

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@chalet-hotels.com

Website: www.chalet-hotels.com

NOTICE

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Members of **Chalet Hotels Limited** (the 'Company') will be held on Thursday, August 12, 2021 at 4.00 p.m. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, along with the Report of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 along with the Report of the Auditors thereon.
3. To appoint a Director in place of Mr. Neel C. Raheja (DIN: 00029010), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Ratification of Remuneration to the Cost Auditor**
To consider and if thought fit, to approve with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, including any statutory amendment(s) or modification(s) thereto from time to time, the Company hereby ratifies the payment of an annual audit fee (excluding any out-of-pocket expenses incurred in connection with the audit and applicable taxes) of ₹ 1,00,000 (Rupees One Lakh Only) as approved by the Board of Directors to Mr. Chirag Shah, Cost Accountant (Membership Number 23277, Firm Registration Number 004442) for audit of the cost records maintained by the Company, for the Financial Year 2021-22.

RESOLVED FURTHER THAT the Directors of the Company, the Chief Financial Officer and the Company Secretary be and are hereby severally authorised to do all such acts, deeds and things and take all such steps as

may be necessary, proper or expedient to give effect to this Resolution."

5. **Re-appointment of Mr. Sanjay Sethi (DIN: 00641243) as Managing Director & CEO of the Company for a period of three years with effect from February 09, 2021 and payment of remuneration:**

To consider and if thought fit, to approve with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Sections 2(51), 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory amendment(s) or modification(s) thereto from time to time, in accordance with the provisions of the Articles of Association of the Company and the recommendations of the Compensation, Nomination and Remuneration Committee and the approval of the Board of Directors of the Company and subject to necessary approval(s), if any, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Sanjay Sethi (DIN: 00641243) as Managing Director & CEO (hereinafter referred to as MD or Managing Director) of the Company for a period of 3 years with effect from February 09, 2021, who shall be liable to retire by rotation, upon such terms and conditions, including remuneration, mentioned in the Explanatory Statement, with liberty to the Board of Directors or a duly constituted Committee thereof, of the Company to alter and vary the same from time to time.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 196, 197 and 198 read together with Schedule V of the Act including any amendment thereto from time to time, in the event of absence of profits or inadequate profits in any financial year during the term of appointment of Mr. Sanjay Sethi, Managing Director & CEO, the consent of the Members be and is hereby accorded for payment of the salary, perquisites and statutory benefits, as approved by the Members (as more particularly set out in the Explanatory Statement which forms a part of this resolution) as minimum remuneration with the liberty to the Board / Committee thereof to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Managing Director & CEO, subject to receipt of requisite approvals, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval / consent from the government departments, as may be required in this regard, including to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Sanjay Sethi including remuneration.

RESOLVED FURTHER THAT the Directors of the Company, the Chief Financial Officer and the Company Secretary be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution, including filing of the necessary forms with the Registrar of Companies, Mumbai or Ministry of Corporate Affairs and intimating any other concerned authority or such other regulatory body and for matters connected therewith or incidental thereto.”

6. Approval in respect of waiver of recovery of excess managerial remuneration paid to Mr. Sanjay Sethi, Managing Director & CEO (DIN: 00641243)

To consider and if thought fit, to approve with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196 to 198 read with Schedule V of the Companies Act, 2013 (‘the Act’) and other applicable provisions, if any, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof) and in accordance with the Articles of Association of the Company and necessary approval(s), if any, and pursuant to the recommendation of the Compensation, Nomination and Remuneration Committee and the approval of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to ratify and confirm the waiver of recovery of the excess remuneration amounting to ₹ 2,59,61,199 paid / payable to Mr. Sanjay Sethi, Managing Director & CEO (DIN: 00641243) for the period from the date of his re-appointment i.e. February 9, 2021 upto the date of passing this Special Resolution at the Annual General Meeting held on August 12, 2021, which is / may be in excess of the limits prescribed under Schedule V of the Act and within the limits proposed for approval by the Members of the Company at this Annual General Meeting.

RESOLVED FURTHER THAT the Directors of the Company, the Chief Financial Officer and the Company Secretary be and are hereby authorized to do all acts, deeds and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution.”

7. Adoption of new set of Articles of Association for the Company

To consider and if thought fit, to approve with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** in accordance with the provisions of Section 5, Section 14 and Section 15 of the Companies Act, 2013 and other applicable provisions, if any, and the Rules made thereunder including any statutory amendment(s) or modification(s) thereto from time to time, subject to necessary approval(s), if any, the existing Articles of Association of the Company be replaced with a new set of Articles of Association and the new set of Articles be and is hereby adopted as the Articles of Association of the Company and shall substitute in its entirety the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Directors of the Company, the Chief Financial Officer and the Company Secretary be and are hereby severally authorised to make necessary applications, file necessary forms and to sign and submit any other documents or papers with the Registrar of Companies, Mumbai, Maharashtra and to do all such acts, deeds and things as may be considered necessary, desirable and expedient for giving effect to this resolution.”

8. To raise funds either by way of issue of Non-Cumulative, Non-Convertible, Redeemable Preference Shares on private placement basis or Unsecured Loans or Inter Corporate Deposits or any combination thereof

To consider and if thought fit, to approve with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to Sections 23, 42 and 55 of the Companies Act, 2013 (‘the Act’) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, including any statutory amendment(s) or modification(s) thereto from time to time, in accordance with the provisions of the Articles of Association and the Policy on Related Party Transactions of the Company and pursuant to the approval of the Audit & Risk Management Committee and the Board of Directors of the Company, subject to necessary approval(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, the consent of the Members of the Company be and is hereby accorded to raise funds either by way of an issue and offer upto a maximum of 10,000 (Ten Thousand), 0% (Zero Percent) Non-Cumulative, Non-Convertible, Redeemable Preference Shares of par value of ₹ 1,00,000 (Rupees One Lakh Only) each (‘Series-C NCRPS’) for a consideration not exceeding ₹ 1,00,00,00,000 (Rupees One Hundred Crore Only) in the aggregate, which shall be issued and allotted in Tranches from time to time on private placement basis, in one or more series / tranches, or by way of Interest Free Unsecured Loans or Interest Free Inter Corporate Deposits, or any combination thereof, during a period of one year from the date of passing this Resolution, to/from identified investors i.e. the Promoters of the Company viz.

Mr. Ravi C. Raheja and Mr. Neel C. Raheja and/or their Designated Nominees, and the Series-C NCRPS shall be redeemed thereafter in accordance with the terms and conditions set out in the Subscription Agreement dated June 4, 2018, including any amendments thereto, executed between the Company and Mr. Ravi C. Raheja and Mr. Neel C. Raheja, as per the draft private placement offer letter in Form PAS-4 to be issued by the Board of Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and raising of funds by way of Series-C NCRPS to the identified investors, consent of the Members of the Company be and is hereby accorded to the Board of Directors to finalise and issue the Private Placement Offer Letter along with application form in the manner prescribed under the Act and the Rules made thereunder, and to do such other acts, deeds and things as may be deemed necessary in connection with the Series-C NCRPS as well as in connection with the Unsecured Loans and Inter Corporate Deposits.

