

## 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

**NOTICE** is hereby given that the Thirty Eighth Annual General Meeting of the Members of **Chalet Hotels Limited** (the 'Company') will be held on Thursday, August 10, 2023 at 3.00 p.m. (IST) through Video Conference ('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, 2023, 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, 2023 along with the Report of the Auditors thereon.
3. To consider and approve payment of dividend on 0.001% Non-Cumulative Redeemable Preference Shares of the Company amounting to Rs.1,600 in the aggregate for the Financial Year 2022-23.
4. To appoint a Director in place of Mr. Ravi C. Raheja (DIN: 00028044), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

5. **Ratification of remuneration to the Cost Auditor.**

To consider and if thought fit, to approve 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, as amended from time to time (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), the Members of the Company do hereby ratify the payment of remuneration of Rs.1,10,000, plus applicable taxes and out-of-pocket expenses incurred in connection with the audit of the cost records maintained by the Company to M/s. Chirag Trilok Shah & Co., Practicing Cost Accountants (Membership Number 23277 & Firm Registration Number 004442) for the Financial Year 2023-24.

**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."

**6. To approve remuneration payable to Non-Executive Directors of the Company by way of Commission.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 197 & 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Rules made thereunder, Regulation 17(6) and all other applicable provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, (including any statutory amendment(s), modification(s), or re-enactment(s) thereof for the time being in force), the applicable provisions of the Articles of Association of the Company, the Company’s policy on Appointment and Remuneration of Directors and Senior Management, and based on the recommendations of the Compensation, Nomination and Remuneration Committee (‘CNRC’), and approval of the Audit Committee and the Board of Directors of the Company and subject to such other approval(s) as may be required, consent of the Members of the Company be and is hereby accorded in respect of payment of remuneration, including commission, other permissible reimbursements and services rendered of a professional nature, as provided under Section 197(4) of the Act, but excluding sitting fee, as may be decided by the Board of Directors (hereinafter referred to as the “Board”, which term shall include the CNRC) to the Non-Executive Independent Directors of the Company for a period of three years, commencing from Financial Year 2023-24, provided that the total remuneration payable to the Non-Executive Independent Directors, per annum shall not exceed one percent of the Net Profit of the Company for that financial year, as computed in the manner specified under Section 198 of the Act, with authority to the Board to determine the manner and proportion in which the amount be distributed among the Non-Executive Independent Directors..

**RESOLVED FURTHER THAT** during the aforesaid term of three years, starting from the Financial Year 2023-24, in the event of absence of profits or inadequate profits in any financial year, the Non-Executive Independent Directors may be paid remuneration within the ceiling as specified in Schedule V of the Act, including any statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force.

**RESOLVED FURTHER THAT** the Board of 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 to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the resolution, including filing of 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.”

**7. Re-appointment of Mr. Sanjay Sethi (DIN: 00641243) as Managing Director & CEO of the Company for a period upto January 31, 2026 and approval of his remuneration.**

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

**“RESOLVED THAT** pursuant to Sections 2(51), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with Schedule V thereto, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and such other provisions as may be applicable in accordance with the provisions of the Articles of Association of the Company and the recommendation of the Compensation, Nomination and Remuneration Committee, 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 the Managing Director & CEO of the Company (being a Director liable to retire by rotation), for a period from February 09, 2024 till January 31, 2026, upon such terms and conditions, including remuneration, mentioned in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall include the Compensation, Nomination and Remuneration Committee), of the Company to alter and vary the same from time to time.

**RESOLVED FURTHER THAT** in the event of absence of profits or inadequate profits in any financial year during the term of appointment of Mr. Sanjay Sethi as Managing Director & CEO, consent of the Members be and is hereby accorded pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V of the Act, including any amendment thereto from time to time, for payment of 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 it may in its absolute discretion 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 approvals / consents as may be required in this regard including to amend, alter, modify or otherwise vary the terms and conditions of appointment and remuneration of Mr. Sanjay Sethi.

**RESOLVED FURTHER THAT** the Board of 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 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.”

## 8. Variation in the tenure of redemption of 0.001% Non-Cumulative Redeemable Preference Shares and consequential amendment in the Articles of Association of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Sections 48 and 55 of the Companies Act, 2013 (‘the Act’) read with Rule 9 of the Companies (Share Capital and Debenture) Rules, 2014 and all other applicable provisions and other applicable rules made thereunder, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the Articles of Association of the Company and further to the approval of the Board of Directors of the Company and subject to necessary approval(s), if any, consent of the Members be and is hereby accorded for variation in the rights of 0.001% Non-Cumulative Redeemable Preference Shares (‘NCRPS’) to the extent that the tenure of the NCRPS shall be extended by a further period of three years from the due date of redemption i.e. from 21 December 2023 to 21 December 2026, and all other terms and conditions of the NCRPS including redemption shall remain the same over the extended tenure of the said NCRPS.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 5 and 14 of the Act and in the view of the aforesaid extension, Article 4(d) of the Articles of Association (‘AOA’) of the Company be and is hereby altered by way of substitution with the following amended Article 4(d) of the AOA in its stead in conformity with the Act and Rules made thereunder:

*4(d) The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.*

*Subject to these Articles and the provisions of section 55 of the Act, preference shares (other than the Subscription Securities) issued by the Company are at the option of the Company are liable to be redeemed at any time, but not later than **21st December, 2026**, the Redemption Date. The Company’s option to redeem these Shares at any time prior to the Redemption Date shall be subject to serving the Preference Shareholders prior notice of three months. Further, the Preference Shares shall, subject to the availability of profits during any financial year, be entitled to nominal dividend of Re.1/- (Rupee One only) per Preference Share per year.*

**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 it may in its absolute discretion consider 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 approvals / consents as may be required in this regard.

**RESOLVED FURTHER THAT** the Board of 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 and documents 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 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.”

## 9. Raising of funds through issue of Debt securities on a Private Placement basis

To consider and if thought fit, to approve 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), modification(s) or re-enactment(s) thereof for the time being in force), 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 as may be required, the consent 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, Secured, Redeemable, Non-Convertible Debentures / or other Debt securities (‘Debt Instruments’) on a 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 Rs.500 Crore in the aggregate, 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 Debt Instruments 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 Debt Instruments, 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 Debt Instruments 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 Debt Instruments as they may, in their absolute discretion, deem necessary for the purpose of giving effect to this resolution.

**RESOLVED FURTHER THAT** the Board of 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 and documents 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 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.”

#### **10. To raise funds from the Promoters by way of Unsecured Loans or Inter Corporate Deposits or any combination thereof**

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

**“RESOLVED THAT** pursuant to Section 2(76) of the Companies Act, 2013, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and all other applicable provisions, 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 Committee and the Board of Directors of the Company, subject to necessary approval(s) and/or sanction(s) of the appropriate authorities as may be required, consent of the Members of the Company be and is hereby accorded to raise funds upto an amount not exceeding Rs.100 Crore in the aggregate, by way of Interest Free Unsecured Loans or Interest Free Inter Corporate Deposits, or any combination thereof, from the Promoters of the Company or their designated nominees, from the date of passing of this Resolution upto the date of the next Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Board of 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 and documents 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 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.”

