



Escorts Kubota Limited

August 14, 2023

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

BSE – 500495

NSE - ESCORTS

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations)

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with Para B of Schedule III and SEBI Circular no SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, please find enclosed as an **Annexure-I**, the details of events of information which has become material as per the materiality criteria prescribed under regulations 30 (4) (i) (c).

Please take the same on record.

Thanking You,
Yours faithfully,
For **Escorts Kubota Limited**

Satyendra Chauhan
Company Secretary

Encl.: As above

Escorts Kubota Limited

(Formerly Escorts Limited)

Corporate Secretarial & Law

Registered Office - 15/5, Mathura Road, Faridabad-121003, Haryana, India

Tel.: +91-129-2250222 | E-mail: corp.secretarial@escortskubota.com | Website: www.escortsgroup.com

Corporate Identification Number L74899HR1944PLC039088

Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity:

Direct Tax

(A) Appeals filed by the Company or its subsidiaries against Income Tax Department

(Amount in INR Crore)

| Name of the company/subsidiary company | Forum where litigation is pending | Brief details of disputes/litigation | Period to which disputes relates | Tax Impact * | Demand paid under protest |
|--|--|--|----------------------------------|---------------|---------------------------|
| Escorts Kubota Limited | Commissioner(Appeals) / Income Tax Appellate Tribunal | Disallowance of certain expenses, adjustments made u/s 143(1), disallowance towards creditors balances, penalty etc. | AY 2002-03 to AY 2020-21 | 70.09 | 23.41 |
| Subsidiaries of Escorts Kubota Limited | Commissioner(Appeals) / Income Tax Appellate Tribunal / High Court | Reassessment proceedings, denial of tax exemption on exempt dividend income, registration u/s 12AA etc. | AY 2013-14 to AY 2017-18 | 77.55 | - |
| Total | | | | 147.64 | 23.41 |

(B) Appeals filed by the Income Tax Department against Company or its subsidiaries

(Amount in INR Crore)

| Name of the company/subsidiary company | Forum where litigation is pending | Brief details of disputes/litigation | Period to which disputes relates | Tax Impact * | Demand paid under protest |
|--|--|--|----------------------------------|---------------|---------------------------|
| Escorts Kubota Limited | Income Tax Appellate Tribunal / High Court / Supreme Court | Disallowance of certain expenses/losses, addition u/s 2(24)(iv), recovery of tax demand from escrow account etc. | AY1981-82 to AY 2007-08 | 200.77 | - |
| Subsidiaries of Escorts Kubota Limited | High Court | Disallowance of certain expenses, taxability of exempt dividend income, registration u/s 12AA/80G | AY 1994-95 to AY 2016-17 | 15.60 | - |
| Total | | | | 216.37 | - |

* Interest (at applicable rate) shall be in addition to the tax impact stated above.

Details of pending litigations for various indirect tax related demand matters for Central Excise, Service Tax, GST, and Sales Tax/ VAT/ CST. The litigations relate to multiple years and are pending at different forums.

Part A: Entry Tax, Value Added Tax ('VAT') and Central Sales Tax ('CST') matters of Escorts Kubota Limited

Amounts in crores

| S. No. | Name of the Opposing Party | Forum where litigation is pending | Brief details of dispute/litigation | Quantum of Tax, interest and penalty to the extent quantified in demand orders (INR)* |
|---|--------------------------------------|---|---|---|
| 1 | Department of Sales Tax, Haryana | High Court/1st Appellate Authorities | Constitutional validity of Haryana Entry Tax. | 52.82 |
| 2 | Department of Sales Tax, Haryana | High Court/Tribunal/1st Appellate Authorities | Following issues arising out of assessments across multiple periods: - Non Submission of Statutory Forms and disallowance of sale of certain goods against Form C. - Dispute on classification of certain goods. - Procedural lapse on account of documentation for movement of goods - Eligibility of VAT credit on certain expenses | 11.44 |
| 3 | Department of Sales Tax, West Bengal | High Court/Tribunal/1st Appellate Authorities | Following issues arising out of assessments across multiple periods: - Non Submission of Statutory Forms. - Dispute on classification of certain goods. - Computation of turnover. | 25.95 |
| Total | | | | 90.21 |
| Pre-Deposit/ Under Protest Payment (INR) | | | | 41.24 |

* Interest (at applicable rate) after the date of order shall be in addition to demand stated above.

Part B: Central Excise, Service Tax and GST Matters of Escorts Kubota Limited

| S. No. | Name of the Opposing Party | Court/ tribunal/agency where litigation is filed | Brief details of dispute/litigation | Quantum of Tax claims excluding interest and penalty (INR)# |
|---|--|--|--|---|
| 1 | Department of Central Excise | High Court/ Tribunal/Commissioner (Appeals) | Eligibility of cenvat credit on certain expenses across multiple periods. | 374.75 |
| 2 | Department of Central Excise | High Court/Tribunal | Tax Liability on inter-unit transfers under Common Registration across multiple periods. | 139.40 |
| 3 | Haryana State GST Department | Commissioner (Appeals) | Tax Liability on account of Detention of goods due to incorrect documentation | 0.28 |
| 4 | Haryana Central GST Department | High Court/ Joint Commissioner (Appeals) | Dispute on formula for computation of inverted duty structure refund under Section 54(3) of Central GST Act, 2017 read with Rule 89(5) of Central GST Rules, 2017. In a worst case scenario, the amount paid against the demand, if any, will be re-credited to the Electronic Credit Ledger. | 3.91 |
| 5 | Department of Central Excise & Service Tax | Tribunal/ Commissioner (Appeals) | Following issues across multiple periods: - Eligibility of cenvat credit on certain expenses, valuation of certain transactions and taxability of misc. income such notice pay recovery, advertisement expense recovery, etc. | 8.13 |
| Total | | | | 526.47 |
| Pre-Deposit/ Under Protest Payment (INR) | | | | 48.51 |

Interest ranging between 13%/15%/18%, as applicable, shall be applicable in addition to tax demand stated above. This includes penalty amount where the demand pertains to only penalty imposition.