RESOLVED FURTHER THAT the Directors of the Company, the Chief Financial Officer and the Company Secretary be and are hereby severally authorised to sign and file the necessary forms as may be applicable with the Registrar of Companies and file such other documents and do such other acts as may be required for giving effect to this resolution.”

9. Issue of Non-Convertible Debentures / Bonds on a Private Placement basis

To consider and if thought fit, to approve with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any statutory amendment(s) or modification(s) thereto from time to time, in accordance with the provisions of the Memorandum and Articles of Association of the Company, subject to necessary approval(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, approval of the Members of the Company, be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to offer, invite subscription(s) and issue cumulative/non-cumulative, listed or unlisted, Redeemable, Non-Convertible Debentures (‘NCDs’) / Bonds on private placement basis, in one or more series / tranches during a period of one year from the date of passing this Resolution, upto an amount not exceeding ₹ 500 crore (Rupees Five Hundred Crore) to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, domestic / international financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case may be or such other person / persons as the Board / Committee of Directors may decide so, for cash either at par, premium or discount to the face

value and on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs / Bonds be issued, the consideration for the issue, utilization of issue proceeds and all matters connected with or incidental thereto and that such borrowing is within the overall borrowing limits as approved by the Members of the Company from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board / Committee of the Board or Officers authorized by them in this regard be and are hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary pre and post issue, in respect of issue of NCDs / Bonds, including but not limited to number of issues / tranches, face value, issue price / consideration, issue size, timing, amount, tenor, method of issuance, security / charge creation, coupon / interest rate(s), yield, listing, allotment, utilization and other terms and conditions of issue of the NCDs / Bonds as deemed proper and most beneficial to the Company, and all matters connected with or incidental thereto and to select, appoint and finalize the remuneration of various agencies associated with the issue of Secured / Unsecured, Redeemable, NCDs / Bonds as they may, in their absolute discretion, deem necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Directors of the Company, the Chief Financial Officer and the Company Secretary be and are hereby severally authorised to make necessary applications, file necessary forms and to sign and submit any other documents or papers with the Registrar of Companies, Mumbai, and to do all such acts, deeds and things as may be considered necessary, desirable and expedient for giving effect to this resolution.”

10. Approval for Loan, Guarantee or Security under Section 185 of the Companies Act, 2013

To consider and if thought fit, to approve with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** subject to the provisions of Section 185 and other applicable provisions of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory amendment(s) or modification(s) thereto from time to time, in accordance with the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to give loans / inter-corporate deposits (including any loan represented by a book debt) or to give any guarantee or to provide any security in connection with any loan taken, upto a sum of ₹ 2,00,00,000/- (Rupees Two Crore) in the aggregate to Chalet Hotels & Properties (Kerala) Private Limited (CIN: U55101KL2006PTC020125), a subsidiary of the Company.

RESOLVED FURTHER THAT the Loan / Inter Corporate Deposit to be granted shall be interest free, repayable on demand and shall be subject to such other terms and conditions as may be decided upon by the Board of Directors of the Company and Chalet Hotels & Properties (Kerala) Private Limited.

RESOLVED FURTHER THAT the Directors of the Company, the Chief Financial Officer and the Company Secretary be and are hereby severally authorised to negotiate and decide from time to time, the terms and conditions, execute necessary documents, papers, agreements, etc. in respect of the aforesaid loans / inter-corporate deposits, guarantees or securities to the subsidiary of the Company and to do all such acts, deeds and things and to give such directions as may be necessary or expedient in its absolute discretion as it deems fit and to delegate all or any of these

powers to any Committee of the Board or any other Officer in this regard.”

By order of the Board of Directors
For Chalet Hotels Limited

Christabelle Baptista
Company Secretary
Membership No.: A17817

Place: Mumbai
Date: July 2, 2021

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (‘the Act’) relating to the Special Business under Item Nos. 4 to 10, to be transacted at the Annual General Meeting (‘AGM’ / ‘Meeting’) is annexed hereto.
2. Pursuant to the provisions of Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and the Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (‘ICSI’), the relevant information in respect of the Directors seeking re-appointment at the AGM is attached as an Annexure and forms an integral part of this Notice.
3. In view of the COVID-19 pandemic and restrictions on movement as well as social distancing norms, the Ministry of Corporate Affairs (‘MCA’) had vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, read with Circular Nos. 20/2020 and 02/2021 dated May 5, 2020 and January 13, 2021 respectively and the Securities and Exchange Board of India (‘SEBI’) has vide Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 respectively (collectively ‘Applicable Circulars’), permitted holding of the AGM through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’). Accordingly, the 36th AGM of the Company will be held through VC / OAVM in compliance with the provisions of the Act and the Listing Regulations. Further, in accordance with SS-2 issued by ICSI read with Clarification / Guidance on applicability of Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) dated April 15, 2020, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
4. The Board of Directors of the Company has opined that as per the provisions of Clause 3A(II) of the General Circular No. 20/2020 dated May 5, 2020 issued by MCA, the special business under Item Nos. 4 to 10, being considered unavoidable, be transacted at 36th AGM of the Company.
5. **Procedure for obtaining the Annual Report, AGM Notice and e-voting instructions by Members whose email addresses are not registered with the Depositories/not submitted to the RTA:**
Pursuant to Section 101 and Section 136 of the Act read with the relevant Rules made thereunder, to support the “Green Initiative” announced by the Government of India; read with Applicable Circulars, the Company is sending the Annual Report, Notice of the AGM and e-voting instructions only in electronic form to the registered email addresses of the Members. Therefore, those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:
 - i. 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.
 - ii. Members who have not registered their email address as a consequence of which the Annual Report, Notice of AGM and e-voting instructions could not be serviced, may temporarily get their email address and mobile number updated with the Company’s RTA, by clicking the link: <https://ris.kfintech.com/clientservices/mobileemailreg/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 inward.ris@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).
 - iii. Alternatively a Member may send an email request at the email id inward.ris@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 for electronic folios for sending the Annual Report, Notice of AGM and the e-voting instructions by email.
 - iv. Members only desiring to download the Annual Report and Notice of the AGM, may visit the website of the Company <https://www.chalethotels.com/annual-report-20-21> or the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively, or the website of the RTA viz. <https://evoting.kfintech.com>, for the same.
6. As this AGM is being held pursuant to the Applicable Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will

not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

7. 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 / OAVM 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.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Members seeking or requiring any clarification or information in respect of accounts or any other matter to be placed at the AGM may send their requests to the Company on or before August 10, 2021 at companysecretary@chalehotels.com.
10. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
11. Pursuant to the provisions of Section 72 of the Act, Members can avail themselves of the facility of nomination in respect of shares held by them. Members desiring to avail of this facility may contact their respective Depository Participant(s).
12. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their Demat Accounts.