#### **11. Approval of the CHL Employee Stock Option Plan 2023:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 (‘the Act’) read with Rules made thereunder, Regulation 6 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (‘SBEB and SE Regulations’); the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), read with all circulars and notifications issued in this respect, all other applicable provisions, and in accordance with the relevant clauses of the Articles of Association of the Company, and any other permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, and pursuant to the recommendation of the Compensation, Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the Members of the Company, be and is hereby accorded to the introduction, formulation and implementation of

‘CHL Employee Stock Option Plan 2023’ (‘ESOP 2023’/ ‘Plan’) and the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any Committee, including the Compensation, Nomination and Remuneration Committee which the Board has constituted, to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SBEB and SE Regulations) be and are hereby authorised to create and grant from time to time, in one or more tranches, Employee Stock Options (‘Options’) not exceeding 10,00,000 to and for the benefit of such person(s) viz. Eligible Employees as designated by the Company, as specifically set out in the Plan, exercisable into not more than 10,00,000 Equity Shares of Rs.10 each fully paid-up, where one Option would convert into one Equity Share upon exercise, on such terms and in such manner as the Board/ Committee may decide in accordance with the provisions of the applicable laws and the provisions of the Plan.

**RESOLVED FURTHER THAT** the Board/Committee be and is hereby authorised to amend and implement the Plan in such manner as may be deemed fit, including to issue and allot fully paid-up Equity Shares upon exercise of such Options and such Equity Shares shall rank *pari-passu* in all respects with the existing Equity Shares of the Company, based on the terms and conditions of **ESOP 2023**.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional Options shall be granted by the Company to the Option Grantees, for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per Equity Share shall bear to the revised face value of the Equity Shares of the Company, after such sub-division or consolidation, without affecting any other rights or obligations of the said Option Grantees.

**RESOLVED FURTHER THAT** the Managing Director & CEO, Chief Financial Officer and Company Secretary be and are hereby authorized severally to take requisite steps for listing of the Equity Shares allotted under the Plan on the Stock Exchanges where the Equity Shares of the Company are listed, in due compliance with SBEB and SE Regulations, Listing Regulations and other applicable laws.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SBEB and SE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.

**RESOLVED FURTHER THAT** the Board / Committee be and is hereby authorised to modify, change, vary, alter, amend, suspend or terminate the Plan subject to and in compliance with the applicable laws and regulations and to do all such acts, deeds and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of

the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, SBEB and SE Regulations, Listing Regulations and any other applicable laws for the time being in force, as amended from time to time.

**RESOLVED FURTHER THAT** the Board / Committee, be and is hereby authorized to do all such acts, deeds, and things, as it may, at its absolute discretion deem necessary, including authorising the appointment of Merchant Bankers, Brokers, Registrars & Share Transfer Agents and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

**By Order of the Board of Directors  
For Chalet Hotels Limited**

**Sd/-  
Christabelle Baptista  
Company Secretary  
Membership No.: A17817**

**Place: Mumbai  
Date: July 3, 2023**



**Details of Director seeking re-appointment at the Annual General Meeting pursuant to the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ('SS-2') issued by The Institute of Company Secretaries of India**

<b>Name of Director</b>	<b>Mr. Ravi C. Raheja</b>	<b>Mr. Sanjay Sethi</b>
<b>DIN</b>	00028044	00641243
<b>Type of Directorship</b>	Non-Independent, Non-Executive Director	Executive Director (Managing Director & CEO)
<b>Date of Birth</b>	September 23, 1971	January 8, 1965
<b>Age</b>	51 years	58 years
<b>Date of first appointment on the Board (current term)</b>	September 4, 1995	Appointed as Managing Director & CEO w.e.f. February 9, 2018 Re-appointed as Managing Director & CEO w.e.f. February 9, 2021
<b>Qualifications</b>	Bachelor of Commerce - University of Mumbai Masters of Business Administration - London Business School	Diploma in Hotel Management, Catering and Nutrition from IHM Pusa
<b>Experience and Expertise in Specific Functional Areas</b>	<p>Mr. Ravi C. Raheja is Group President at K. Raheja Corp where he has been actively involved in directing and managing the business including finance, corporate strategy and planning, growing the business from a family-run Company to one of India's largest business conglomerates, with diversification to hospitality, retail and malls. His foresight steered the business towards building a robust portfolio of rentable assets. He guided the business to the build-and-hold model and has been the force behind building a well-diversified Group portfolio including commercial space under the brand names of 'Mindspace' and 'Commerzone'; and a strong residential portfolio. The successful retail formats of Shoppers Stop and Inorbit Malls; thriving luxury hospitality brands listed under our Company's portfolio, have each been carefully curated under his able leadership. An open-minded leader, Ravi is agile to modify strategies to capture emerging opportunities or tackle unexpected challenges.</p> <p>He has almost three decades of experience across the real estate, hotel and retail industry.</p>	<p>Mr. Sanjay Sethi has over 35 years of experience in the hospitality industry. He is currently the Managing Director &amp; CEO of Chalet Hotels Limited.</p> <p>Prior to this 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.</p> <p>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 on the Executive Committee of the Hospitality and Tourism National Committee of CII.</p> <p>Mr. Sethi believes in giving back and uses his spare time to mentor budding hospitality entrepreneurs and young hospitality professionals.</p>
<b>Terms &amp; Conditions relating to appointment including proposed Remuneration</b>	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. 7 of the Notice read with Explanatory Statement thereto.
<b>Remuneration for the year 2022-23</b>	Rs.5,75,000 (Sitting Fees)	Rs.4,92,80,185 (exclusive of ESOP expense of Rs.46,546,471)
<b>Number of Board Meetings attended during the year 2022-23</b>	4 (Four)	5 (Five)

