

August 14, 2023

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,

Subject: Disclosure on continuing event or information i.e. pending litigations of the Company

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated July 14, 2023 ('Listing Regulations'), the details of pending litigations/disputes as required to be disclosed pursuant to Sub Paragraph 8 of Paragraph B of Part A of Schedule III to the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, which are now considered as material by the Company as per the revised materiality threshold are disclosed herewith in accordance with the proviso to Regulation 30(4)(i)(d) of Listing Regulations.

We request you to take the aforementioned information on record.

Thanking You.

Yours faithfully,
For **Chalet Hotels Limited**

Christabelle Baptista
Company Secretary and Compliance Officer

Enclosed: As above

| Name of the opposing party | Court / Tribunal / Agency where litigation is filed | Brief details of dispute / litigation | Expected financial implications | Quantum of claims |
|--|---|---|--|-------------------|
| City & Industrial Development Corporation of Maharashtra Limited (CIDCO) | Hon'ble Supreme Court of India | <p>Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited (Promoter) used for the construction of hotel and apartments and adjoining plot, had been filed in FY 2003-04. In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to said land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. The Company has been operating Four Points By Sheraton, Navi Mumbai, Vashi at the said premises. During the financial year 2014-15, the Hon'ble High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Hon'ble Supreme Court and Writ Petition before the Hon'ble Bombay High Court.</p> <p>The Hon'ble Supreme Court on 22 January 2015 directed the maintenance of a status quo.</p> <p>The Hon'ble High Court vide its order dated January 16, 2015 directed both parties to maintain status quo.</p> <p>Based on legal advice received, the Company is confident of a favourable outcome in the said matter. Appropriate disclosures have been made in the financial statements.</p> | Carrying value of impugned hotel's property, plant and equipment as at March 31, 2023 is Rs.348.46 million | Not Applicable |
| Larsen & Toubro Limited | Not Applicable | <p>The Company has received a claim allegedly towards inter-alia:</p> <ul style="list-style-type: none"> - reimbursement of labour salaries, labour camp maintenance and site supervision and maintenance costs, etc. incurred during the period of lock down up to May 15, 2020. - remobilisation and demobilisation expenses for the project incurred during lock-down period. | Rs.15.98 crore (claim received) | Not Applicable |

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Phone : +91-22-2656 4000 Fax : +91-22-2656 5451 Website : www.chalethotels.com

CIN: L55101MH1986PLC038538

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| | | <p>- fixed monthly expenses due to extended term of the project from March 2022 till December 2022.</p> <p>The Company is in engagement with Larsen & Toubro Limited to settle the dispute and is confident that the dispute would be settled amicably.</p> | | |
| <p>Bruhat Bengaluru Mahanagar Pallike (BBMP)</p> <p>State of Karnataka, The Commissioner, Bruhat Bengaluru Mahanagar Pallike and The Assistant Revenue Officer</p> | <p>Bruhat Bengaluru Mahanagar Pallike (BBMP)</p> <p>Hon'ble High Court of Karnataka at Bengaluru</p> | <p>The BBMP had issued a demand notice dated December 19, 2016 addressed to Magna Warehousing & Distribution Private Limited (Magna) (which has since been amalgamated into Chalet Hotels Limited), demanding payment of amount aggregating Rs.25.6 crore towards outstanding property tax for the period 2008-2009 to 2015-2016 (inclusive of interest/penalty) in respect of the hotel unit at Bengaluru viz., Bengaluru Marriott Whitefield.</p> <p>Magna had filed a Writ Petition before the Hon'ble High Court of Karnataka against the State of Karnataka, The Commissioner, Bruhat Bengaluru Mahanagar Pallike and The Assistant Revenue Officer praying for grant of following relief:</p> <ul style="list-style-type: none"> - grant of order or directions, striking down Section 108(A) of the Karnataka Municipal Corporation Act, as being ultra-vires the constitution. - issue appropriate writ, order or direction quashing the Notification bearing No Commr./BBMP-DC(Rev)/5675/15-16, Bangalore dated 9.03.2016 was issued by BBMP and published in the Karnataka Gazette (Extraordinary) in its issue No.384 Part III – dated 16.03.2016 in so far as fixing the rate of property tax payable in relation to the impugned property. - grant of such other reliefs or orders as the Hon'ble Court may deem fit in the facts and circumstances of the case. <p>In the interim the Company also prayed for stay of operation of</p> | <p>Rs.25.6 crore (based on the Demand Notice)</p> | <p>Not Applicable</p> |