13. Inspection of Documents:

Certificate from B S R & Co. LLP, Statutory Auditors of the Company, with respect to implementation of Employee Stock Option Scheme, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to companysecretary@chalehotels.com.

14. General Instructions for Members:

- i. In case of any query and / or grievance, in respect of (i) attending the AGM through VC / OAVM, and (ii) voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and e-voting User Manual available at the Downloads section at <https://evoting.kfintech.com> (KFin Website) 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 inward.ris@kfintech.com or call KFin's toll free no. 1800-3454-001 for any further clarifications.

- ii. 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. Friday, August 6, 2021.
 - iii. As the AGM will be conducted through VC / OAVM, the route map to the AGM venue is not annexed to this Notice.
15. i. The Company 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.
 - ii. The Scrutiniser shall, immediately after the conclusion of the remote e-voting at the AGM, first count the votes cast through remote e-voting during the Meeting and thereafter unblock the votes cast through remote e-voting before the AGM 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 or a person authorised by him in writing who shall countersign the same.
 - iii. The results on resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions 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 resolutions.
 - iv. The results declared along with the Scrutiniser's Report will be made available on the website of the Company (www.chalehotels.com) and on Service Provider's website (<https://evoting.kfintech.com>) and the same shall be communicated to National Stock Exchange of India Limited and BSE Limited within 48 hours from the conclusion of the Meeting.

Instructions for Voting through electronic means (Remote e-voting):

1. 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 read with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Company is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means i.e. remote e-voting either before or at the AGM. Resolution(s) passed by Members through e-voting will be deemed as if they have been passed at the AGM.
2. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on Friday, August 6, 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.

3. The Members can opt for only one mode of voting i.e. either by remote e-voting before or at the AGM. The Members who have not already cast their vote by remote e-voting before the AGM shall be able to exercise their right at the AGM through remote e-voting. The Members who have cast their vote by remote e-voting before the AGM are eligible to attend the AGM through VC / OAVM but shall not be entitled to cast their vote again through remote e-voting at the AGM.
4. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on 'e-Voting facility provided by Listed Companies', e-Voting process has been enabled for all the **individual Demat Account holders**, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participants ('DPs') in order to increase the efficiency of the voting process.
5. Individual Demat Account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
6. The period of remote e-voting before the AGM commences on Monday, August 9, 2021 (9:00 a.m. IST) and ends on Wednesday, August 11, 2021 (5:00 p.m. IST). The remote e-voting module shall thereafter be disabled by KFin Technologies Private Limited ('KFin') for voting; and subsequently enabled for remote e-voting, at the AGM for 15 minutes, post the conclusion of proceedings. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
7. The details of the process and manner for remote e-Voting and attending the AGM are explained herein below:
 - Option 1:** Access Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
 - Option 2:** Access KFin e-Voting system in case of non-individual shareholders holding shares demat mode.
 - Option 3:** Join virtual meeting of the Company on KFin system to participate and vote at the AGM.

Details for Option 1 are mentioned below:

Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

| Type of shareholders | Login Method |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1. Member already registered for IDeAS (Internet Based Demat Account Statement) facility of NSDL: <ul style="list-style-type: none"> - Visit URL: https://eservices.nsdl.com - Under 'IDeAS' section, click on the "Beneficial Owner" icon under "Login". - Enter User ID and Password and post successful authentication, click on "Access to e-Voting". - Click on the name of the Company or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. Members not registered for IDeAS e-Services: <ul style="list-style-type: none"> - To register, click on link https://eservices.nsdl.com - Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Proceed with completing the required fields. - Follow steps given in Point 1. 3. Alternatively by directly accessing the e-Voting website of NSDL: <ul style="list-style-type: none"> - Visit URL: https://www.evoting.nsdl.com/ - Click on the icon "Login" which is available under 'Shareholder/Member' section. - A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat Account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. - Post successful authentication, you would be requested to select the name of the Company and the e-Voting Service Provider's name, i.e. KFinTech. - On successful selection, you will be redirected to KFin's e-Voting page for casting your vote during the remote e-Voting period. |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 1. Existing user who have opted for Easi / Easiest: <ul style="list-style-type: none"> - Visit URL: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on "New System Myeasi". - Login with your registered User ID and Password. - The Member will see the e-Voting menu. The menu will have links of ESP i.e. KFin's e-Voting portal. - Click on e-Voting service provider's name to cast your vote. 2. Members not registered for Easi / Easiest: <ul style="list-style-type: none"> - Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Proceed with completing the required fields. - Follow the steps given in Point 1 above. 3. Alternatively, by directly accessing the e-Voting website of CDSL: <ul style="list-style-type: none"> - Visit URL: www.cdslindia.com - Provide your Demat Account Number and PAN. - System will authenticate the details of the Member by sending OTP on registered mobile and email address, as recorded in the Demat Account. - After successful authentication, the Member will be provided links for the respective ESP, i.e. KFin where the e-Voting is in progress. |

| Type of shareholders | Login Method |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholder login through their Demat Accounts / website of Depository Participant | <ol style="list-style-type: none"> 1. You can also login using the login credentials of your Demat Account through your DP registered with NSDL / CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Click on e-Voting option and you would be redirected to NSDL / CDSL Depository website after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against Company's name or e-Voting service provider KFin and you will be redirected to e-Voting website of KFin for casting your vote during the remote e-Voting period without any further authentication. |

Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password options available at respective websites.

The details of the helpdesk for Individual Shareholders for any technical issues related to login through Depository i.e. NSDL and CDSL are mentioned below:

| Login type | Helpdesk Details |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nssl.co.in or call at toll free number 1800 1020 990 and 1800 22 44 30 . |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 . |

Details for Option 2 are mentioned below:

Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode.

- A. Members whose Email IDs are registered with the Company / DPs, will receive an email from KFin which will include details of E-Voting Event Number (EVEN), User ID and Password. They will have to follow the following process:
- Launch internet browser by typing the URL: <https://emeetings.kfintech.com>.
 - 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.
 - After entering these details appropriately, Click on 'LOGIN'.
 - 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.
 - You will need to login again with the new credentials.
 - On successful login, the system will prompt you to select the 'EVEN' i.e., 'Chalet Hotels Limited - 6029'.