<b>Directorships of other Boards</b>	<ol style="list-style-type: none"> <li>1. Genext Hardware &amp; Parks Private Limited</li> <li>2. Inorbit Malls (India) Private Limited</li> <li>3. Intime Properties Limited</li> <li>4. Ivory Properties and Hotels Private Limited</li> <li>5. K. Raheja Corp Private Limited</li> <li>6. K. Raheja IT Park (Hyderabad) Limited</li> <li>7. K. Raheja Private Limited</li> <li>8. Shoppers Stop Limited</li> <li>9. Sundew Properties Limited</li> <li>10. Trion Properties Private Limited</li> <li>11. K Raheja Corporate Services Private Limited</li> <li>12. Whispering Heights Real Estate Private Limited</li> <li>13. K Raheja Corp Investment Managers LLP (acting as Investment Manager of Mindspace Business Parks REIT)</li> </ol>			<ol style="list-style-type: none"> <li>1. Chalet Hotels &amp; Properties (Kerala) Private Limited</li> <li>2. Chalet Airport Hotel Private Limited</li> <li>3. The Dukes Retreat Private Limited</li> <li>4. Sonmil Industries Private Limited</li> </ol>																																		
<b>Membership / Chairpersonship of Committees of other Boards/LLPs</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td data-bbox="384 768 568 1037" rowspan="4">Shoppers Stop Limited</td> <td data-bbox="576 768 799 813">Audit Committee</td> <td data-bbox="807 768 948 813">Member</td> </tr> <tr> <td data-bbox="576 824 799 913">Stakeholders' Relationship Committee</td> <td data-bbox="807 824 948 913">Chair-person</td> </tr> <tr> <td data-bbox="576 925 799 969">CSR Committee</td> <td data-bbox="807 925 948 969">Chair-person</td> </tr> <tr> <td data-bbox="576 981 799 1037">RMC Committee</td> <td data-bbox="807 981 948 1037">Member</td> </tr> <tr> <td data-bbox="384 1048 568 1227" rowspan="2">K. Raheja IT Park (Hyderabad) Limited</td> <td data-bbox="576 1048 799 1171">Nomination and Remuneration Committee</td> <td data-bbox="807 1048 948 1171">Member</td> </tr> <tr> <td data-bbox="576 1182 799 1227">Audit Committee</td> <td data-bbox="807 1182 948 1227">Member</td> </tr> <tr> <td data-bbox="384 1238 568 1417" rowspan="2">Sundew Properties Limited</td> <td data-bbox="576 1238 799 1361">Nomination and Remuneration Committee</td> <td data-bbox="807 1238 948 1361">Member</td> </tr> <tr> <td data-bbox="576 1373 799 1417">Audit Committee</td> <td data-bbox="807 1373 948 1417">Member</td> </tr> <tr> <td data-bbox="384 1429 568 1608" rowspan="2">Intime Properties Limited</td> <td data-bbox="576 1429 799 1552">Nomination and Remuneration Committee</td> <td data-bbox="807 1429 948 1552">Member</td> </tr> <tr> <td data-bbox="576 1563 799 1608">Audit Committee</td> <td data-bbox="807 1563 948 1608">Member</td> </tr> <tr> <td data-bbox="384 1619 568 1753">Inorbit Malls (India) Private Limited</td> <td data-bbox="576 1619 799 1753">CSR Committee</td> <td data-bbox="807 1619 948 1753">Member</td> </tr> <tr> <td data-bbox="384 1765 568 1910">Ivory Properties and Hotels Private Limited</td> <td data-bbox="576 1765 799 1910">CSR Committee</td> <td data-bbox="807 1765 948 1910">Member</td> </tr> <tr> <td data-bbox="384 1921 568 2076">Genext Hardware &amp; Parks Private Limited</td> <td data-bbox="576 1921 799 2076">CSR Committee</td> <td data-bbox="807 1921 948 2076">Member</td> </tr> </table>	Shoppers Stop Limited	Audit Committee	Member	Stakeholders' Relationship Committee	Chair-person	CSR Committee	Chair-person	RMC Committee	Member	K. Raheja IT Park (Hyderabad) Limited	Nomination and Remuneration Committee	Member	Audit Committee	Member	Sundew Properties Limited	Nomination and Remuneration Committee	Member	Audit Committee	Member	Intime Properties Limited	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	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td data-bbox="956 768 1139 956" rowspan="10">Chalet Hotels &amp; Properties (Kerala) Private Limited</td> <td data-bbox="1147 768 1331 956" rowspan="10">Audit Committee</td> <td data-bbox="1339 768 1479 956" rowspan="10">Member</td> </tr> </table>	Chalet Hotels & Properties (Kerala) Private Limited	Audit Committee	Member
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	CSR Committee		Chair-person																																			
	RMC Committee	Member																																				
K. Raheja IT Park (Hyderabad) Limited	Nomination and Remuneration Committee	Member																																				
	Audit Committee	Member																																				
Sundew Properties Limited	Nomination and Remuneration Committee	Member																																				
	Audit Committee	Member																																				
Intime Properties Limited	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																																				
Chalet Hotels & Properties (Kerala) Private Limited	Audit Committee	Member																																				

	K. Raheja Corp Private Limited	CSR Committee	Member			
	Trion Properties Private Limited	CSR Committee	Member			
	K Raheja Corp Investment Managers LLP (acting as Investment Manager of Mindspace Business Parks REIT)	Stakeholders' Relationship Committee	Member			
		Nomination and Remuneration Committee	Member			
<b>Listed entities from which the Director resigned in the past 3 years</b>	None			None		
<b>Shareholding in the Company</b>	51,63,159 Equity Shares 2,325 Series A NCRPS 2,325 Series B NCRPS			1,000 Equity Shares  ESOP: - 1,33,000 Options in respect of 1,33,000 Equity Shares are yet to be exercised under Chalet Hotels Limited - Employee Stock Option Plan 2018 - 7,17,697 Options in respect of 7,17,697 Equity Shares have been granted under CHL Employee Stock Options Plan 2022		
<b>Significant Beneficial Ownership</b>	3.6%, excluding his direct holding in the Company			NIL		
<b>Relationship with other Directors / Key Managerial Personnel</b>	Brother of Mr. Neel C. Raheja (Non-Independent, Non-Executive Director and Promoter of the Company). Not related to any Key Managerial Personnel of the Company.			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') READ WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021**

The Explanatory Statement 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. 5**

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 and the Members of the Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company. The Audit Committee and the Board of Directors at its respective meetings held on July 03, 2023, had approved the appointment of M/s. Chirag Trilok Shah & Co., Practicing Cost Accountants (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 2023-24, at a remuneration of Rs.1,10,000 plus applicable taxes and out-of-pocket expenses.

The Company has received a certificate confirming eligibility for appointment from the Cost Auditor. The firm possesses relevant experience and expertise in the field of cost audit and has conducted the audit of the cost records of the Company in the past.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the Resolution at Item No.5 of the accompanying Notice.

The Board recommends passing of the resolution as set out in Item No. 5 of the accompanying Notice as an Ordinary Resolution.

**ITEM NO. 6**

The Directors of the Company play an important role in overseeing the governance, performance and sustainable growth of the Company. They contribute their knowledge, skills, expertise, independent perspective, strategies and experience to the business of the Company and balanced participation in Board's decision-making process. With the enhanced corporate governance requirements and increased responsibilities of the Directors, the role of the Board has become more onerous, requiring enhanced decision-making abilities, greater time commitments and higher level of oversight.

Section 197 of the Companies Act, 2013 ('the Act') permits payment of remuneration to the Non-Executive Directors of a Company, provided such payment is authorised by way of a resolution of the Members. Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') authorises the Board of Directors to recommend fees and compensation, if any, to Non-Executive Directors, including Independent Directors, subject to approval of Members in General Meeting.

Taking into consideration the Company's operations, its expanding activities and the rich experience and expertise brought to the Board by the Non-Executive Independent Directors (NEDs), it is proposed to pay the NEDs remuneration by way of commission, of a sum not exceeding 1% of the net profits of the Company for each year for a period of three years commencing from Financial Year 2023-24. Further, in case of inadequacy or absence of profits in any Financial Year, the remuneration may be paid within the ceiling as specified in Section II A of Part II of Schedule V of the Act, including any statutory amendments, modifications or re-enactments thereof. Such payment will be in addition to the sitting fees for attending the meetings of the Board of Directors or any Committees thereof, other permissible reimbursements and services as provided under Section 197(4) of the Act. Thus, the Company hereby seeks approval from Members for payment of remuneration to NEDs as aforesaid, for a period of three years commencing from Financial Year 2023-24.

