

June 22, 2022

**National Stock Exchange of India Limited**  
Exchange Plaza  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400 051.  
**Scrip Code: CHALET**

**BSE Limited**  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001.  
**Scrip Code: 542399**

Dear Sir / Madam,

**Sub: Statement as required under Regulation 10(b) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect of Chalet Hotels Limited - Employee Stock Option Plan 2018 ('ESOP 2018' / 'Plan')**

1.	Authorized Share Capital of the Company	As on date: <table border="1"> <tr> <td>Total Authorised Share Capital of the Company</td> <td>Rs.4,45,10,00,000/-</td> </tr> <tr> <td colspan="2">Equity Share Capital of Rs.2,29,10,00,000/- divided into 22,91,00,000 Equity Shares of Rs.10 each</td> </tr> <tr> <td colspan="2">Preference Share Capital of Rs.2,16,00,00,000/- divided into 21,600 Preference Shares of Rs.1,00,000 each.</td> </tr> </table>	Total Authorised Share Capital of the Company	Rs.4,45,10,00,000/-	Equity Share Capital of Rs.2,29,10,00,000/- divided into 22,91,00,000 Equity Shares of Rs.10 each		Preference Share Capital of Rs.2,16,00,00,000/- divided into 21,600 Preference Shares of Rs.1,00,000 each.	
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2.	Issued Share Capital of the Company as on date of institution of the Scheme / amendment of the Scheme	As on the date of institution of the Plan i.e. as on June 20, 2022:  Equity Share Capital - Rs. 205,02,38,640/- divided into 20,50,23,864 Equity Shares of Rs. 10/- each.  Preference Share Capital – Rs. 2,16,00,00,000/- divided into 21,600 Preference Shares of Rs. 1,00,000 each.						
3.	Date of institution of the Scheme/ amendment of the Scheme	Date of institution of the Plan: June 13, 2018  Date of amendment of the Plan: June 20, 2022 (Ref: Clause 1.3 of the Plan).						
4.	Validity period of the Scheme	The Plan was established with effect from June 13, 2018 when the shareholders of the Company had approved the Plan by way of a Special Resolution 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 of the Options available for issuance under the Plan have been issued and exercised, whichever is earlier.  (Ref: Clause 1.3 of the Plan).						
5.	Date of Notice of AGM / EGM / Postal Ballot for approving the Scheme / for amendment of the Scheme / for approving grants under	Date of AGM Notice approving the Plan is June 12, 2018.  Date of Postal Ballot Notice amending the Plan is May 10, 2022.						



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	Regulation 6(3) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	
6.	Date of AGM / EGM / Postal Ballot approving the Scheme / amending the Scheme / approving grants under Regulation 6(3) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	Date of AGM approving the Plan is June 13, 2018.  Date of amending the Plan through Postal Ballot is June 20, 2022.
7.	Kind of benefit granted under the Scheme	ESOP(s) exercisable into Equity Shares.
8.	Identity classes of persons eligible under the Scheme: (i) Permanent employees (ii) Permanent employees outside India (iii) Permanent employees of subsidiary (iv) Permanent employees of holding company (v) Permanent employees of associate company (vi) Whole –time directors	In terms of Clause 2.1 (viii) read with Clause 5.1 of the Plan, the following classes of persons are eligible: (i) Permanent employees: Yes (ii) Permanent employees outside India: No (iii) Permanent employees of subsidiary: No (iv) Permanent employees of holding Company: No (v) Permanent employees of associate Company: No (vi) Whole-time directors: Yes  Only Mr. Sanjay Sethi, Managing Director & CEO of the Company is eligible for being granted Options under the Plan. The Eligible Employee to whom the Options are granted and the Eligibility Criteria is determined by the Committee at its sole discretion.  (Ref: Clause 2.1(viii) and Clause 5.1 of the Plan).
9.	Total number of shares reserved under the Scheme, as applicable	2,00,000 Equity Shares (Ref: Clause 3.1 of the Plan).
10.	Number of shares entitled under the grant	2,00,000 Equity Shares (Ref: Clause 3.1 of the Plan).
11.	Total number of grants made	2,00,000 Stock Options  Out of the 2,00,000 Options which were granted on June 26, 2018, 66,000 Options which vested on June 26, 2019 have lapsed on June 26, 2021 under the Plan
12.	Maximum number of shares, options, SARs or benefits granted per employee per grant and in aggregate	2,00,000 Options convertible into 2,00,000 fully paid-up Equity Shares with each such Option conferring a right upon the Employee to be issued one Equity Share of the Company, in accordance with the terms and conditions of such issue.  However, out of the 2,00,000 Options which were granted on June 26, 2018, 66,000 Options which vested on June 26, 2019 have lapsed on June 25, 2021 under the Plan
13.	Exercise price or pricing formula	The Exercise Price per Option shall be Rs.320/- (Rupees Three Hundred and Twenty Only). (Ref: Clause 8.1 of the Plan).



