in line with the rationale as mentioned herein above.

Report adopted by the Board of Directors of Chalet Hotels Limited at its meeting held on February 09, 2021 as per the provisions of Section 232(2)(c) of the Companies Act, 2013

Pursuant to the recommendation of Audit & Risk Management Committee, the proposed Scheme of Amalgamation (“Scheme”) of **Belaire Hotels Private Limited** and **Seapearl Hotels Private Limited** (“Transferor Companies”) with Chalet Hotels Limited (“Transferee Company” or “Company”) was approved by the Board of Directors of the Company (“Board”) vide resolution passed at its Meeting held on August 11, 2020.

The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Board of Directors of the Company to adopt a report explaining the effect of the Scheme on each class of Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the Shareholders and Creditors along with the notice convening the meeting of Members/Creditors. The Company is proposing approval of the shareholders at the Meeting scheduled to be convened on Monday, April 12, 2021 at 11.00 a.m. and the said report is being circulated as a part of the Notice of the Meeting. The Board noted that the Scheme does not contemplate any allotment of shares of the Company, as the Transferor Companies are Wholly Owned Subsidiaries of the Transferee Company. The Board also took into consideration, *inter-alia*, the rationale of the Scheme, its impact on the Company’s shareholders, the financial position of the Transferor Companies and other documents placed before it.

Report:

1. The Board was of the opinion that the Scheme of Arrangement:
 - will, inter-alia, enable optimisation of legal entity structure through rationalization of number of subsidiaries. It will result in integration of business operations and consolidation of the activities leading to operational synergies, greater financial strength, and improvement in the position of the merged entity post the completion of the Scheme. It will also result in reduction of the multiplicity of legal and regulatory compliances.
 - will result in pooling of assets, employees, financial, managerial and technical resources, personnel, capabilities, skills, administrative synergies, leading to synergistic benefits, enhancement of future business potential, cost reduction and efficiencies, productivity gains and logistical advantages, including operational rationalization, organizational efficiency and optimal utilization of resources, which will be in the interest of shareholders, employees, creditors and other stakeholders.
 - will assist in achieving higher long-term financial returns, unified accounting, compliances and auditing.
2. There is no requirement for any share entitlement ratio since the Transferor Companies are wholly-owned subsidiaries of the Transferee Company. The Board also observed that since there is no change in the shareholding pattern of the Transferee Company pursuant to the Scheme of Amalgamation, there is no requirement to obtain a valuation report.
3. The Scheme solely provides for amalgamation of Belaire Hotels Private Limited and Seapearl Hotels Private Limited, which are wholly owned subsidiaries, with Chalet Hotels Limited, its parent company. Therefore, pursuant to paragraph 7 of the Securities and Exchange Board of India (SEBI) Circular bearing No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“Circular”) read with regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there is no requirement to obtain a no-objection letter from stock exchanges, valuation report from an independent Chartered Accountant, Audit Committee report, fairness opinion by a SEBI registered Merchant Banker, report on complaints, etc. The Scheme has been filed with the Stock Exchanges for the purpose of disclosure only.
4. The Scheme does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, and subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares. There will be no change in the shareholding of Promoter/Promoter Group of the Transferee Company pursuant to the adoption of the Scheme.
5. As far as the Equity Shareholders of the Transferee Company are concerned, there will be no dilution in their shareholding in the Transferee Company as there will be no issuance of shares by the Transferee Company pursuant to the Scheme.
6. Further, there will be no change in the KMP of the Transferee Company pursuant to the Scheme.
7. The Transferee Company will carry on the business of the undertakings of the Transferor Companies along with its own business with reasonable diligence and business prudence to ensure that the interests of the stakeholders of Transferor Companies are protected and enhanced.
8. The terms of the Scheme are fair and reasonable and will be in the interest of the Transferee Company, its shareholders, creditors and other stakeholders.