The proposal has been recommended by the Compensation, Nomination & Remuneration Committee and approved by the Audit Committee and the Board of Directors, after taking into consideration various factors such as contribution to decision making, the responsibilities undertaken, time devoted to the Company and the role of the Non-Executive Independent Directors.

The information as required to be disclosed in accordance with the provisions of Section II of Part II of Schedule V of the Act is as provided as Annexure I to the Explanatory Statement.

All the Non-Executive Independent Directors of the Company along with their respective relatives, are deemed to be concerned or interested (financially or otherwise) in this resolution, to the extent of remuneration or fees that may be received by them pursuant to the Resolution mentioned in Item No. 6 of the Notice. Save and except for them, none of the Directors, Key Managerial Personnel are interested in the resolution.

The Board of Directors recommend passing of the resolution as set out in Item No. 6 of the accompanying Notice as a Special Resolution.

#### **ITEM NO. 7**

Mr. Sanjay Sethi (DIN: 00641243) was appointed as Managing Director & CEO of the Company w.e.f. February 9, 2018 and was re-appointed for a period of three years with effect from February 9, 2021. The said appointments were made pursuant to the provisions of Sections 197 and 198 read with Schedule V of the Act and the approval of Members of the Company. Considering the performance, strategy management, business acumen and industry and operational expertise of Mr. Sanjay Sethi, and based on the recommendation of the Compensation, Nomination & Remuneration Committee, the Board of Directors approved the re-appointment of Mr. Sanjay Sethi as the Managing Director & CEO of the Company at its meeting held on May 09, 2023 for a period from February 9, 2024 till January 31, 2026. Accordingly, approval of the Members is being sought for re-appointment of Mr. Sanjay Sethi as the Managing Director & CEO of the Company and remuneration payable in such capacity. The Board considers that the appointment will be in the best interest and beneficial of the Company operations and growth.

**Brief profile of Mr. Sanjay Sethi:**

Mr. Sanjay Sethi has over 35 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 CII's National Tourism Committee.

The terms of appointment and details of proposed remuneration in respect of Mr. Sanjay Sethi is as follows:

A. Tenure: February 09, 2024 till January 31, 2026.

B. Nature of Duties:

i. The Managing Director & CEO 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 business, 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 & CEO shall not exceed the powers that may be delegated by the Board pursuant to Clause B(i).

C. Remuneration:

The ceiling on the remuneration as recommended by the Compensation, Nomination and Remuneration Committee is as follows:

	<b>Salary per annum</b>	<b>Ceiling</b>
I. Salary, Statutory Bonus & Perquisites	Rs.4,36,22,004	Rs.6,50,00,000
II. Performance Bonus	Rs.50,00,000	Rs.75,00,000
	<b>Rs.4,86,22,004</b>	<b>Rs.7,25,00,000</b>

III. Performance Bonus, as deemed fit, may be paid, based on the approval of the Compensation, Nomination and Remuneration Committee at its discretion.

#### IV. ESOPs Granted:

Chalet Hotels Limited - Employee Stock Option Plan (ESOP) 2018	CHL Employee Stock Options Plan 2022
Options Granted: 200,000	Options Granted: 717,697
Options Exercised: 1,000	Options Exercised: Nil
Options exercisable: 133,000	Options exercisable: 717,697

*(each option is exercisable into 1 Equity Share of Face Value of Rs.10 each)*

It is clarified that value of options granted / to be granted to Mr. Sanjay Sethi, from time to time, shall not be considered while computing the overall remuneration as mentioned in (I) above.

V. The Managing Director & CEO shall be entitled to annual increments as may be decided by the Board or any Committee thereof.

VI. 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.

VII. The terms and conditions of the said appointment may be altered and varied from time to time by the Board (including any Committee thereof), 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 Managing Director & CEO in connection with the Company's business.

#### E. 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 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 and may be agreed between the Board and Mr. Sanjay Sethi, subject to such approvals as may be required.
- iv. The appointment may be terminated either by Mr. Sanjay Sethi or by the Company by giving 90 days' notice in writing.
- v. 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.

- vi. 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 associate 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 associate 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 associate companies.

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 to be 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 current term which ends on February 8, 2024 and it is now being proposed to re-appoint him for a further term upto January 31, 2026.

The information as required to be disclosed in accordance with the provisions of Section II of Part II of Schedule V of the Act is as provided as Annexure I to the Explanatory Statement.

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 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 Share Capital of the Company includes 1,600, 0.001% Non-Cumulative Redeemable Preference Shares ('NCRPS') which are due for redemption on or before December 21, 2023 ('Redemption Date'). As the Company does not have sufficient profits, it is not in a position to redeem the said shares by the Redemption Date and therefore it is proposed to extend the tenure/Redemption Date of the said NCRPS. Accordingly, the Board of Directors is seeking approval of the Members for variation in the rights of 0.001% Non-Cumulative Redeemable Preference Shareholders to the extent that the tenure of the NCRPS shall be extended by a further period of three years from the due date of redemption i.e. from 21 December 2023 to 21 December 2026, and all other terms of the NCRPS including redemption shall remain the same over the extended tenure of the said NCRPS. The Company has received consent from



the Preference Shareholder in respect of the said extension. As the terms of the NCRPS are enumerated in the Articles of Association of the Company, it is also required to alter Article 4(d) of the Articles of Association ('AOA') to incorporate the above amendment.

The Board of Directors in its meeting held on July 03, 2023 has approved alteration of the AOA of the Company by way of substitution with the following amended Article 4(d) of the AOA in its stead in conformity with the Act and Rules made thereunder:

*4(d) The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.*

*Subject to these Articles and the provisions of section 55 of the Act, preference shares (other than the Subscription Securities) issued by the Company are at the option of the Company liable to be redeemed at any time, but not later than **21st December, 2026**, the Redemption Date. The Company's option to redeem these Shares at any time prior to the Redemption Date shall be subject to serving the Preference Shareholders prior notice of three months. Further, the Preference Shares shall, subject to the availability of profits during any financial year, be entitled to nominal dividend of Re.1/- (Rupee One only) per Preference Share per year.*

The draft of the altered 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 alteration of Article 4(d) of the Articles of Association of the Company.

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. 8 of the accompanying Notice.

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 Cumulative / Non-Cumulative, Listed or Unlisted, Secured, Redeemable, Non-Convertible Debentures or other Debt securities ('Debt Instruments'), in one or more 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 July 03, 2023 had accorded its approval for issue of Debt Instruments upto an amount not exceeding Rs.500 Crore in the aggregate on a Private Placement basis. The said Debt Instruments 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), refinancing high-cost debt 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 Rs.5,000 Crore. As on March 31, 2023, the total debt of the Company is Rs.2565.85 Crore excluding the borrowing of its subsidiaries.

