

**CHALET HOTELS LIMITED**

**ANNEXURE TO DIRECTORS REPORT FOR FINANCIAL YEAR 2023 – 2024**

**Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated June 16, 2015 and Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014 as on March 31, 2024:**

**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 Statements mentioned in Annual Report 2023-24.

Details of ESOP	Chalet Hotels Limited - Employee Stock Option Plan 2018	CHL Employee Stock Option Plan 2022	CHL Employee Stock Option Plan 2023
<b>i. Description of each ESOP that existed at any time during the year:</b>			
a) Date of Shareholders' Approval	At the Annual General Meeting held on June 13, 2018 Variation in terms of Scheme approved on June 20, 2022	Through Postal Ballot held on June 20, 2022	At the Annual General Meeting held on August 10, 2023
b) Total number of options approved under the plan	2,00,000	12,17,831	10,00,000
c) Vesting requirements	On 1 <sup>st</sup> anniversary from the date of Grant: 33% of Options granted On 2 <sup>nd</sup> anniversary from the date of Grant: 33% of Options granted On 3 <sup>rd</sup> anniversary from the date of Grant: 34% of Options granted		
d) Exercise price or pricing formula (Rs.)	Exercise Price per Option shall be Rs.320/- (Rupees Three Hundred and Twenty)	Exercise Price per Option: Rs.292/- (Rupees Two Hundred and Ninety Two)	Exercise Price shall be average of the closing share price of two weeks of the Company prior to the date of grant on the recommendation by the Compensation, Nomination and Remuneration Committee.  Exercise Price per Option (Tranche 1): Rs.528/- (Rupees Five Hundred Twenty Eight)
e) Maximum Term of Options granted	Options granted under ESOP 2018 would vest not earlier than one year and not later than three years from the date of grant	Options granted under ESOP 2022 would vest not earlier than one year and not	Options granted under ESOP 2023 would vest not earlier than one year and not later than three years from the date of grant

		later than three years from the date of grant	
f) Source of shares (Primary, Secondary or combination)	Primary		
g) Variation in terms of options	Increase in the exercise period in respect of the Options from two years to four years.	None	None
<b>ii. Method used to account for ESOS - Intrinsic or fair value</b>	Fair Value Method		
<b>iii. Option Movement during the year:</b>			
1. Number of options outstanding at the beginning of the year	133,000	12,17,831	0
2. Number of options granted during the year	0	0	3,03,738
3. Number of options forfeited / lapsed during the year	0	0	0
4. Number of options vested during the year	0	4,01,884	0
5. Number of options exercised during the year	133,000	3,16,144	0
6. Number of shares arising as a result of exercise of options	133,000	3,16,144	0
7. Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs.4,25,60,000/- (including premium)	Rs. 9,23,14,048/- (including premium)	0
8. Loan repaid by the Trust during the year from exercise price received	NA	NA	NA
9. Number of options outstanding at the end of the year	0	9,01,687	3,03,738
10. Number of options exercisable at the end of the year	0	9,01,687	3,03,738
<b>iv. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price</b>	Exercise Price - Rs.320 Weighted-average fair value of options - Rs.49.31 – 60.23	Exercise Price - Rs.292 Weighted-average fair value of options - Rs.142.37 – 176.26	Exercise Price - Rs.528 (Tranche 1) Weighted-average fair value of options – Rs.231.56 – 280.76

<b>either equals or exceeds or is less than the market price of the stock:</b>			
<b>v. Employee-wise details of options granted during the Financial Year 2022-23 to:</b>			
a) Senior Management Personnel	1	6	1
b) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Mr. Sanjay Sethi, Managing Director & CEO – 100%	Mr. Sanjay Sethi, Managing Director & Chief Executive Officer – 59% Mr. Rajneesh Malhotra, Chief Operating Officer – 14% Mr. Milind Wadekar, Chief Financial Officer – 12% Ms. Karuna Nasta, VP - Asset Management & Assurances – 8%	Mr. Shwetank Singh, Chief Growth & Strategy Officer – 100%
c) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	None	None
<b>vi. 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):</b>			
I. Number of options outstanding	0	9,01,687	3,03,738
II. Weighted average exercise price	-	Rs.292	Rs.528
III. Weighted average remaining contractual life	-	2.82 years	3.38 years
<b>vii. A description of the method and significant assumption used during the year to estimate the fair values of options:</b>			
a) Risk-Free Interest Rate	-	6.83% - 7.08%	7.06% - 7.07%
b) Expected Life	-	3.48 - 5.48 years	3.50 - 5.50 years
c) Expected Volatility	-	47.21%	43.87% - 46.41%
d) Dividend Yield	-	0.00%	0.00%
e) Price of the underlying share in market at the time of the option grant	-	Rs.317.2	Rs.540.75
Employee options plan expenses	NIL	Rs.74.30 Million	Rs.26.14 Million