For and on behalf of the Board of Directors

Sd/-

Sanjay Sethi**Managing Director & CEO****DIN: 00641243**

Place: Mumbai

Date: February 09, 2021

**Supplementary Accounting Statements of Chalet Hotels Limited, Belaire Hotels Private Limited
and Seapearl Hotels Private Limited for the period ended December 31, 2020.**

B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,
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Goregaon (East), Mumbai – 400063, India

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Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results of Chalet Hotels Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Chalet Hotels Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Chalet India Limited ('hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended 31 December 2020 and year-to-date results for the period from 1 April 2020 to 31 December 2020 ('the Statement'), attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standard on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

| Name of the Entity | Relationship |
|--|-------------------------|
| Belaire Hotels Private Limited* | Wholly owned Subsidiary |
| Seapearl Hotels Private Limited** | Wholly owned Subsidiary |
| Chalet Hotels & Properties (Kerala) Private Limited. | Subsidiary |
| * acquired wholly owned subsidiary w.e.f 3 February 2020 | |
| ** acquired wholly owned subsidiary w.e.f 10 February 2020 | |

**Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results of Chalet Hotels Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(Continued)**

Chalet Hotels Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

- (a) We draw attention to Note 4 to these unaudited consolidated financial results which explains the management's assessment of going concern assumption and financial impact on account of COVID 19 pandemic situation and its assertion that based on best estimates made by it, the Group will continue as a going concern, i.e. continue its operations and will be able to discharge its liabilities and realise its assets, for the foreseeable future, despite the significant impact of COVID-19 and factors which continue to evolve and are therefore highly dependent on future circumstances; and
- (b) We draw attention to Note 5 to these unaudited consolidated financial results, in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in these unaudited consolidated financial results as at 31 December 2020 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to Rs 456.09 million and Rs 479.34 million as at 31 December 2020 and 31 March 2020 respectively.

Our conclusion is not modified in respect of these matters.

**Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results of Chalet Hotels Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(Continued)**

Chalet Hotels Limited

7. We did not review the financial results of two subsidiaries, included in the Statement, whose financial results reflects total revenues of Rs 38.29 million and Rs 45.14 million, total net loss after tax of Rs 39.91 million and Rs 179.02 million and total comprehensive loss of Rs 39.93 million and Rs 179.08 million for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020, respectively, as considered in the consolidated unaudited financial results. This interim financial results has been reviewed by other auditors whose report has been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries is based solely on the report of other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
9 February 2021

Sd/-
Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 21108511AAAAAQ4775

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

(Rs. in million)