The said Debt Instruments are proposed to be issued to such person or persons, including one or more companies, bodies corporate, 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/Committee 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 Debt Instruments on a Private Placement basis, in one or more tranches, during the period of one year from the date of passing of the resolution at Item No. 9, i.e. upto August 09, 2024, within the overall borrowing limits of the Company, as approved by the Members from time to time.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, 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**

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, 0.00% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of par value of Rs.100,000 each, in two series forming 'Series A NCRPS' and 'Series B NCRPS', for an aggregate consideration of Rs.200 Crore, either directly or through persons nominated by them including 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), which project was sub-judice with Hindustan Aeronautics Limited ('HAL'). The matter has since been resolved with HAL and an amicable settlement of all the disputes has been executed between the parties in October 2021 and the Hon'ble Karnataka High Court vide its Order dated October 26, 2021, disposed of the Writ Appeals in terms of the settlement. Requisite approvals for the Project have been received and work is underway.

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 either directly or through their Designated Nominees contribute further funds by way of interest free Unsecured Loans or Inter Corporate Deposits, or any combination thereof, as may be required to meet the Project Expenses.

The Members of the Company had at the Annual General Meeting held on September 14, 2022 approved the availing of Interest Free Unsecured Loans or Interest Free Inter Corporate Deposits or any combination thereof, in one or more tranches, not exceeding Rs.100 Crore in the aggregate as and when the need for funds above the Initial Subscription Amount arises. The Company has availed of an amount of Rs.80 Crore under the said approval as on date.

Considering that there is a requirement of funds for foreseeable expenses, the Board of Directors, in line with the agreement mentioned hereinabove, had at their Meeting held on July 3, 2023, approved raising of additional amounts upto Rs.100 Crore, either by availing of Interest Free Unsecured Loans or Interest Free Inter Corporate Deposits or any combination thereof, in one or more tranches.

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. Moreover, the transaction is a material modification of a material related party transaction. Accordingly, approval of the shareholders by way of a Special Resolution is being sought.

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. 10 of this Notice, irrespective of whether the Related Party is a party to the proposed transaction or not.

The information, required to be disclosed under Regulation 23(4) of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, is detailed below:

<b>a. A summary of the information provided by the management of the listed entity to the audit committee;</b>	
Type, material terms and particulars of the proposed transaction	Unsecured Interest Free Unsecured Loans or Interest Free Inter Corporate Deposits or any combination thereof, to be availed from the Promoters of the Company to fund the Project Expenses for the residential Project at Koramangala. Repayment shall be out of the profits from the Koramangala project.
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Ravi Raheja and Mr. Neel Raheja who are the Promoters and Non-Executive Directors of the Company or their nominees.
Tenure of the proposed transaction	One year
Value of the proposed transaction	Rs.100 crore

The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	8.86%
<b>b. Justification as to why the proposed transaction is in the interest of the listed entity:</b>	
The Company requires funds to complete the project at Koramangala and the Promoters had agreed to provide the required financial support. The said Unsecured Loans or Inter Corporate Deposits or any combination thereof, shall be on an interest free basis and is in the best interest of the Company.	
<b>c. Does the transaction relate to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:</b>	
Not Applicable	
<b>d. Any valuation or other external report relied upon by the listed entity in relation to the proposed transaction:</b>	
Not Applicable	
<b>e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis</b>	
As the counter party could be more than one and moreover, since the parties envisaged are the Individual Promoters or their nominees, it is not practicable to disclose the turnover details.	
<b>f. Any other information that may be relevant</b>	
-	

Except, Mr. Ravi C. Raheja and Mr. Neel C. Raheja and their respective relatives, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, 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.

### **ITEM NO. 11**

Your Company believes that equity-based compensation plans are effective tools to attract and retain talent and reward Employees for their performance, association and contribution to the growth and profitability of the Company. The Company views Employee Stock Options as an instrument that would enable the Company to attract new talent and allow Employees to get a share in the value they create for the Company in the years to come. Towards achieving these objectives, your Company instituted an equity-based compensation plan namely 'CHL Employee Stock Option Plan 2023' ('ESOP 2023'/Plan) comprising of Employee Stock Options ('Options') for Eligible Employees of the Company.

Eligibility of the employees will be ascertained by the Compensation, Nomination and Remuneration Committee ('Committee') based on designation, criticality, high potential,

performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

Accordingly, the Committee at its meeting held on May 30, 2023 and the Board of Directors at its meeting held on July 3, 2023 approved the new Plan, subject to the approval of the Members of the Company.

In terms of Section 62(1)(b) of the Companies Act, 2013 ('the Act') and Rules made thereunder read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SBEB and SE Regulations'), approval of the Members of the Company is being sought in respect of approval, implementation of the Plan and grant of Options thereunder to the Eligible Employees of the Company, as decided from time to time as per provisions of the Plan read with provisions of SBEB and SE Regulations.

The main features of the Plan are as under:

#### **A. Brief Description of the Plan:**

The objectives of the Plan are to reward the Employees for their association with the Company, their performance as well as to attract, retain and reward Employees to contribute to the growth and profitability of the Company. The Company views Employee Stock Options as an instrument that would enable the Employees to get a share in the value that they create for the Company in the years to come.

The Plan shall be considered to be established with effect from the date of approval of the shareholders of the Company and it shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.

Keeping in view the aforesaid objectives, the Plan contemplates grant of Options to the Eligible Employees of the Company. After vesting of Options, the Eligible Employees earn a right without any obligation, to exercise the vested Options within the Exercise Period and obtain Equity Shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. The Committee shall act as the Compensation Committee for the administration of Plan as required under the SBEB and SE Regulations. All questions of interpretation of the Plan shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan.

#### **B. Total number of Options to be granted:**

The total number of Options to be granted under the Plan shall not exceed 10,00,000 Options. Each Option when exercised would be converted into one Equity Share of Rs.10 each fully paid-up.

Further, pursuant to the SBEB and SE Regulations, a fair and reasonable adjustment shall be made to the Options granted upon any Corporate Action(s) such as Rights Issue, Bonus Issue, merger, sale of undertaking, etc.

In this regard, the Committee shall adjust the number and price of the Options granted in such a manner that the total face value of the Options granted under the Plan remains the same after any such Corporate Action.

Accordingly, if any additional Options are required to be issued by the Company to the Option Grantees for making such fair and reasonable adjustment, the ceiling of 10,00,000 Options, shall be deemed to be increased to the extent of such additional Options issued.

**C. Identification of classes of employees entitled to participate in the Plan:**

“Employee” means:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India or
- (ii) a Director of the Company, whether whole time or not including a non-executive director who is not a Promoter or member of the Promoter Group, or
- (iii) an employee as defined in sub clause (i) or (ii), of a Subsidiary Company or of a Holding Company, in India or outside India, but excludes-
  - an Employee who is a Promoter or belongs to the Promoter Group;
  - a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; and
  - a Director being an independent director

**D. Requirements of Vesting and period of Vesting:**

Options granted under the Plan shall vest not earlier than minimum period of one year and not later than maximum period of three years from the date of Grant.