- 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. Friday, August 6, 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.
 - Members holding multiple Demat Accounts shall carry out the e-voting process separately for each Demat Account.
 - Voting has to be done for each Resolution of the Notice of the 36th AGM separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - You may then cast your vote by selecting an appropriate option and clicking on 'SUBMIT'.
 - 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. However, Members can login any number of times inspite of having voted on all the Resolutions.
 - 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 above mentioned documents should be named in the format "CHALET HOTELS LIMITED_EVEN 6029".
 - Members who have already voted through remote e-voting before the AGM will be eligible to attend the AGM.
- B. Members whose Email IDs are not registered with the Company / DPs and consequently have not received the Annual Report, Notice of AGM and e-voting instructions will have to follow the following process:
- Members who have not registered their email address and consequently have not received the Annual Report, Notice of AGM and e-voting instructions may temporarily get their email address and mobile number registered with KFin, by accessing 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 Annual Report, Notice of the AGM and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to einward.ris@kfintech.com.

- ii. Alternatively, Members may send an e-mail request at einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested copy of PAN and copy of Client Master for sending the Annual Report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all the steps mentioned in Point A above to cast your vote by electronic means.

Details for Option 3 are mentioned below:

Instructions for all the shareholders for attending the AGM of the Company through VC / OAVM and e-Voting during the meeting.

- i. Members are being provided the facility to attend the AGM through VC / OAVM platform of KFin. Members are requested to participate in the AGM through VC / OAVM by visiting the link <https://emeetings.kfintech.com> and logging in by using their e-voting credentials. Further, Members have to click on 'Video Conference' option and select the EVEN and the name of the Company. Click on the video symbol and accept the meeting etiquettes to join the AGM. 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.
- ii. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM (i.e. 3.30 p.m. (IST) on Thursday, August 12, 2021) and will be available for Members on first-come-first-served basis.
- iii. For a better experience, Members are encouraged to join the AGM through their computers with Google Chrome, Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 browser.
- iv. Further, Members wishing to speak at the AGM 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.
- v. 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.

- vi. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker shareholder by accessing the link <https://emeetings.kfintech.com> from Monday, August 09, 2021 to Wednesday, August 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 AGM and may have to allow camera access during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that, Members' questions will be answered only if they continue to hold shares as on the cut-off date.
- vii. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system at the AGM. E-voting at the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes which will be activated for 15 minutes after the conclusion of the proceedings of the meeting.
- viii. A Member can opt for only single mode of voting i.e., through remote e-voting or voting at the AGM.
- ix. Facility of joining the AGM through VC / OAVM shall be available for atleast 1,000 members on first come first served basis.

Institutional Members are encouraged to attend and vote at the AGM which is being convened through VC / OAVM.

Other Instructions:

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' in the manner mentioned below:

- i. where the mobile number of the Member is registered against DP ID and Client ID, the Member may send an SMS: MYEPWD (E-Voting Event Number) + DP ID and Client ID to 9212993399. For example
 - NSDL: MYEPWD IN12345612345678
 - CDSL: MYEPWD 1402345612345678
- ii. 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://evoting.kfintech.com/>, the Member may click "Forgot Password" and enter DP ID & Client ID and PAN to generate a password.

In case the Member is already registered with KFin for remote e-Voting then they can use their existing User ID and Password for logging in and casting their vote.

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 einward.ris@kfintech.com.

Details of Director seeking re-appointment at the Annual General Meeting pursuant to the provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ('SS-2'), issued by The Institute of Company Secretaries of India and are provided herein below:

| Name of Director | Mr. Neel C. Raheja | Mr. Sanjay Sethi |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN | 00029010 | 00641243 |
| Type of Directorship | Non-Independent, Non-Executive Director | Executive Director (Managing Director & CEO) |
| Date of Birth | June 27, 1974 | January 8, 1965 |
| Age | 46 years | 56 years |
| Date of first appointment on the Board (current term) | September 4, 1995 | February 9, 2018 |
| Qualifications | Bachelor of Law - University of Mumbai Master of Commerce - University of Mumbai Owner/President Management Program - Harvard Business School | Diploma in Hotel Management, Catering and Nutrition from IHM Pusa Certified Hotel Administrator (CHA) from American Hotel and Lodging Educational Institute |
| Experience and Expertise in Specific Functional Areas | <p>Mr. Neel Raheja has earned his place at the helm of the Group, scaling it to new heights. With an ear to the ground and ability to pre-empt current and possible future trends and practices, Mr. Raheja has been at the fore-front of driving change and innovation within the Group. He also ushered in the malls and department stores format in India; Inorbit Malls and Shoppers Stop are the culmination of his endeavour to bring organised retail into India.</p> <p>He plays an active role in the Group's philanthropic initiatives through K Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital. He also drives the Group's growth through Green Building initiatives in sustainable development.</p> <p>In 2019, he was awarded the EY Entrepreneur of the Year Award in the Energy, Real Estate and Infrastructure category, along with his brother Mr. Ravi Raheja.</p> | <p>Mr. Sanjay Sethi has over 33 years of experience in the hospitality industry. He founded Berggruen Hotels Private Limited in 2006 along with Berggruen Holdings, New York. He has briefly worked with ITC Limited as Chief Operating Officer for their Hotels Division and had a 14 year stint with the Taj Group of Hotels. Mr. Sethi is actively associated with many industry forums in bringing about reforms for the hospitality sector. He is an Executive Committee Member of Hotel Association of India (HAI) and a special invitee to the Executive Committee of Hotel and Restaurant Association of Western India (HRAWI). He is also a member of the National Real Estate Committee of FICCI and the Convenor for the Tourism Panel of CII Maharashtra and member of the Policy panel of CII Maharashtra.</p> |
| Terms & Conditions relating to appointment including proposed Remuneration | Director liable to retire by rotation and shall be entitled to sitting fees for attending Board / Committee Meetings and commission, if any, for succeeding financial years. | As per the Resolution at Item No. 5 of the Notice read with Explanatory Statement thereto. |
| Remuneration (including sitting fee) for the year 2020-21 | ₹ 7,00,000 (Sitting Fees) | ₹ 4,08,41,264 (exclusive of ESOP expense of ₹ 55,91,878) |
| Number of Board Meetings attended during the year 2020-21 | 5 (Five) | 5 (Five) |
| Directorships of other Boards | <ol style="list-style-type: none"> 1. Genext Hardware & Parks Private Limited 2. Eternus Real Estate Private Limited 3. Inorbit Malls (India) Private Limited 4. Intime Properties Limited 5. Ivory Properties and Hotels Private Limited 6. K. Raheja Corp Private Limited 7. K. Raheja IT Park (Hyderabad) Limited 8. K. Raheja Private Limited 9. Shoppers Stop Limited 10. Sundew Properties Limited 11. Trion Properties Private Limited | <ol style="list-style-type: none"> 1. Chalet Hotels & Properties (Kerala) Private Limited 2. Belaire Hotels Private Limited 3. Seapearl Hotels Private Limited |