| Particulars | Quarter ended | | | Nine months ended | | Year ended 31 March 2020 |
|---|---------------------|----------------------|---------------------|---------------------|---------------------|--------------------------------|
| | 31 December 2020 | 30 September 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 | |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| Revenue | | | | | | |
| Revenue from Operations | 850.76 | 588.77 | 2,781.35 | 1,965.73 | 7,537.80 | 9,811.28 |
| Other Income | 65.26 | 52.37 | 65.92 | 180.83 | 176.18 | 278.97 |
| Total Income | 916.02 | 641.14 | 2,847.27 | 2,146.56 | 7,713.98 | 10,090.25 |
| Expenses | | | | | | |
| Real Estate Development Cost | 23.79 | 23.79 | 50.44 | 71.37 | 168.69 | 205.56 |
| Changes in inventories of finished good and construction work in progress | - | - | 7.66 | - | 32.67 | 23.34 |
| Food and Beverages Consumed | 85.19 | 37.35 | 233.62 | 145.33 | 643.51 | 828.39 |
| Operating Supplies Consumed | 39.00 | 19.96 | 89.41 | 73.86 | 232.24 | 306.71 |
| Employee Benefits Expense | 215.79 | 210.61 | 361.22 | 670.17 | 1,136.21 | 1,522.81 |
| Power and Fuel | 97.01 | 69.68 | 161.10 | 241.76 | 517.62 | 663.48 |
| Rates and taxes | 39.44 | 69.81 | 75.45 | 170.68 | 210.49 | 274.69 |
| Other Expenses | 246.40 | 180.21 | 679.54 | 571.29 | 1,862.64 | 2,620.15 |
| Total Expenses | 746.62 | 611.41 | 1,658.44 | 1,944.46 | 4,804.07 | 6,445.13 |
| Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items | 169.40 | 29.73 | 1,188.83 | 202.10 | 2,909.91 | 3,645.12 |
| Depreciation and Amortisation Expenses | 294.61 | 297.09 | 282.99 | 887.88 | 848.29 | 1,133.17 |
| Finance Costs | 374.00 | 393.07 | 339.19 | 1,167.85 | 1,064.75 | 1,461.76 |
| (Loss) / Profit before exceptional items and tax | (499.21) | (660.43) | 566.65 | (1,853.63) | 996.87 | 1,050.19 |
| Exceptional items (Refer note 7) | (10.59) | (10.58) | (11.91) | (31.55) | (37.18) | (41.71) |
| (Loss) / Profit before income tax | (509.80) | (671.01) | 554.74 | (1,885.18) | 959.69 | 1,008.48 |
| Tax Expense | (199.52) | (243.53) | 222.07 | (753.74) | 385.21 | 12.22 |
| Current Tax | 0.88 | 0.50 | 100.00 | 1.38 | 180.00 | 195.33 |
| Deferred Tax (credit) / charge | (200.40) | (244.03) | 122.07 | (690.12) | 205.21 | (183.11) |
| Current Tax for earlier year | - | - | - | (65.00) | - | - |
| (Loss) / Profit for the period / year | (310.28) | (427.48) | 332.67 | (1,131.44) | 574.48 | 996.26 |
| Other Comprehensive Income / (Expense) | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurement of the defined benefit plans | 0.45 | 5.22 | (2.95) | 1.33 | (8.85) | (17.33) |
| Income-taxes on above | (0.17) | (1.83) | 1.03 | (0.49) | 3.09 | 6.06 |
| Other Comprehensive Income / (Expense) for the period / year, net of tax | 0.28 | 3.39 | (1.92) | 0.84 | (5.76) | (11.27) |
| Total Comprehensive (Expense) / Income for the period / year | (310.00) | (424.09) | 330.75 | (1,130.60) | 568.73 | 984.99 |
| (Loss) / Profit for the period attributable to : | | | | | | |
| Owners of the Company | (310.18) | (427.38) | 332.79 | (1,131.15) | 598.98 | 1,026.75 |
| Non-Controlling Interests | (0.10) | (0.10) | (0.12) | (0.29) | (24.50) | (30.49) |
| Other Comprehensive Income / (Expense) attributable to : | | | | | | |
| Owners of the Company | 0.28 | 3.39 | (1.92) | 0.84 | (5.76) | (11.27) |
| Non-Controlling Interests | - | - | - | - | - | - |
| Total Comprehensive (Expense) / Income attributable to : | | | | | | |
| Owners of the company | (309.90) | (423.99) | 330.87 | (1,130.31) | 593.23 | 1,015.48 |
| Non-Controlling Interests | (0.10) | (0.10) | (0.12) | (0.29) | (24.50) | (30.49) |
| Paid-up equity share capital (Face value of Rs.10 per share) | 2,050.24 | 2,050.24 | 2,050.24 | 2,050.24 | 2,050.24 | 2,050.24 |
| Other equity | - | - | - | - | - | 13,495.27 |
| Earnings Per Share (Face value of Rs. 10 each) | | | | | | |
| Basic (* not annualised) (in Rs.) | *(1.51) | *(2.08) | *1.62 | *(5.52) | *2.92 | 5.01 |
| Diluted (* not annualised) (in Rs.) | *(1.51) | *(2.08) | *1.62 | *(5.52) | *2.92 | 5.01 |
| See accompanying notes to the consolidated financial results | | | | | | |

Notes:

1. The above results for the quarter and nine months ended 31 December 2020 of Chalet Hotels Limited ('the Holding company') and its Subsidiary (together 'the Group') for the period ended 31 December 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 9 February 2021.