Provided that in case where Options are granted by the Company under the Plan in lieu of options held by a person under a similar Plan in another company (“Transferor Company”) which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this sub-clause in due compliance with the provisions of SBEB and SE Regulations.

Provided further that in the event of Death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such instances, all the Unvested Options shall vest with effect from date of the Death or Permanent Incapacity.

Vesting of Option would be subject to continued employment with the Company. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest.

As a prerequisite for a valid vesting, an Option Grantee is required to be in employment or service of the Company on the date of Vesting and must neither be serving his notice for termination of employment/service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.

The Vesting schedule and specific Vesting Conditions subject to which Vesting would take place shall be specified in the letter issued to the Option Grantee at the time of Grant.

**Vesting of Options in case of Employees on long leave**

The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.

**E. Maximum period within which the Options shall be vested:**

All the Options granted on any date shall vest not later than a maximum of Three years from the date of grant of Options as stated above.

**F. Exercise price or pricing formula:**

The Options granted shall be exercised at the price which shall be the average of the closing share price of two weeks prior to the date of grant by the Committee.

The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter issued at the time of Grant.

Explanation: In case the Shares are listed on more than one Recognized Stock Exchange, then the Recognized Stock Exchange where the highest trading volume on the said date is recorded shall be considered for the purpose of determining the Exercise Price.

**G. Exercise period and the process of exercise:**

The Exercise Period in respect of a Vested Option shall be a maximum period of 5 (Five) years from the date of Vesting of Options.

In the event of resignation / termination / retirement / death / permanent incapacity / abandonment of employment, the vested Options shall be exercisable in line with the Scheme, pursuant to the provisions of SBEB and SE Regulations and as determined by the Committee in this regard, as mentioned below.

Events of separation	Vested Options	Unvested Options
<b>Resignation (Other than due to Misconduct)</b>	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee within <b>6 (Six) months</b> from the last working day in the Company.	All the Unvested Options as on date of submission of resignation / termination shall stand <b>cancelled</b> with effect from date such resignation.
<b>Termination due to Misconduct</b>	All the Vested Options at the time of such termination shall stand <b>cancelled</b> with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand <b>cancelled</b> with effect from the date of such termination.

Events of separation	Vested Options	Unvested Options
<b>Retirement</b>	All the Vested Options as on the date of Retirement shall be exercisable by the Option Grantee within <b>6 (Six) months</b> from the last working day in the Company.	All the Unvested Options shall continue to vest as per <b>Vesting schedule as originally prescribed</b> even after date of Retirement unless otherwise decided by the Committee.
<b>Death</b>	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than <b>12 (twelve) months</b> from the date of Death of the Option Grantee.	All the Unvested Options as on date of Death shall <b>vest immediately</b> in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.
<b>Permanent Incapacity</b>	All Vested Options may be exercised by the Option Grantee, immediately after, but in no event later than <b>12 (twelve) months</b> from the date of such Permanent Incapacity.	All the Unvested Options as on date of incurring of such incapacity shall <b>vest immediately</b> in the Option Grantee or his nominee and can be exercised in the manner defined for Vested Options.
<b>Abandonment of employment</b>	All the Vested Options shall stand <b>cancelled</b> with effect from such date as determined by the Committee.	All Unvested Options shall stand <b>cancelled</b> with effect from such date as determined by the Committee.
<b>Termination due to reasons apart from those mentioned above</b>	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such termination shall stand <b>cancelled</b> unless otherwise required by Applicable Laws.

The process for exercise shall be as may be determined by the Committee in accordance with the SBEB and SE Regulations, as amended from time to time.

#### **H. Appraisal process for determining the eligibility of employees under the Plan:**

Appraisal process for determining the eligibility of the Employees will be based on designation, criticality, high potential, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

#### **I. Maximum number of Options to be issued per employee and in aggregate:**

The maximum number of Options that may be granted to any specific Employee, in one or more grants / tranches and in aggregate under the Plan shall not exceed 10,00,000 Options.

#### **J. Maximum quantum of benefits to be provided per employee under the Plan:**

No benefit other than grant of Options or consequential issue of Equity Shares is envisaged under the ESOP 2023.

#### **K. Route of the Plan implementation:**

The Plan shall be implemented and administered directly by the Company and as determined by the Committee in line with the provisions of the SBEB and SE Regulations.



**L. Source of acquisition of shares under the Plan:**

The Company shall issue fresh (primary) shares upon exercise of the Options under the Plan.

**M. Amount of loan to be provided for implementation of the Plan by the Company to the trust, its tenure, utilization, repayment terms, etc.:**

Not Applicable, as the ESOP 2023 is being implemented through Direct Route.

**N. Maximum percentage of secondary acquisition:**

Not Applicable, as the ESOP 2023 is being implemented through Direct Route.

**O. Accounting and Disclosure Policies:**

The Company shall follow the requirements including the disclosure requirements and Ind AS 102 on Share-based payments and/ or any relevant Accounting Standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 or any other appropriate authority, from time to time, including any Guidance Note on Accounting for employee share-based payments issued in that regard from time to time and the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SBEB and SE Regulations.

The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the Plan in a format as prescribed under SBEB and SE Regulations.

The Company shall disclose details of Grant, Vest, Exercise and lapse of the ESOPs in the Directors' Report or in an annexure thereof as prescribed under SBEB and SE Regulations or any other Applicable Laws as in force.

**P. Method of Option valuation:**

The Company shall adopt 'fair value method' for valuation of Options as prescribed under guidance note or under any accounting standard, as applicable, notified by appropriate authorities from time to time.

**Q. Terms & conditions for buyback, if any, of specified securities covered / Options granted under the Plan:**

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of Options granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

**R. Lock-in period:**

The Shares issued upon Exercise shall be freely transferable and shall not be subject to any lock-in period restriction after such issue except as required under the Applicable Laws including that under the Securities and Exchange Board of India (Issue of Capital and

Disclosure Requirements) Regulations, 2018, or Code of Conduct framed by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

**S. Declaration:**

As the Company is adopting the fair value method, presently there is no requirement for disclosure in the Director's Report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on Earnings Per Share of the Company shall also be disclosed in the Directors' Report.

Approval of the Members is being sought by way of Special Resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 and all other applicable provisions of the SBEB and SE Regulations.

A draft copy of the Plan is available for inspection at the Company's registered office during official hours on all working days till the date of Annual General Meeting i.e. Thursday, August 10, 2023. Members may also request for a copy of the Plan by sending an email to [companysecretary@chalethotels.com](mailto:companysecretary@chalethotels.com).

None of the Promoters, members of the Promoter Group, Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under the Plan.

The Board recommends passing of the resolution as set out in Item No. 11 of the accompanying Notice as a Special Resolution.