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14.	Whether any amount payable at the time of grant? If so, quantum of such amount	No
15.	Lock-in period under the Scheme:	The Shares arising upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period from the date of allotment of such Shares under ESOP 2018 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 as per the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.  (Ref: Clause 12 of the Plan).
16.	Vesting Period under the Scheme	Options granted under Plan shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 3 (Three) years from the date of Grant. The Committee may at its discretion change the Vesting schedule provided that such change is not detrimental to the interests of the Employee.  (Ref: Clause 7.1 of the Plan).
17.	Maximum period within which the grant shall be vested	Upto a maximum of 3 years from the date of grant of the Option.  (Ref: Clause 7.1 of the Plan).
18.	Exercise Period under the Plan	The Exercise Period in respect of a Vested Option shall be a maximum period of 4 (Four) years from the date of Vesting of Options  (Ref: Clause 8.2(a) of the Plan).
19.	Whether employee can exercise all the Options or SARs vested at one time?	Yes,  All the Options granted under the Plan have already vested. The Option Grantee may exercise all the Options at one time during the exercise period.  (Ref: Clause 4.2(d) of the Plan).
20.	Whether employee can exercise vested Options or SARs at various points of time within the exercise period?	Yes.  The Option Grantee may exercise all the Options vested at various points of time within the exercise period.  (Ref: Clause 4.2(d) of the Plan).
21.	Whether Scheme provides for the procedure for making a fair and reasonable adjustment to the number of Options or SARs and to the exercise price in case of	Yes  The Committee shall determine the procedure for making a fair and reasonable adjustment to the number of Options and/or to the Exercise Price in case of corporate actions such as rights issues, bonus issues,



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	<p>rights issues, bonus issues and other corporate actions? Clause in Scheme describing such adjustment.</p>	<p>merger, sale of division/undertaking and others, taking into consideration:</p> <p>(i) the number and the price of Options shall be adjusted in a manner such that total value of the Option remains the same after the corporate action; and</p> <p>(ii) the Vesting Period and the life of the Option shall be left unaltered as far as possible to protect the rights of the Option Grantee.</p> <p>Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company unless the Option Grantee exercises the Option and thereupon, becomes a registered holder of the Shares of the Company. If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the bonus or rights Shares in the capacity of the Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with sub-clause 4.2(e) of Plan.</p> <p>(Ref: Clause 4.2(e) read with Clause 14.3 and 14.4 of the Plan)</p>
22.	<p>Description of the appraisal process for determining the eligibility of employees under the Scheme.</p>	<p>Since the plan was formulated for just a single employee Mr. Sanjay Sethi, Managing Director and CEO of the Company the appraisal process was already carried out by the committee while instituting the said plan.</p>
23.	<p>The specified time period within which vested options or SARs are to be exercised in the event of termination or resignation of an employee</p>	<p><b>Vested Options:</b> Prior to Listing, all the Vested Options as on date of resignation / termination shall be exercisable by the Option Grantee within such period as shall be notified under Clauses 9 and 10 of the Plan.</p> <p>After Listing, such Vested Options can be exercised by the Option Grantee within 6 (Six) months from the last working day in the Company.</p> <p><b>Unvested options:</b> All the Unvested Options as on date of resignation/date of termination shall stand cancelled with effect from date such resignation/ termination.</p> <p>(Ref: Clause 8.2(b)(1) of the Plan)</p>
24.	<p>The specified time period within which options or SARs to be exercised in the event of death of the employee</p>	<p><b>Vested Options:</b> Prior to Listing, all the Vested Options may be exercised by the Option Grantee's nominee or legal heirs within such period as shall be notified under Clauses 9 and 10 of the Plan.</p> <p>After Listing, such Vested Options can be exercised by the Option Grantee's nominee or legal heirs</p>

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		<p>immediately after, but in no event later than 12 (Twelve) months from the date of death of the Option Grantee.</p> <p><b>Unvested options:</b> All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir in the manner prescribed for the Vested Options.</p> <p>(Ref: Clause 8.2(b)(4) of the Plan).</p>
25.	<p>Whether scheme provides for conditions under which options, SARs or benefits vested in employees may lapse in case of termination of employment for misconduct? Clause in Scheme describing such adjustment</p>	<p>Yes.</p> <p><b>Vested Options:</b> All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.</p> <p><b>Unvested options:</b> All the Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.</p> <p>(Ref: Clause 8.2(b)(2) of the Plan).</p>
26.	<p>Whether scheme provides for conditions for the grant, vesting and exercise of options, SARs or benefits in case of employees who are on long leave? Clause in scheme describing such adjustment</p>	<p>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.</p> <p>(Ref: Clause 4.2(f) and 7.6 of the Plan).</p>
27.	<p>Whether amount paid/payable by the employee at the time of the grant of the options, SARs or benefits will be forfeited if the employee does not exercise the same within the exercise period? Clause in scheme describing such adjustment</p>	<p>No amount is payable at the time of grant.</p>
28.	<p>Details of approval of shareholders pursuant to Regulation 6(3) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with respect to:</p> <ul style="list-style-type: none"> <li>• Grant to employees of subsidiary or holding or associate company</li> <li>• Grant to identified employees, during any</li> </ul>	<p>N.A.</p>



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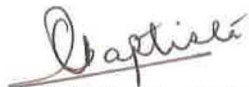
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	one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	
29.	Details of the variation made to the scheme along with the rationale therefore and the details of the employees who are beneficiary of such variation	The Exercise period has been increased from 2 years to 4 years and the other amendments made in the Plan are to streamline the same in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Yours faithfully,  
For **Chalet Hotels Limited**



**Christabelle Baptista**  
Company Secretary & Compliance Officer