2. The approved results for the quarter and nine months ended 31 December 2020 are available on the National Stock Exchange website (URL: www.nseindia.com), the Bombay Stock Exchange website (URL: www.bseindia.com) and on the Holding Company's website (URL: www.ChaletHotels.com).

3. These consolidated financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

4. The Group has considered internal and external sources of information, economic forecast and industry report, up to date of approval of the consolidated financial results in determining impact of COVID 19 pandemic on various elements of its business operations and financial statements. The eventual outcome of impact of global health pandemic may be different than estimated cash flow and recoverable value of its financial and non-financial assets as on the date of these consolidated financial results.

As at 31 December 2020, the Group faces significant economic uncertainties due to COVID-19 which have impacted the operations of the Group adversely starting from the month of March 2020 onwards particularly by way of reduction in occupancy of hotels and average realisation rate per room and fall in revenue of other assets. Management is undertaking various cost saving initiatives to maximise operating cash flows in the given situation. The Group has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections. As per the management, the Group has sufficient financing arrangements to meet its operating cash flow requirements and debt repayment obligation as they fall due in addition to the funds expected to be generated from the operating activities. Based on aforesaid assessment management believes that as per estimates made conservatively, the Group will continue as a going concern as on 31 December 2020.

5. In December 2005, the Holding Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai). The Holding Company has been operating the Four Points By Sheraton, Navi Mumbai, Vashi at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the above financial results. The balance of prepaid lease rental in relation to such leasehold land as of 31 December 2020 is Rs. 51.23 million (31 March 2020: Rs. 52.13 million) and carrying value of property, plant and equipment as at 31 December 2020 is Rs. 404.86 million (31 March 2020: Rs. 427.21 million).

6. With respect to the Residential project at Bengaluru ("Project"), w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Holding Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0% Non- Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Company of Rs. 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid up preference share capital of Rs. 1,250 million as at 31 December 2020 (31 March 2020: Rs. 1,250 million).

7. The Holding Company had commenced a residential project at Bengaluru after obtaining requisite approvals. During the year 2013-14, Hindustan Aeronautics Limited (HAL) had raised an objection with regard to the permissible height of the buildings. Pursuant to an interim order passed by the Karnataka High Court, in the petition filed by the Holding Company, the Holding Company had suspended construction activity at the Project and sale of flats. Provision for interest in relation to potential cancellations of Rs 31.55 million for the nine month ended 31 December 2020 (31 March 2020: Rs 41.71 million) is reflected as an exceptional item. By judgement dated 29 May, 2020 the Honourable High Court of Karnataka has allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter proceed in accordance with law. The Holding Company has filed an appeal in November 2020 against the said Order. Management is of the view that no changes are required on this account in the consolidated financial Results as at and for the nine month ended 31 December 2020.

8. The Board of Directors of the Holding Company at its meeting held on 11 August 2020 has approved scheme of amalgamation of Belaire Hotels Private Limited (BHPL) and Seapark Hotels Private Limited (SHPL), its wholly owned subsidiaries, with the Holding Company under Section 230 to 232 of the Companies Act, 2013, with effect from 1 April 2020, ("the Appointed Date") subject to the approval of the statutory and regulatory authorities. Accordingly, an application for approval of the scheme of amalgamation has been filed with National Company Law Tribunal (NCLT) on 21 September 2020.

9. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

10. The statutory auditor of the Holding Company have expressed an unqualified opinion on the above results for quarter and nine months ended 31 December 2020.

11. Investor Complaints pending at the beginning of the quarter – Nil, Received during the quarter Nil, Disposed during the quarter – Nil, Remaining unresolved at the end of the quarter – Nil.

12. Previous period's figures have been regrouped/reclassified, wherever required, to make them comparable with the figures for the current period.

For Chalet Hotels Limited
(CIN-L55101MH1986PLC038538)

Registered Office:

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4th Floor, Block 'G', Near Bank of Baroda,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051
Email: investorrelations@chaletHotels.com
Website: www.chaletHotels.com

9 February 2021

Sd/-

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020.