**By Order of the Board of Directors  
For Chalet Hotels Limited**

**Place: Mumbai  
Date: July 3, 2023**

**Sd/-  
Christabelle Baptista  
Company Secretary  
Membership No.: A17817**

## Annexure I

### 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:		
	<b>Financial Year</b>	<b>Gross Turnover</b>	<b>Profit / (Loss) after Tax</b>
	2022-23	Rs.11,284.67 million	Rs.1877.65 million
	2021-22	Rs.5,078.07 million	(Rs.808.72 million)
	2020-21	Rs.2,943.86 million	(Rs.1,386.11 million)
Foreign investments or collaborations, if any	There have been no foreign investments or collaborations by the Company.		

### II. Information about the appointee:

	<b>Mr. Sanjay Sethi</b>	<b>Mr. Hetal Gandhi</b>	<b>Mr. Joseph Conrad Dsouza</b>	<b>Mr. Arthur DeHaast</b>	<b>Ms. Radhika Piramal</b>
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 35 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	Mr. Hetal Gandhi is the co-founder and Managing Director of Tano India Advisors Private Limited and was previously associated with a diversified financial services company as the head of financial services and as the Chief Executive Officer of ORIX Auto and Business Solutions Limited. He has over 35 years of experience in financial services industry spanning private equity, investment banking and asset financing.	Mr. Joseph Conrad D'Souza has been associated with HDFC Limited since 1984 and is currently Member of Executive Management & Chief Investor Relations Officer. His responsibilities include corporate planning and budgeting, corporate finance and investor relations. He was earlier Treasurer of HDFC. He has also been a consultant in mortgage finance to multilateral institutions in Asia, Africa and Eastern Europe.	Mr. Arthur DeHaast has been associated with Jones Lang LaSalle incorporated since August 4, 1987 in a variety of senior roles, including the Global Chief Executive Officer and then Chairman of its hotels and hospitality group. Currently, he is Chairman of Global Capital Markets Advisory Council, which provides advice on long term strategic matters that could influence the business and undertakes specific projects related to the ongoing growth of Capital Markets. Mr. DeHaast has over 38 years of experience in Hospitality and Real Estate sector and has led many	Ms. Radhika Piramal is the Executive Vice Chairperson of V.I.P. Industries Limited since 2017 which is one of India's leading luggage companies. Ms. Piramal was also the Managing Director of V.I.P. Industries Limited from 2010-2017, before which she worked in various sales and marketing roles in V.I.P. from 2000-2004. Outside of V.I.P., she worked as a management consultant with Bain & Company, New York from 2006-2008. Ms. Piramal's leadership has been integral to revitalizing V.I.P. Industries' profitable growth.

	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.			transactional and advisory assignments. He has been elected as a Life Fellow of the Institute of Hospitality. He is also a Member on the Board of InterContinental Hotels Group PLC and a member of the Advisory Board of Scottish Business School, University of Strathclyde, Glasgow and past Chairman of the Institute of Hospitality.	
Past remuneration	Rs.4,92,80,185 for FY 2022-23. Further, ESOP expense of Rs. 4,65,46,471 has been recognized during the Financial Year ended on March 31, 2023.	Rs.8,50,000 (Sitting Fees)	Rs.9,00,000 (Sitting Fees)	Rs.28,33,156 (Sitting Fees and Professional Fees)	Rs.4,75,000 (Sitting Fees)
Recognition or awards	2019 - Hall of Fame Award by Hotelier India 2020 - Best Hospitality professional in India by the Pacific Asia Travel Writers Association (PATWA) 2022 - Outstanding Contribution to the Hospitality Industry Award at IHC International Hospitality Awards 2022 - 'Hotelier of the Year 2022' Award in the Ace Alpha Awards	-			
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.	The Independent Directors possess domain expertise and knowledge in their respective industry. They provide valuable suggestions and guidance to the Company and its management from time to time. They contribute their knowledge, skills, expertise, independent perspective, strategies and experience to the business of the Company and balanced participation in Board's decision-making process.  Additionally, Mr. DeHaast also provides guidance to the management on the Hotels, the markets and a perspective on the global hospitality industry trends, which are insightful and help the Company towards improving its performance.			
Remuneration proposed	As per the resolution at Item No. 7 of the Notice read with Explanatory Statement thereto.	As may be decided by the Board of Directors, based on the recommendation of the Compensation, Nomination and Remuneration Committee, within the overall limits as per the Companies Act, 2013.			
Comparative remuneration profile with respect	The remuneration paid to Mr. Sethi is commensurate with the size and scale of the Company's	The remuneration is being recommended by the Compensation, Nomination and Remuneration Committee considering the domain expertise and knowledge of the Directors.			

to industry, size of the Company, profile of the position and person	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	None	None	None	None

**III. Other information:**

Reasons of loss or inadequate profits	Nil
Steps taken or proposed to be taken for improvement	Not Applicable
Expected increase in productivity and profits in measurable terms	The Company has taken significant measures to reduce cost improve productivity during COVID. The same measures continue to be implemented and have shown resulted in the Company reporting all time high revenues and profits in the previous Financial Year i.e. 2022-23. The Company is committed towards continuing these measures while embarking on various initiatives towards growing the Company's business.

**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.

## NOTES FOR MEMBERS

1.	The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to the Special Business under Items 5 to 11, to be transacted at the Annual General Meeting ('AGM' / 'Meeting') is annexed hereto.
2.	Pursuant to the provisions 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.	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 10/2022 dated May 5, 2020 and December 28, 2022 respectively and the Securities and Exchange Board of India ('SEBI') has vide Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022 respectively read with SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 (collectively 'Applicable Circulars'), permitted holding of the AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'). Accordingly, the 38 <sup>th</sup> 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 Items 5 to 11, being considered unavoidable, be transacted at 38 <sup>th</sup> AGM of the Company.
5.	<p><b>Procedure for obtaining the AGM Notice, e-Voting instructions and Annual Report by Members whose email addresses are not registered with the Depositories/not submitted to the RTA:</b></p> <p>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 Notice of the AGM, e-Voting instructions and Annual Report only in electronic form to the registered email addresses of the Members. Members who have not registered their email address are requested to get their email addresses registered by following the procedure given below:</p> <ol style="list-style-type: none"> <li>i. 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.</li> <li>ii. Members who have not registered their email address as a consequence of which the Notice of AGM, e-Voting instructions and Annual Report could not be serviced, may <a href="mailto:companysecretary@chalet-hotels.com">send an email to companysecretary@chalet-hotels.com to receive the same</a>. However, Members are requested to get their email address and mobile number registered / updated with their respective Depository Participant(s) ('DPs').</li> <li>iii. Alternatively, Members may send an email request at the email address <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy for</li> </ol>

