

ANNEXURE II

FORMAT FOR DISCLOSURE OF REASONS FOR ENCUMBRANCE

Name of Listed Company	:	Chalet Hotels Limited	
Name of the recognised stock exchanges where the shares of the Company are listed	:	National Stock Exchange of India Limited BSE Limited	
Name of the promoter(s)/PACs whose shares have been encumbered	:	Pledge: i. Anbee Constructions LLP; ii. Cape Trading LLP; iii. Capstan Trading LLP; iv. Raghukool Estate Development LLP; and v. Touchstone Properties & Hotels Private Limited	Covenants under Loan Agreements entered into by the Listed Company ("Loan Agreements") with the Lenders and/or the Non-Disposal Undertakings ("NDUs") furnished by the Promoters to 3 lenders (hereinafter referred to as "Covenants"): i. Neel Chandru Raheja; ii. Ravi Chandru Raheja; iii. Ivory Properties and Hotels Private Limited; iv. K Raheja Private Limited; v. K Raheja Corp Private Limited; vi. Touchstone Properties and Hotels Private Limited; vii. Genext Hardware and Parks Private Limited; viii. Cape Trading LLP; ix. Casa Maria Properties LLP; x. Capstan Trading LLP; xi. Raghukool Estate Development LLP; xii. Anbee Constructions LLP; and xiii. Ivory Property Trust # xiv. Palm Shelter Estate Development LLP #
Total promoter shareholding in the listed company	:	No. of Shares – 14,64,10,293 Equity Shares of Rs.10/- each % of total share capital – 71.41%	
Encumbered shares as a % of promoter shareholding	:	Pledge: 32.12%	Covenants: 71.42% (subject to pledge mentioned herein)
Whether encumbered share is 50% or more of promoter shareholding		NO	YES
Whether encumbered share is 20% or more of promoter shareholding		YES	YES

Details of all the existing events / agreements pertaining to the encumbrance

	Encumbrance I – Pledge	Encumbrance II - Loan Agreements and/or NDU
	<p>Date of creation of encumbrance:</p> <p>06 – March – 19 (Anbee Constructions LLP, Cape Trading LLP, Capstan Trading LLP, Raghukool Estate Development LLP and Touchstone Properties & Hotels Private Limited)</p> <p>05 - September - 2019 (The Pledge was released on September 4, 2019 and re-created by Anbee Constructions LLP, Cape Trading LLP, Capstan Trading LLP and Raghukool Estate Development LLP)</p>	<p>Date of creation of encumbrance: <i>Refer Annexure A below</i></p>
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)	Pledge	<ul style="list-style-type: none"> - Covenants under certain of the loan arrangements relating to the Listed Company not giving effect to transfer (save and except the pledge already created in favour of IDBI Trusteeship Services Ltd. for benefit of Housing Development Finance Corporation Ltd.) by Promoters resulting in Promoter shareholding falling below 51% of the total paid up equity share capital of the Company. - The Promoters have executed NDUs in favour of 3 lenders of the Company in respect of 51% of the total paid up equity share capital of the Company save and except the pledge already created in favour of IDBI Trusteeship Services Ltd. for benefit of Housing Development Finance Corporation Ltd.
No. and % of shares encumbered	No. of shares: 4,70,23,720 (" Pledged Shares ") % of total share capital: 22.94%	No. of shares: Not specified (the number of shares have not been earmarked in the Loan Agreements and NDU on which the encumbrance has been created) % of total share capital: 51%

Specific Details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	IDBI Trusteeship Services Ltd. for benefit of Housing Development Finance Corporation Ltd.	As mentioned in Annexure A below.
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YES / NO	YES / NO
	Names of all other entities in the agreement	--	--
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	<p>YES / NO</p> <p>If yes,</p> <p>1. Name of the issuer: N.A.</p> <p>2. Details of the debt instrument: N.A.</p> <p>3. Whether the debt instrument is listed on stock exchanges?: N.A</p> <p>4. Credit Rating of the debt instrument?: N.A</p> <p>5. ISIN of the instrument: N.A</p>	<p>YES / NO</p> <p>If yes,</p> <p>1. Name of the issuer: N.A.</p> <p>2. Details of the debt instrument: N.A.</p> <p>3. Whether the debt instrument is listed on stock exchanges?: N.A</p> <p>4. Credit Rating of the debt instrument?: N.A</p> <p>5. ISIN of the instrument: N.A</p>
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Security Cover - Rs.1362,11,81,146*	Not Applicable
	Amount involved (against which shares have been encumbered) (B)	Facilities aggregating to Rs.3009 crs sanctioned to Promoter Group companies, current o/s Rs.2351 crs.	Not Applicable
	Ratio of A / B	0.58	Not Applicable

End use of money	Borrowed amount to be utilized for what purpose: (a) Personal use by promoters and PACs (b) For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. (c) Any other reason (please specify)	(a) & (c): The pledge of the shares of the Listed Company is one of the securities for borrowing of Promoters and Promoter Group Entities. The respective borrowers have provided other securities in the form of mortgage, hypothecation, etc. [values of which are not included in (A) above] for their loans and the Pledged Shares are in the nature of additional security.	(b) For the benefit of listed company:	
			Amount (Outstanding as on September 30, 2019)	Rs 850 crs
			Purpose of raising money by listed company:	Capital Expenditure
			Schedule for utilization of amount:	Amounts of loan have been utilised from time to time as per the terms of sanction.
			Repayment Schedule:	As per Annexure A attached

Notes:

*: For the purpose of this disclosure, value has been arrived at by multiplying no. of securities pledged by the closing price (higher of the two exchanges i.e. BSE & NSE has been considered) as on 06.03.2019 in respect of Touchstone Properties & Hotels Private Limited and as on 05.09.2019 in respect of Anbee Constructions LLP, Cape Trading LLP, Capstan Trading LLP and Raghukool Estate Development LLP.

#One of the Promoters of the Company, viz. Palm Shelter Estate Development LLP, has disposed-off its entire shareholding in the Company as part of the Offer for Sale in the Initial Public Offering, and has consequently ceased to be a Shareholder of the Company.

#Ivory Properties and Hotels Private Limited (Registered owner) holds 7,780,404 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust, out of its total shareholding of 11,351,833 Equity Shares.

Sunil Hingorani, Authorised Signatory, Cape Trading LLP on behalf of the Promoters of Chalet Hotels Limited

Place: Mumbai

Date: 04 – 10 – 2019

Annexure A: Name of the entity, date of creation of encumbrance & repayment schedule

Name of the Lender	Date of Creation	Repayment Schedule
Bank of Baroda	26-11-15	107 Monthly instalments of 0.83 Crores and last instalment of 1.19 Crs
HDFC Ltd	22-12-15	120 EMI of Rs 4,85,76,599/-
HDFC Ltd	27-02-14	to be repaid in 8 bullet payments starting from 60 th month from the first date of drawdown
HDFC Ltd	09-10-14	120 EMI of Rs 189,80,385/-
ICICI Bank Ltd	28-Jun-13	36 quarterly instalments amortised over the term of the facility starting from the 51st month of first drawdown
ICICI Bank Bahrain	14-11-13	36 quarterly instalments amortised over the term of the facility starting from the 51st month of first drawdown
ICICI Bank Ltd	23-06-15	36 quarterly instalments amortised over the term of the facility