| Name of Director | Mr. Neel C. Raheja | Mr. Sanjay Sethi | |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Membership / Chairpersonship of Committees of other Boards/LLPs | Shoppers Stop Limited | Stakeholders' Relationship Committee Member | Chalet Hotels & Properties (Kerala) Private Limited Audit Committee Member |
| | | Nomination and Remuneration & Corporate Governance Committee Member | |
| | K. Raheja IT Park (Hyderabad) Limited | CSR Committee Member | |
| | | Nomination and Remuneration Committee Member | |
| | | Audit Committee Member | |
| | Sundew Properties Limited | CSR Committee Member | |
| | | Nomination and Remuneration Committee Member | |
| | | Audit Committee Member | |
| | Intime Properties Limited | CSR Committee Member | |
| | | Nomination and Remuneration Committee Member | |
| | | Audit Committee Member | |
| | Inorbit Malls (India) Private Limited | CSR Committee Member | |
| | Ivory Properties and Hotels Private Limited | CSR Committee Member | |
| | Genext Hardware & Parks Private Limited | CSR Committee Member | |
| | K. Raheja Corp Private Limited | CSR Committee Member | |
| Trion Properties Private Limited | CSR Committee Member | | |
| K. Raheja Private Limited | CSR Committee Member | | |
| | K Raheja Corp Investment Managers LLP (acting as Investment Manager of Mindspace Business Parks REIT) | Stakeholders' Relationship Committee Member Audit Committee Member | |
| Shareholding in the Company | 10,326,318 Equity Shares 2,325 Series A NCRPS 2,325 Series B NCRPS | Nil* *200,000 Options in respect of 200,000 Equity Shares have been granted. The options granted shall vest in tranches over a period of 3 (three) years, as per the Chalet Hotels Limited Employee Stock Option Plan 2018 | |
| Significant Beneficial Owner | 8.86%, excluding his direct holding in the Company | Nil | |
| Relationship with other Directors / Key Managerial Personnel | Brother of Mr. Ravi C. Raheja (Non-Independent, Non-Executive Director) | Mr. Sanjay Sethi is not related to any of the Directors or Key Managerial Personnel of the Company | |

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('THE ACT')

The following sets out all material facts relating to items under Special Business mentioned in the accompanying Notice for convening the Annual General Meeting of the Company:

ITEM NO. 4

Pursuant to the provisions of Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors at its meeting held on July 2, 2021, had approved the appointment of Mr. Chirag Shah, Cost Accountant (Membership Number 23277, Firm Registration Number 004442) as the Cost Auditor of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2021-22, at a remuneration of ₹ 1,00,000 (Rupees One Lakh Only), excluding any out-of-pocket expenses and applicable taxes.

Mr. Shah has furnished a certificate regarding his eligibility for appointment as Cost Auditor of the Company. He has had a vast experience in the field of cost audit in the past.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

The Board recommends passing of the resolution as set out in Item No. 4 of the accompanying Notice as an Ordinary Resolution.

ITEM NOS. 5 and 6

Mr. Sanjay Sethi (DIN: 00641243) was appointed as Managing Director & CEO of the Company by the Board of Directors at their meeting held on February 9, 2018 w.e.f. the said date and the appointment was approved by the Members of the Company at their Annual General Meeting held on June 13, 2018. The said appointment was for a period of 3 years made pursuant to the provisions of Sections 197 and 198 read with Schedule V of the Act and the term expired on February 8, 2021. Considering the performance, strategy management, business acumen and industry expertise of Mr. Sanjay Sethi, the Board of Directors, based on the recommendation of the Compensation, Nomination & Remuneration Committee, had approved the re-appointment of Mr. Sanjay Sethi as the Managing Director & CEO of the Company at its meeting held on November 10, 2020 with effect from February 9, 2021 for a period of three years. Accordingly, approval of the Members is being sought for approving the appointment and the remuneration of Mr. Sanjay Sethi as the Managing Director & CEO of the Company.

Brief profile of Mr. Sanjay Sethi:

Mr. Sanjay Sethi has over 33 years of experience in the hospitality industry. Mr. Sethi founded Berggruen Hotels Private Limited in 2006 along with Berggruen Holdings, New York. He has briefly worked with ITC Limited as Chief Operating Officer for their Hotels Division and had a fourteen year stint with the Taj Group of Hotels.

Mr. Sethi is actively associated with many industry forums in bringing about reforms for the Hospitality sector and championed the cause of getting Industry status for Hotels in Maharashtra. He is an Executive Committee Member of Hotel Association of India

(HAI) and a special invitee to the Executive Committee of Hotel and Restaurant Association of Western India (HRAWI). He is also a member of the National Real Estate Committee of FICCI and member of CIP's National Tourism Committee.

The terms of appointment of and details of remuneration proposed to be paid to Mr. Sanjay Sethi is as follows:

A. Tenure:

Three years commencing from February 09, 2021 to February 08, 2024

B. Nature of Duties:

- i. The Managing Director shall devote his whole time and attention to the business of the Company and employ the best of his skill and ability and make his utmost endeavour to promote the interests and welfare of the Company, carry out such duties, as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company including performing duties as assigned by the Board from time to time by serving on the Boards of subsidiaries or any other executive body or any Committee of the Company.
- ii. The Managing Director shall not exceed the powers that may be delegated by the Board pursuant to Clause B(i).

C. Remuneration:

The Managing Director shall be entitled to:

| | Salary per annum | Ceiling |
|------------------------------------------|------------------|---------------|
| I. Salary, Statutory Bonus & Perquisites | ₹ 3,62,48,792 | ₹ 5,50,00,000 |
| II. Retention Bonus | ₹ 79,20,000 | ₹ 1,20,00,000 |
| III. Performance Bonus | ₹ 30,00,000 | ₹ 50,00,000 |
| | ₹ 4,71,68,792 | ₹ 7,20,00,000 |

IV. Performance Bonus, as deemed fit, may be paid, at the discretion of the Company's Management and based on the approval of the Compensation, Nomination & Remuneration Committee.

V. The Members at the Annual General Meeting held on June 13, 2018 had accorded approval for grant of 200,000 options exercisable into 200,000 Equity Shares under the Scheme known as 'Chalet Hotels Limited - Employee Stock Option Plan (ESOP) 2018', to vest in tranches over a period of three years beginning from June 26, 2019.

It is clarified that options granted / to be granted to Mr. Sanjay Sethi, from time to time, shall not be considered as a part of perquisites under (II) above and that the perquisite value of stock options exercised shall be in addition to the remuneration mentioned above.