(Rs. in million)

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|------------------|-------------------|------------------|-------------------|------------------|------------------|
| | 31 December 2020 | 30 September 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 | 31 March 2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1. Segment revenue | | | | | | |
| (a) Hospitality (Hotels) | 624.75 | 359.39 | 2,500.38 | 1,297.51 | 6,744.35 | 8,755.02 |
| (b) Real Estate | - | - | - | - | 52.94 | 52.94 |
| (c) Retail & commercial | 226.01 | 229.38 | 280.97 | 668.22 | 740.51 | 1,003.32 |
| (d) Unallocated | 65.26 | 52.37 | 65.92 | 180.83 | 176.18 | 278.97 |
| Net sales/income from operations | 916.02 | 641.14 | 2,847.27 | 2,146.56 | 7,713.98 | 10,090.25 |
| 2. Segment results Profit/(Loss) before tax and interest | | | | | | |
| (a) Hospitality (Hotels) | (220.20) | (348.78) | 855.76 | (955.55) | 2,003.93 | 2,463.24 |
| (b) Real Estate | (40.51) | (40.28) | (79.16) | (120.70) | (212.74) | (251.18) |
| (c) Retail & commercial | 114.65 | 115.91 | 124.14 | 350.01 | 313.68 | 401.72 |
| (d) Unallocated | - | - | - | - | - | - |
| Total | (146.05) | (273.15) | 900.74 | (726.23) | 2,104.87 | 2,613.78 |
| Less: (i) Finance Cost | 374.00 | 393.07 | 339.19 | 1,167.85 | 1,064.75 | 1,461.76 |
| (ii) Other un-allocable expenditure net off un-allocable income | (10.25) | 4.79 | 6.81 | (8.90) | 80.43 | 143.54 |
| (Loss) / Profit before tax | (509.80) | (671.01) | 554.74 | (1,885.18) | 959.69 | 1,008.48 |
| 3. Segment assets | | | | | | |
| (a) Hospitality | 24,674.47 | 24,488.42 | 21,891.48 | 24,674.47 | 21,891.48 | 24,851.60 |
| (b) Real Estate | 3,889.14 | 3,893.19 | 3,882.09 | 3,889.14 | 3,882.09 | 3,882.43 |
| (c) Retail & commercial | 8,128.70 | 8,118.21 | 8,078.29 | 8,128.70 | 8,078.29 | 8,071.54 |
| (d) Unallocated | 2,957.50 | 2,719.90 | 2,104.99 | 2,957.50 | 2,104.99 | 3,322.01 |
| Total | 39,649.81 | 39,219.72 | 35,956.85 | 39,649.81 | 35,956.85 | 40,127.58 |
| 4. Segment liabilities | | | | | | |
| (a) Hospitality | 1,132.79 | 1,141.85 | 1,418.79 | 1,132.79 | 1,418.79 | 1,606.96 |
| (b) Real Estate | 2,752.79 | 2,760.53 | 2,863.35 | 2,752.79 | 2,863.35 | 2,730.20 |
| (c) Retail & commercial | 548.82 | 541.09 | 593.31 | 548.82 | 593.31 | 527.78 |
| (d) Unallocated | 20,795.83 | 20,048.75 | 16,102.10 | 20,795.83 | 16,102.10 | 19,719.83 |
| Total | 25,230.23 | 24,492.22 | 20,977.55 | 25,230.23 | 20,977.55 | 24,584.77 |

Review report

To B S R & Co. LLP, Mumbai
Belaire Hotels Private Limited

Introduction

The review report should be read in conjunction with the B.03 Highlights Completion memorandum which describe results of our review procedures.

As instructed in your instructions, for the purpose of your review of the consolidated interim financial information of Chalet Hotels Limited, we have reviewed the accompanying Statement of unaudited financial results of Belaire Hotels Private Limited ("the Company") for the quarter ended December 31, 2020 and year-to-date results for the period from April 1, 2020 to December 31, 2020 (the "Statement").