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| | | <p>notification No. Commr/BBMP-DC(Rev)/5675/15-16, Bangalore dated March 9, 2016 issued by BBMP in so far as the impugned property is concerned.</p> <p>The Hon'ble High Court of Karnataka at Bengaluru has vide its order dated September 14, 2018, granted an interim stay in the matter and directed the Company to make payment of property tax at the rate of 50% of the enhanced amount plus the original rate of tax, till disposal of the petition, subject to issue of security in respect of the balance amount.</p> <p>Based on legal advice received, the Company is confident of a favourable outcome in the said matter.</p> | | |
| Additional Director General of Foreign Trade - Bengaluru | Additional Director General of Foreign Trade - Bengaluru | <p>Two notices for recovery of 'Serve From India Scheme' (SFIS) benefits were issued by DGFT in August 2017 for Rs.0.91 crore plus interest and penalty, basis the view taken by Policy Interpretation Committee in its meeting held in December 2011 that the SFIS Scheme does not incentivize any brand which is created outside India, and only meant to incentivize Indian brands.</p> <p>The Company has responded to the Notice and no further demand from the Department has been received.</p> | Rs.0.91 crore | Not Applicable |
| Union of India, Directorate General of Foreign Trade (DGFT) - New Delhi and Zonal Additional Director General of Foreign Trade - Bengaluru | Hon'ble High Court of Karnataka at Bengaluru | The Company has filed Writ Petition before Karnataka High Court challenging the Recovery Notices as there are two conflicting views of two different High Courts (which was duly noted by Apex Court). In December 2017, the Karnataka High Court granted Interim Stay. The matter has been kept in abeyance till the final disposal of another matter which is pending before the Hon'ble Supreme Court of India. | | Not Applicable |

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| Union of India and Directorate of Revenue Intelligence | Hon'ble High Court of Gujarat at Ahmedabad | <p>The Directorate of Revenue Intelligence (“DRI”), vide its notices dated October 4, 2017 and November 3, 2017, called upon the Company to provide it with the necessary documents and information in respect of import of goods against SFIS Scrip/License under Foreign Trade Policy 2004-09 and 2009-14 and the post-export service benefits availed, under the provisions of the Customs Act, 1962. The Company has filed its replies dated November 6, 2017 and December 12, 2017. The DRI issued a show cause notice dated November 29, 2018 (“DRI Show Cause Notice”) directing our Company to show cause as to why duty amounting to Rs.19.51 crore and Rs.2.31 crore should not be recovered. The Company filed a writ petition dated December 24, 2018 before the Gujarat High Court challenging DRI Show Cause Notice.</p> <p>The petition has been dismissed. The Court has not expressed any opinion on the merits of the petition. The Notice has been discharged and Interim relief stands vacated forthwith.</p> | Rs.21.82 crore | Not Applicable |
| Maharashtra State Electricity Distribution Company Limited (MSEDCL) | Maharashtra Electricity Regulatory Commission (MERC) | <p>MSEDCL has sought a review of certain arrangements and/or permissions given to the Company along with various other respondents under the impression that such entities are captive generating plants claiming inter-alia benefits such as exemption from payment of Cross Subsidy Surcharge (CSS) and Additional Surcharge (ASC) and other such charges as may be applicable to the Independent Power Purchaser consumers as per the provisions of Act, Rules & Regulations.</p> <p>The Company has been made a party to this petition and has filed its interim application in response to the above. The matter is sub-judice and the financial implication is not quantifiable at the moment.</p> | Not quantifiable at the moment | Not Applicable |

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| Income Tax Appellate Tribunal | Disallowance of depreciation on unexplained expenditure which being capitalised | Rs.1.84 crore | - |
| Income Tax Appellate Tribunal (Department Appeal) | Deemed rental income | Rs.2.29 crore | - |
| Income Tax Appellate Tribunal (Department Appeal) | Section 14A disallowance | Rs.19.07 crore | - |
| Commissioner of Income Tax, Appeals (CIT(A)) | Disallowance of interest | Rs.16.94 crore | - |
| Commissioner of Income Tax, Appeals (CIT(A)) | TDS return - surcharge wrongly calculated by CPC | Rs.2.27 crore | - |
| | Total | Rs.42.42 crore | |

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|---|---|---------------------------------|-------------------|
| Customs Excise & Service Tax Appellate Tribunal (CESTAT), Mumbai (2004-05 to 2010-11) | Denial of CENVAT credit of service tax paid on royalty fees. | Rs.6.46 crore | - |
| Commissioner (appeals), Hyderabad (May 2011 to June 2012) | Demand for service tax on Telephone services and Laundry wet cleaning service as accommodation services. Commissioner (appeals) has set aside demand and remanded back to lower authorities for fresh adjudication. | Rs.0.47 crore | - |
| Office of the Dy. Commissioner of State Tax (E-607) (FY 2018-19 and FY 2019-20) | NON-PAYMENT OF INTEREST for delay in filling of return and offset of liability. The Company has discharged the tax dues and all supporting evidence are submitted to Department. | Rs.0.03 crore | - |
| | Total | Rs.6.97 crore | |

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