- VI. The Managing Director shall be entitled to annual increments as may be decided by the Board.
- VII. The valuation of perquisites shall be as per the Income Tax Rules and wherever no method of valuation is prescribed therein, the same shall be valued at cost.
- VIII. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit in such manner as may be agreed between the Board and Mr. Sethi, subject to such statutory approvals as may be required.
- D. The Company shall pay or reimburse actual entertainment and travelling expenses incurred by the MD in connection with the Company's business.
- E. The terms and conditions of the said appointment may be altered and varied from time to time by the Board or a Committee thereof as it may, in its discretion, deem fit in such manner as may be agreed between the Board and Mr. Sanjay Sethi, subject to such statutory approvals as may be required.
- F. Other Terms and Conditions:
- i. All personnel policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to Mr. Sanjay Sethi, unless specifically provided otherwise.
- ii. Mr. Sanjay Sethi is appointed as a Director by virtue of his employment in the Company and the appointment shall be subject to the provisions of Section 164 of the Act.
- iii. The appointment may be terminated either by Mr. Sanjay Sethi or by the Company by giving 90 days' notice in writing.
- iv. Mr. Sanjay Sethi shall continue in the said capacity as long as the Board of Directors deems fit. The termination of his employment for whatever reason shall automatically and forthwith result in the termination of his appointment as the Managing Director & CEO of the Company.
- v. Upon termination, by whatsoever means, of his employment:
- a. Mr. Sanjay Sethi, shall immediately tender his resignation from office as Director of the Company and from such offices held by him in any subsidiaries and associated companies and other entities without claim of compensation for loss of office and in the event of his failure to do so the Company is hereby irrevocably authorised to appoint some person in his name and on his behalf to sign and deliver such resignation(s) to the Company and each of its subsidiaries and associated companies of which he is at the time Director or officer.
- b. Mr. Sanjay Sethi, shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associated companies.

Statement containing information as required to be attached to the Notice as prescribed under Section II of Part II to Schedule V to the Act (w.r.t. payment of remuneration in the event of inadequacy or absence of profits in any financial year during the term of appointment of the Managing Director):

I. General information:

| | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------|
| Nature of industry | Hospitality / Real Estate Development | | |
| Date or expected date of commencement of commercial production | Not Applicable – the Company has already commenced its operations. | | |
| In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable (The Company is an existing Company). | | |
| Financial performance based on given indicators | Financial Performance for last 3 years is given as under: | | |
| | Financial Year | Gross Turnover | Profit / (Loss) after Tax |
| | 2020-21 | ₹ 2,843.17 million | (₹ 1,168.04 million) |
| | 2019-20 | ₹ 9,765.24 million | ₹ 816.14 million |
| | 2018-19 | ₹ 9,871.73 million | (₹ 102.07 million) |
| Foreign investments or collaborations, if any | 5.13% of the Equity Share Capital of the Company as on March 31, 2021 is held by Non-Resident Indians and Foreign Portfolio Investors. There have been no foreign investments or collaborations by the Company. | | |

II. Information about the appointee:

| | |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Background details | Mr. Sanjay Sethi is a hotel management graduate from IHM Pusa. He is a Certified Hotel Administrator (CHA) from American Hotel and Lodging Educational Institute and has completed various management certifications from IIM-Bangalore, XLRI and Cornell. He has over 30 years of experience with leading Indian hotel chains, and across segments, in the hospitality industry. Prior to joining Chalet Hotels Limited, Mr. Sethi set up Berggruen Hotels Private Limited in 2006 as Promoter, CEO and MD along with Berggruen Holdings, New York. He has worked with ITC Limited as Chief Operating Officer for their Hotels Division and The Indian Hotels Company Limited as a General Manager to their hotel properties and Area Director for their Hyderabad hotels. He's an active member and speaker to key industry bodies and events such as FHRAI and HICSA. During his tenure in IHCL he was a trained and certified assessor of Tata Group Companies. |
| Past remuneration | ₹ 4,08,41,264 for FY 2020-21. Further, an ESOP expense amounting to ₹ 55,91,878 has been recognized during the Financial Year ended on March 31, 2021. |
| Recognition or awards | In December 2019, Mr. Sethi was conferred the coveted Hall of Fame Award by Hotelier India and in March of 2020 he was conferred the Best Hospitality professional in India by the Pacific Asia Travel Writers Association (PATWA). |
| Job profile and his suitability | Considering his qualification, industry expertise and experience, Mr. Sethi is suitable for duties and responsibilities to be discharged as Managing Director & CEO of the Company. |
| Remuneration proposed | As per the resolution at Item No. 5 of the Notice read with Explanatory Statement thereto. |
| Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person | The remuneration paid to Mr. Sethi is commensurate with the size and scale of the Company's operations as well as counterparts from the industry. |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | None |

III. Other information:

| | |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reasons of loss or inadequate profits | The hospitality operations of your Company have been adversely impacted, in line with the impact on hospitality industry on account of the COVID 19 pandemic. |
| Steps taken or proposed to be taken for improvement | Prudent cash flow management, smart cost saving measures undertaken as an early response to the pandemic coupled with a strategic mix of asset classes has helped in achieving higher than break-even in operating profit in each quarter of the year. Further, the Company is exploring new avenues for sweating of its assets. |
| Expected increase in productivity and profits in measurable terms | <p>The Company has initiated various cost saving measures as well as taken steps for utilisation of under-utilized spaces at its premises.</p> <p>The Company has restarted work on the Commercial Building Projects at Powai, Mumbai and Whitefield, Bengaluru, which is expected to contribute significantly to the Company's revenues and EBITDA.</p> <p>Also, the Company is working towards repurposing of its non-performing assets, such as the Retail Complex at Sahar, Mumbai that is being converted into Commercial Office space. Renovation of the Renaissance Mumbai Convention Centre Hotel, Powai is also underway to re-position it to a higher brand of 'Westin' with an aim to improve yields from the asset.</p> |

IV. Disclosures:

As required under Para B of Section II of Part II of Schedule V of the Act, requisite disclosures have been included in the Corporate Governance Report.

Mr. Sanjay Sethi satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section 3 of Section 196 of the Act for being eligible for appointment.

Mr. Sanjay Sethi is not disqualified from being appointed as Director in terms of Section 164 of the Act.

As per the requirement of Section 190 of the Act, the agreement entered into between Mr. Sanjay Sethi and the Company, setting out the terms of his appointment shall be available for inspection at the Registered Office of the Company.

The Company had already obtained the approval of the Members for payment of managerial remuneration to Mr. Sanjay Sethi for his previous term which ended on February 8, 2021 and it is now

being proposed to re-appoint him for a further term of three years. The Company had incurred a loss during the Financial Year 2020-21 as a result of which the remuneration paid / payable to Mr. Sanjay Sethi after his re-appointment upto the date of passing this Special Resolution is /may be in excess of the limits set out in Schedule V of the Act. In view of the same, approval of the Members is being sought for waiver of excess managerial remuneration amounting to ₹ 2,59,61,199 paid / payable for the period from the date of his re-appointment i.e. February 9, 2021 upto the date of passing this Special Resolution at the Annual General Meeting held on August 12, 2021.