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. This Statement has been prepared solely to enable Chalet Hotels Limited to prepare its consolidated interim financial information. Our responsibility is to express a conclusion on the Statement based on our review.

Scope

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our conclusion is based on the component materiality level specified by you in the context of the consolidated interim financial information of the group, which is different than the materiality level that would have been appropriate had we been designing the review to report on the Statement.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



SRBC & CO LLP

Chartered Accountants

Belaire Hotels Private Limited

Page 2 of 2

Emphasis of Matter

We draw attention to following notes of the accompanying statement:

- a. Note 4 - which explains the uncertainties and impact of COVID -19 pandemic on the operations of the Company.
- b. Note 5 - where the Board of Directors of the Company have approved amalgamation of the Company with its holding Company i.e Chalet Hotels Limited, with an appointed date of April 01, 2020. The proposed amalgamation is subject to approval of the statutory and regulatory authorities.

Our opinion is not modified in respect of above matters.

Restriction on use and distribution

This Statement has been prepared for purposes of providing information to Chalet Hotels Limited to enable it to prepare the consolidated interim financial information of the group. As a result, the Statement is not a complete set of financial statements of the Company and is not intended to give a true and fair view. The Statement may, therefore, not be suitable for another purpose.

This report is intended solely for B S R & Co. LLP and should not be used by (or distributed to) other parties.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/ E300003



per Vijay Maniar

Partner

Membership Number: 36738

Date: January 22, 2021

Mumbai

UDIN: 21036738AAAAAT7067



BELAIRE HOTELS PRIVATE LIMITED

Statement of unaudited financial results for the quarter and nine months ended december 31, 2020

| | | (Rs. in millions) | | | |
|-----------------|--|---|--|---|-----------------------------------|
| Particulars | | For the quarter ended December 31, 2020 | For the quarter ended September 30, 2020 | For the nine months ended December 31, 2020 | For the year ended March 31, 2020 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) (Refer Note No. 3) |
| Income | | | | | |
| I | Revenue from contract with customers | 38.29 | 6.85 | 45.14 | 45.95 |
| II | Other income | 2.41 | 3.12 | 7.26 | 1.30 |
| III | Total income (I + II) | 40.70 | 9.97 | 52.40 | 47.25 |
| Expenses | | | | | |
| IV | Food and beverages consumed | 3.12 | 1.31 | 4.43 | 5.02 |
| | Employee benefits expense | 10.99 | 12.15 | 37.01 | 14.86 |
| | Finance costs | 15.72 | 18.78 | 55.04 | 13.63 |
| | Depreciation and amortisation expense | 24.35 | 24.37 | 73.90 | 19.77 |
| | Other expenses | 28.66 | 22.97 | 64.17 | 33.95 |
| | Total expenses (IV) | 82.84 | 79.58 | 234.55 | 87.23 |
| V | Loss before tax (III - IV) | (42.14) | (69.61) | (182.15) | (39.98) |
| VI | Tax expense | - | - | - | - |
| VII | Loss after tax (V - VI) | (42.14) | (69.61) | (182.15) | (39.98) |
| VIII | Other comprehensive income | | | | |
| | Items that will not be reclassified to profit or loss | | | | |
| | - Remeasurement profit/loss of the defined benefit plans | (0.02) | (0.04) | (0.06) | 0.01 |
| | - Income tax relating to items that will not be reclassified to profit or loss | | | - | - |
| | Total other comprehensive income | (0.02) | (0.04) | (0.06) | 0.01 |
| IX | Total comprehensive loss (VII + VIII) | (42.16) | (69.65) | (182.21) | (39.97) |
| | Paid-up equity share capital(Face Value of Rs. 10 each fully paid-up) | 1,407 | 1,407 | 1,407 | 1,407 |
| X | Earning per equity share | | | | |
| | Basic and diluted (not annualised) (Rs) | (0.30) | (0.49) | (1.30) | (0.30) |

