

## CHALET HOTELS LIMITED

### ANNEXURE TO DIRECTORS REPORT FOR FINANCIAL YEAR 2018 – 2019

#### Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2019:

The Plan is called the 'Chalet Hotels Limited - Employee Stock Option Plan 2018' and provides for grant, vesting and exercise of options granted to its Managing Director & CEO Mr. Sanjay Sethi to acquire equity shares of the Company. The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The options granted to the said Mr. Sethi vest in three instalments and may be exercised by him within the period as specified in the Scheme.

#### A. General Disclosure

Disclosures in terms of the Guidance note on accounting for employee share-based payments or any other relevant accounting standards: For details please refer to notes to Financial Statement mentioned in Annual Report 2018-19.

#### B. Summary

Date of Shareholders Approval	'Chalet Hotels Limited - Employee Stock Option Plan 2018'(ESOP 2018) was approved by members of the Company at the Annual General Meeting held on June 13, 2018.
Total number of options approved under the plan	200000 options were approved under ESOP 2018
Date of Grant	June 26, 2018
Vesting Schedule	On 1st anniversary from the date of Grant: 33% of Options granted On 2nd anniversary from the date of Grant: 33% of Options granted On 3rd anniversary from the date of Grant: 34% of Options granted
Pricing Formula	The Exercise Price per Option shall be Rs.320/- (Rupees Three Hundred and Twenty).

Maximum Term of Options granted	2(Two) years from the date of vesting
Source of Shares	Primary Issue
Variation in terms of Options	NIL
Method used for accounting	Fair Value Method
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with IND-AS 20	N.A. for the FY 2018-19
Weighted average exercise prices of the options granted during the year whose exercise price either equals or is less than the market price of the stock	N.A. for the FY 2018-19
Weighted average Fair Value of the options granted during the year whose exercise price either equals or is less than the market price of the stock	N.A. for the FY 2018-19
<b>C. Options movement during the year</b>	
Options Outstanding at the beginning of the year	NIL
Weighted average exercise price	N.A.
Option Granted during the year	200000
Weighted average exercise price	Rs.320
Options vested during the year	NIL
Weighted average exercise price	NA
Options exercised during the year	NIL
Weighted average exercise price	NA

No. of shares arising as a result of exercise of options during the year	NIL
Options cancelled & lapsed during the year	NIL
Weighted average exercise price	NA
Options Outstanding at the end of the year	200000
Weighted average exercise price	Rs.320
Options exercisable at the end of the year	NIL
Weighted average exercise price	N.A.
Money realised by exercise of options (Rs. in million)	NIL
<b>D. Options granted to Senior Management Personnel:</b>	<b>Please refer disclosures under E</b>
<b>E. Options granted to any employee during the year amounting to 5% or more of options granted during the year:</b>	Mr. Sanjay Sethi Managing Director – 100%
<b>F. Options granted to any employee equal to or exceeding 1% of the issued capital of the Company at the time of grant:</b>	None
<b>G. For stock options exercised during the period the weighted average share price on the date of exercise (Rs)</b>	N.A. for the financial year under review

**H For stock options outstanding at the end of the period, the range of exercise prices and weighted average remaining contractual life (Vesting period + exercise period)**

Number of options outstanding 200000

Weighted average exercise price Rs.320

Weighted average remaining contractual life 2.57 years

**H A description of the method and significant assumption used during the year to estimate the fair values of options**

Expected volatility

Expected life

Dividend Yield

Risk-free interest rate (based on government bonds)

**I Employee options plan expenses**

Rs.14.64 million