Except for Mr. Sanjay Sethi and his relatives, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos. 5 and 6 of the accompanying Notice.

The Board recommends passing of the resolutions as set out in Item Nos. 5 and 6 of the accompanying Notice as Special Resolutions.

ITEM NO. 7

Pursuant to the issue of the 10,000 (Ten Thousand) 0% (Zero Percent) Non-Cumulative, Non-Convertible Redeemable Preference Shares of par value of RS. 100,000 (Rupees One Hundred Thousand Only) each forming Series C NCRPS (“Series C NCRPS”) and to incorporate the changes in accordance with the amendments made to the Act it is required to alter the Clauses of the Articles of Association.

The Board of Directors in its meeting held on May 18, 2021 decided (subject to the approval of Members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company. The draft of the new set of Articles of Association proposed for approval shall be made available on receipt of a request from the Members of the Company and shall also be available for inspection at the Registered Office of the Company during business hours. In terms of Section 14 of the Act, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

It is, therefore proposed to alter the Articles of Association of the Company, pursuant to Section 14 of the Act and all other applicable provisions, if any, to give effect to the said alteration.

Except Mr. Ravi C. Raheja and Mr. Neel C. Raheja and their relatives, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 7 of the accompanying Notice.

The Board recommends passing of the resolution as set out in Item No. 7 of the accompanying Notice as a Special Resolution.

ITEM NO. 8

The Company had entered into a Subscription Agreement with the Promoters of the Company viz. Mr. Ravi C. Raheja and Mr. Neel C. Raheja on June 4, 2018, whereby they had agreed to subscribe to and the Company had agreed to offer, issue and allot 20,000 (Twenty Thousand) 0.00% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of par value of ₹ 1,00,000 each, in 2 series forming ‘Series A NCRPS’ and ‘Series B NCRPS’, for an aggregate consideration of ₹ 2,00,00,00,000 (Rupees Two Hundred Crore Only), either, directly or through

persons nominated by them including the other Promoters of the Company (Initial Subscription Amount). The proceeds from the issue are to be utilised to meet the costs, expenses and liabilities of the Company’s Project at Koramangala (Project Expenses). The Promoters had also agreed that in the event the amount required towards meeting the project expenses exceeds the Initial Subscription Amount, the Promoters shall provide such additional funds as may be required to meet the project expenses. The Company had received an Order from the Hon’ble High Court of Karnataka in May 2020 and the Company is in the process of obtaining approvals therefor and re-commencing the Project.

Accordingly, the Board of Directors of the Company at its meeting held on May 18, 2021 approved an issue of a fresh Series of Preference Shares, viz. ‘Series C NCRPS’ on a private placement basis, comprising upto a maximum of 10,000 (Ten Thousand) 0.00% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of par value of ₹ 1,00,000 each, aggregating to an amount not exceeding ₹ 1,00,00,00,000 (Rupees One Hundred Crore Only), in tranches depending on the requirement of funds from time to time. The said issue will be made by the Board of Directors of the Company as and when the need for funds above the Initial Subscription Amount arises. Also, the Board at the said meeting approved alternative modes for raising funds, either by way of availing of Interest Free Unsecured Loan or Interest Free Inter Corporate Deposits or any combination thereof, not exceeding ₹ 1,00,00,00,000 (Rupees One Hundred Crore Only) in the aggregate, to be raised in tranches from Mr. Ravi C. Raheja and Mr. Neel C. Raheja and/or their Designated Nominees, depending on the requirement of funds from time to time.

Considering the requirements of the Act read with the relevant Rules made thereunder, the Board of Directors are seeking approval of the Members for the aforementioned resolution to be passed as a Special Resolution.

In addition to the above, relevant details in respect of the proposed issue of Series C NCRPS and other material facts in connection thereto, as required under Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, are provided hereunder:

| Sr. No. | Disclosures required | Particulars |
|---------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Basis or Justification for the price (including premium, if any) at which the offer or invitation is being made | The Company proposes to issue and allot the Series C NCRPS at a price of ₹ 1,00,000 (Rupees One Hundred Thousand) per share, which is at Nominal / Face Value and is on the basis of the Valuation Report obtained by the Company |
| 2. | Name and address of the Registered Valuer who performed valuation | Mr. Litesh Korshi Gada, Registered Valuer Regn. No.: IBBI/RV/12/2019/12643 Address: 702, Bldg 3, Prathamesh Vihar, 90 Feet Road, Thakur Complex, Borivali East, Mumbai 400066 The relevant offer documents in this regard along with a copy of the valuation report is available for inspection by Members at the Registered Office of the Company during business hours. |
| 3. | Proposed time schedule | Issue: Within one year from the date of passing this Special Resolution Allotment: Within 60 days from date of receipt of share application money. |
| 4. | Contribution being made by the Promoters or Directors either as part of the offer or separately in furtherance of objects | The entire issue of Series C NCRPS would be made to the Promoters and their Designated Nominees |

| | | |
|----|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | Principle terms of assets charged as security | N.A. |
| 6. | Terms of Redemption | <p>Tenure: Maximum of 20 years.</p> <p>Redemption Value: The Series C NCRPS shall be redeemed at par.</p> <p>Redemption before expiry of the term: To the extent of any surplus amount available, NCRPS shall be redeemable prior to the expiry of the tenure, at the option of the Company and in 1 (One) or more tranches, any time after a phase of the project is completed.</p> <p>Redemption at the end of the tenure: The NCRPS shall be redeemable 1 (One) month prior to the completion of 20 years from the date of allotment of the Series C NCRPS.</p> |
| 7. | Manner and modes of redemption | The redemption of the said Series C NCRPS shall be as per the relevant provisions of the Act and as permitted by the Articles of Association of the Company and the Subscription Agreement dated June 4, 2018 and any amendments thereto. |

8. Current shareholding pattern of the Company as on June 30, 2021:

EQUITY SHARES OF RS.10/- EACH

| Sr. No. | Category | No. of Shares held | % of share holding |
|----------|--------------------------------|---------------------|--------------------|
| A | Promoters' holding: | | |
| 1 | Indian: | | |
| | Individual | 2,06,52,636 | 10.07% |
| | Bodies Corporate | 12,62,50,044 | 61.58% |
| | Sub Total | 14,69,02,680 | 71.65% |
| 2 | Foreign Promoters | 0 | 0.00% |
| | Sub Total (A) | 14,69,02,680 | 71.65% |
| B | Non-Promoters' holding: | | |
| 1 | Institutional Investors | 4,59,31,189 | 22.40% |
| 2 | Non-Institutions: | | |
| | Private Corporate Bodies | 40,37,767 | 1.97% |
| | Directors and Relatives | 2,067 | 0.00% |
| | Indian Public | 76,83,975 | 3.75% |
| | Others (Including NRIs) | 4,66,186 | 0.23% |
| | Sub Total(B) | 5,81,21,184 | 28.35% |
| | GRAND TOTAL | 20,50,23,864 | 100.00% |