Notes:

- The above results for the quarter and nine months ended December 31, 2020 of Belaire Hotels Private Limited has been approved by the by the Board of Directors at their meeting held on January 22, 2021
- Statutory auditors have carried out limited review of the above financial results for quarter and nine months ended December 31, 2020. The above financial results have been prepared for submission to Chalet Hotels Limited ('Holding Company') to enable to prepare its consolidated financial results for the quarter and nine months ended December 31, 2020 as per the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, as amended.
- Belaire Hotels Private Limited is a wholly owned subsidiary of Chalet Hotels Limited w.e.f. February 3, 2020, the figures for the quarter ended March 31, 2020 and the year ended March 31, 2020 are accordingly from the audited financial statements for the two months period ended March 31, 2020.
- The Company faces significant economic uncertainties due to COVID- 19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards particularly by way of cessation of operation of the hotel due to lockdown imposed by the local authorities. During the quarter ended December 31, 2020, the hotel has improved it's operation. However, the current level of occupancy and average realization rate per room are still way below the pre-covid level. The Company is not certain by when it will be able to reach regular level of operation and therefore, currently not in a position to assess impact of COVID- 19 on the future projection of the company. Management has taken various cost saving initiatives to maximize operating cash flows in the given situation. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the management has considered the conditions prevailing as at the date of approval of this Interim Ind AS Financial Statement and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.
- The Board of Directors of the Company at its meeting held on September 03, 2020 has approved scheme of amalgamation of the Company with Chalet Hotels Limited (Holding Company) with an appointed date of April 01, 2020. The proposed amalgamation is subject to the approval of the statutory and regulatory authorities. Accordingly, an application for approval of the scheme of amalgamation has been filed with National Company Law Tribunal on September 21, 2020. The order from the Tribunal in this regard is awaited.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact accordingly.

For and on behalf of the Board of Directors
Belaire Hotels Private Limited

Sd/-

Rajib Dattaraj
Director

DIN: 06704770

Place: Mumbai

Date: January 22, 2021

Review report

To B S R & Co. LLP, Mumbai
Seaparl Hotels Private Limited

Introduction

The review report should be read in conjunction with the B.03 Highlights Completion memorandum which describe results of our review procedures.

As instructed in your instructions, for the purposes of your review of the consolidated interim financial information of Chalet Hotels Limited, we have reviewed the accompanying Statement of unaudited financial results of Seaparl Hotels Private Limited ("the Company") for the quarter ended December 31, 2020 and year-to-date results for the period from April 1, 2020 to December 31, 2020 (the "Statement").

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. This Statement has been prepared solely to enable Chalet Hotels Limited to prepare its consolidated interim financial information. Our responsibility is to express a conclusion on the Statement based on our review.

Scope

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our conclusion is based on the component materiality level specified by you in the context of the consolidated interim financial information of the group, which is different than the materiality level that would have been appropriate had we been designing the review to report on the Statement.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



S R B C & CO LLP

Chartered Accountants

Seapearl Hotels Private Limited

Page 2 of 2

Emphasis of Matter

We draw attention to note 5 of the accompanying statement where the Board of Directors of the Company have approved amalgamation of the Company with its holding Company i.e Chalet Hotels Limited, with an appointed date of April 01, 2020. The proposed amalgamation is subject to approval of the statutory and regulatory authorities . Our opinion is not modified in respect of this matter.

Restriction on use and distribution

This Statement has been prepared for purposes of providing information to Chalet Hotels Limited to enable it to prepare the consolidated interim financial information of the group. As a result, the Statement is not a complete set of financial statements of the Company and is not intended to give a true and fair view. The Statement may, therefore, not be suitable for another purpose.