	<p>electronic folios for sending the Notice of AGM, e-Voting instructions and the Annual Report by email.</p> <p>iv. Members only desiring to download the Notice of the AGM and Annual Report, may visit the website of the Company <a href="http://www.chalet-hotels.com/annual-reports/">www.chalet-hotels.com/annual-reports/</a> or the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> respectively, or the website of the RTA viz. <a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a>, for the same.</p>
6.	As this AGM is being held through VC / OAVM pursuant to the Applicable Circulars and physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members has not been made available. Accordingly, 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 the Meeting through VC / OAVM, as required under Section 113 of the Act and vote through remote e-Voting on their behalf at the Meeting. The said resolution / authorization shall be sent to the Scrutinizer by email through registered email address to <a href="mailto:scrutinisers@mmjc.in">scrutinisers@mmjc.in</a> with a copy marked to <a href="mailto:evoting@kfintech.com">evoting@kfintech.com</a> .
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 8, 2023 at <a href="mailto:companysecretary@chalet-hotels.com">companysecretary@chalet-hotels.com</a> .
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.	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 Account.
13.	<p><b>Inspection of Documents:</b></p> <p>Certificate from M/s. KDA &amp; Associates, Secretarial Auditors of the Company with respect to implementation of Employee Stock Option Scheme, the 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.</p> <p>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 <a href="mailto:companysecretary@chalet-hotels.com">companysecretary@chalet-hotels.com</a>.</p>

14.	<p><b>General Instructions for Members:</b></p> <ul style="list-style-type: none"> <li>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 &amp; Frequently Asked Questions (FAQs) and e-Voting User Manual available at the Downloads section at <a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a> (KFin Website) or contact Mr. Umesh Pandey, Senior Manager (Unit: Chalet Hotels Limited) of KFin at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, email at <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> or call KFin's toll free no. 1800 309 4001 for any further clarifications.</li> <li>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 close of business hours on the cut-off date i.e. Friday, August 4, 2023.</li> <li>iii. As the AGM will be conducted through VC / OAVM, the route map to the AGM venue is not annexed to this Notice.</li> </ul>
15.	<ul style="list-style-type: none"> <li>i. The Company has appointed MMJB &amp; Associates LLP, Company Secretaries, to act as the Scrutiniser to scrutinise the remote e-Voting process in a fair and transparent manner and they have communicated their willingness to be appointed and be available for the purpose.</li> <li>ii. The Scrutiniser shall, immediately after the conclusion of 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 Chairman or a person authorised by him in writing who shall countersign the same.</li> <li>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.</li> <li>iv. The results of e-Voting along with the Scrutiniser's Report will be made available on the website of the Company (<a href="http://www.chalet-hotels.com">www.chalet-hotels.com</a>) and on Service Provider's website (<a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a>) 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.</li> </ul>



## 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 4, 2023 ('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 the AGM 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 e-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 7, 2023 (9:00 a.m. IST) and ends on Wednesday, August 9, 2023 (5:00 p.m. IST). The remote e-Voting module shall thereafter be disabled by KFin Technologies 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
<p>Individual shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1. <b>Member already registered for IDeAS (Internet Based Demat Account Statement) facility of NSDL:</b> <ul style="list-style-type: none"> <li>- Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>- Under 'IDeAS' section, click on the "Beneficial Owner" icon under "Login".</li> <li>- Enter User ID and Password and post successful authentication, click on "Access to e-Voting".</li> <li>- 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.</li> </ul> </li> <li>2. <b>Members not registered for IDeAS e-Services:</b> <ul style="list-style-type: none"> <li>- To register, click on link <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>- Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>- Proceed with completing the required fields.</li> <li>- Follow steps given in Point 1.</li> </ul> </li> <li>3. <b>Alternatively by directly accessing the e-Voting website of NSDL:</b> <ul style="list-style-type: none"> <li>- Visit URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>- Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>- 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.</li> <li>- 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.</li> <li>- On successful selection, you will be redirected to KFin's e-Voting page for casting your vote during the remote e-Voting period.</li> </ul> </li> </ol>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. <b>Existing user who have opted for Easi / Easiest:</b> <ul style="list-style-type: none"> <li>- Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on "New System Myeasi".</li> <li>- Login with your registered User ID and Password.</li> <li>- The Member will see the e-Voting menu. The menu will have links of ESP i.e. KFin's e-Voting portal.</li> <li>- Click on e-Voting service provider's name to cast your vote.</li> </ul> </li> <li>2. <b>Members not registered for Easi / Easiest:</b> <ul style="list-style-type: none"> <li>- Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>- Proceed with completing the required fields.</li> <li>- Follow the steps given in Point 1 above.</li> </ul> </li> <li>3. <b>Alternatively, by directly accessing the e-Voting website of CDSL:</b> <ul style="list-style-type: none"> <li>- Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>- Provide your Demat Account Number and PAN.</li> <li>- System will authenticate the details of the Member by sending OTP on registered mobile and email address, as recorded in the Demat Account.</li> </ul> </li> </ol>

	- After successful authentication, the Member will be provided links for the respective ESP, i.e <b>KFin</b> where the e- Voting is in progress.
<b>Individual Shareholder login through their Demat Accounts / website of Depository Participant</b>	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your Demat Account through your DP registered with NSDL / CDSL for e-Voting facility.</li> <li>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.</li> <li>3. Click on options available against Company's name or e-Voting service provider <b>KFin</b> and you will be redirected to e-Voting website of <b>KFin</b> for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>

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:

<b>Login type</b>	<b>Helpdesk Details</b>
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free number <b>1800 1020 990</b> and <b>1800 22 44 30</b> .
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b> .

**Details for Option 2 are mentioned below:**

**Login method for e-Voting for shareholders OTHER THAN INDIVIDUAL (NON-INDIVIDUAL) 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.

- vi. On successful login, the system will prompt you to select the 'EVEN' i.e., 'Chalet Hotels Limited - 7409'.
- vii. 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 4, 2023. 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.
- viii. Members holding multiple Demat Accounts shall carry out the e-Voting process separately for each Demat Account.
- ix. Voting has to be done for each Resolution of the Notice of the 38<sup>th</sup> AGM separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and clicking on 'SUBMIT'.
- xi. 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.
- xii. 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: [scrutinisers@mmjc.in](mailto:scrutinisers@mmjc.in) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned copy of the aforementioned documents should be named in the format "CHALET HOTELS LIMITED\_EVEN 7409".
- xiii. 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 Notice of AGM, e-Voting instructions and Annual Report will have to follow the following process:**

- i. Members who have not registered their email address and consequently have not received the Notice of AGM, e-Voting instructions and Annual Report may send an email to [companysecretary@chalethotels.com](mailto:companysecretary@chalethotels.com) for the soft copy of the Notice of the AGM, e-Voting instructions and Annual Report along with the User ID and Password. In case of any queries, Members may write to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).
- ii. Alternatively, Members may send an e-mail request at [inward.ris@kfintech.com](mailto:inward.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 Data for sending the Notice of AGM, e-Voting instructions and the Annual Report,.
- 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 voting by electronic means at 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 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. at 2.30 p.m. (IST) on Thursday, August 10, 2023) 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, 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 and who continue to hold shares as on the cut-off date may register themselves as a speaker shareholder by accessing the link <https://emeetings.kfintech.com> on Wednesday, August 9, 2023 from 9.00 a.m. (IST) to 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.
- vii. The Members who have not cast their vote through remote e-Voting before the AGM 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., either through Remote e-Voting before or at the AGM.
- ix. Facility of joining the AGM through VC / OAVM shall be available for at least 1,000 Members on first come first served basis.

Institutional Members are encouraged to cast their vote through e-Voting and attend 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 309 4001 OR send an e-mail request to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).