0.001% NON-CUMULATIVE, NON-CONVERTIBLE, REDEEMABLE PREFERENCE SHARES OF RS.1,00,000/- EACH

| Sr. No. | Category | No. of Shares held | % of share holding |
|----------|--------------------------------|--------------------|--------------------|
| A | Promoters' holding: | | |
| 1 | Indian: | | |
| | Individual | 0 | 0.00% |
| | Bodies Corporate | 1,600 | 100.00% |
| | Sub Total | 1,600 | 100.00% |
| 2 | Foreign Promoters | 0 | 0.00% |
| | Sub Total (A) | 1,600 | 100.00% |
| B | Non-Promoters' holding: | | |
| 1 | Institutional Investors | 0 | 0.00% |
| 2 | Non-Institutions: | | |
| | Private Corporate Bodies | 0 | 0.00% |
| | Directors and Relatives | 0 | 0.00% |
| | Indian Public | 0 | 0.00% |
| | Others (Including NRIs) | 0 | 0.00% |
| | Sub Total(B) | 0 | 0.00% |
| | GRAND TOTAL | 1,600 | 100.00% |

0% NON-CUMULATIVE, NON-CONVERTIBLE, REDEEMABLE PREFERENCE SHARES OF PAR VALUE OF RS.100,000/- EACH – SERIES A AND SERIES B NCRPS

| Sr. No. | Category | No. of Shares held | % of share holding |
|----------|--------------------------------|--------------------|--------------------|
| A | Promoters' holding: | | |
| 1 | Indian: | | |
| | Individual | 9,300 | 46.50% |
| | Bodies Corporate | 10,700 | 53.50% |
| | Sub Total | 20,000 | 100.00% |
| 2 | Foreign Promoters | 0 | 0.00% |
| | Sub Total (A) | 20,000 | 100.00% |
| B | Non-Promoters' holding: | | |
| 1 | Institutional Investors | 0 | 0.00% |
| 2 | Non-Institutions: | | |
| | Private Corporate Bodies | 0 | 0.00% |
| | Directors and Relatives | 0 | 0.00% |
| | Indian Public | 0 | 0.00% |
| | Others (Including NRIs) | 0 | 0.00% |
| | Sub Total(B) | 0 | 0.00% |
| | GRAND TOTAL | 20,000 | 100.00% |

There shall be no dilution in the Equity Share Capital of the Company on account of the NCRPS as the said securities are non-convertible in nature, as per their terms of issue.

In accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 'Material Related Party Transaction' means any transaction(s) with a Related Party to be entered into individually or taken together with previous transactions during a financial year which exceeds ten percent of the annual consolidated turnover as per the last audited Financial Statements of the Company. Accordingly, the proposed raising of funds through issue of NCRPS or Unsecured Loan or Inter Corporate Deposit may be considered as a Material Related Party Transaction as the value of the transaction is likely to exceed ten percent of consolidated turnover of the Company for the Financial Year 2020-21.

Further, pursuant to the provisions of the said Regulation, Related Parties of the Company are not permitted to vote to approve the resolution as set out in Item No. 8 of this Notice, irrespective of whether the Related Party is a party to the proposed transaction or not.

The Board recommends passing of the resolution as set out in Item No. 8 of the accompanying Notice as a Special Resolution.

ITEM NO. 9

The Company is considering raising of funds by way of issue of Non-Convertible Debentures ('NCDs') to be issued in tranches on a private placement basis, pursuant to the provisions of Sections 23, 42 and 71 of the Act, read with applicable Rules made thereunder.

The Board of Directors of the Company at its Meeting held on May 18, 2021 had accorded its approval for issue of NCDs upto an amount not exceeding ₹ 500 crore in the aggregate on a Private Placement basis. The said NCDs will be issued to identified

persons as may be decided by the Board to be utilised inter-alia towards expansion plans operational liquidity requirements, capital expenditure, renovations, investments (excluding capital markets investments) and general corporate purposes.

The borrowing limits under Section 180(1)(c) of the Act as approved by the Members of the Company at its Annual General Meeting held on June 13, 2018 is ₹ 5,000 crore. As on March 31, 2021, the total debt of the Company is ₹ 1,851 crore, excluding the borrowing of its subsidiaries.

The said NCDs / Bonds are proposed to be issued to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, domestic / international financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case may be or such other person / persons as the Board / Committee of Directors may decide so, for cash either at par, premium or discount to face value and on such other terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company.

Approval of the Members is being sought by way of a Special Resolution to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more tranches, during the period of 1 year from the date of passing of the resolution at Item No. 9, i.e. upto August 11, 2022, within the overall borrowing limits of the Company, as approved by the Members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 9 of the accompanying Notice.

The Board recommends passing of the resolution as set out in Item No. 9 of the accompanying Notice as a Special Resolution.

ITEM NO. 10

Chalet Hotels & Properties (Kerala) Private Limited (CHKL) is a subsidiary of the Company, in which the Company holds 90% of the Equity Share Capital. The said subsidiary has not yet commenced its operations and has no revenue from operations. CHKL has been borrowing funds by way of Inter Corporate Deposits (ICDs) from time to time. Now, the Company is proposing to advance ICDs to CHKL for meeting its administrative and other expenses. Accordingly, pursuant to the provisions of Section 185 of the Act, prior approval of the Members is being sought by way of a Special Resolution. The said loan/ICDs shall be utilised CHKL towards its principle business activities such as meeting the administrative and other expenses, including any project related expenses, statutory and other fees of the subsidiary.

The Company is involved in infrastructural facilities and is considered as an Infrastructure Company as provided under Schedule VI of the Act and is therefore exempt as per the

provisions of Section 186(11) of the Act and it is proposed to offer the said Loan/ICDs on an interest free basis.

Except Mr. Sanjay Sethi, Managing Director & CEO and Mr. Milind Wadekar, Interim CFO, who are Directors of CHKL, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 10 of the accompanying Notice.

The Board recommends passing of the resolution as set out in Item No. 10 of the accompanying Notice as a Special Resolution.

By order of the Board of Directors
For Chalet Hotels Limited

Christabelle Baptista
Company Secretary
Membership No.: A17817

Place: Mumbai
Date: July 2, 2021