This report is intended solely for B S R & Co. LLP and should not be used by (or distributed to) other parties.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/ E300003


per Vijay Maniar
Partner

Membership Number: 36738



Date: January 22, 2021

Mumbai

UDIN: 21036738AAAAAS3127

SEAPEARL HOTELS PRIVATE LIMITED

Statement of unaudited financial results for the quarter and nine months ended december 31, 2020

(Rs. in millions)

| Particulars | | For the quarter ended December 31, 2020 | For the quarter ended September 30, 2020 | For the nine months ended December 31, 2020 | For the year ended March 31, 2020 |
|-------------|---|---|--|---|-----------------------------------|
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) (Refer Note No. 3) |
| 1 | Income | | | | |
| | Other income | 3.43 | 0.66 | 5.40 | 1.23 |
| | Total income | 3.43 | 0.66 | 5.40 | 1.23 |
| 2 | Expenses | | | | |
| | a) Employee benefits expense | - | - | - | 0.01 |
| | b) Other expenses | 0.32 | 0.00 | 0.89 | 0.30 |
| | Total expenses | 0.32 | 0.00 | 0.89 | 0.30 |
| 3 | Profit before tax (1-2) | 3.11 | 0.66 | 4.51 | 0.93 |
| 4 | Tax expense | | | | |
| | Current tax | 0.88 | 0.16 | 1.38 | 0.33 |
| | | 0.88 | 0.16 | 1.38 | 0.33 |
| 5 | Profit after tax (3-4) | 2.23 | 0.50 | 3.13 | 0.60 |
| 6 | Other comprehensive income | | | | |
| | a) Items that will not be reclassified to profit or loss | - | - | - | - |
| | Total other comprehensive income | - | - | - | - |
| 7 | Total comprehensive income (5 +6) | 2.23 | 0.50 | 3.13 | 0.60 |
| | Paid-up equity share capital(Face Value of Rs. 10 each fully paid-up) | 52.66 | 52.66 | 52.66 | 52.66 |
| 8 | Earning per equity share | | | | |
| | Basic and diluted (not annualised) (Rs) | 0.42 | 0.09 | 0.60 | 0.11 |

Notes:

- The above results for the quarter and nine months ended December 31, 2020 of Seapearl Hotels Private Limited has been approved by the by the Board of Directors at their meeting held on January 22, 2021.
- Statutory auditors have carried out limited review of the above financial results for quarter and nine months ended December 31, 2020. The above financial results have been prepared for submission to Chalet Hotels Limited ('Holding Company') to enable to prepare its consolidated financial results for the quarter and nine months ended December 31, 2020 as per the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended.
- Seapearl Hotels Private Limited is a wholly owned subsidiary of Chalet Hotels Limited w.e.f. February 5, 2020 , the figures for the year ended March 31, 2020 are accordingly from the audited financial statements for the two months period ended March 31, 2020.
- The Company had entered into an agreement with Immense Properties Pvt. Ltd. ("IMPL") on August 6, 2020 to buy an option to purchase land parcel admeasuring around 10 acres at Dena Village, Vadodara, Gujarat at all inclusive consideration of Rs. 200 million. In pursuance of the said agreement, the Company had placed Rs. 100 million with IMPL as Option Deposit. During the quarter under review, the Company has decided not to go ahead with intended transaction and therefore terminated the said agreement with Immense Properties Pvt. Ltd. ("IMPL") vide notice dated November 18, 2020. Accordingly, the Company has received refund of Option Deposit of Rs. 100 million along with interest thereon of Rs. 2.81 million on November 25, 2020
- The Board of Directors of the Company at its meeting held on September 03, 2020 have approved scheme of amalgamation of the Company with Chalet Hotels Limited (Holding Company), with an appointed date of April 01, 2020. The proposed amalgamation is subject to the approval of the statutory and regulatory authorities. Accordingly, an application for approval of the scheme of amalgamation has been filed with National Company Law Tribunal on September 21, 2020. The order from the Tribunal in this regard is awaited.

For and on behalf of the Board of Directors
Seapearl Hotels Private Limited

Sd/-

Rajib Dattaray

Director

DIN: 06704770

Place: Mumbai

Date: January 22, 2021