



August 21, 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai -400 001
Scrip Code: 502820

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1,
G Block, Bandra - Kurla Complex,
Bandra (E), Mumbai – 400 051
Scrip Code: DCM

ISIN: INE498A01018

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

Dear Sir,

Pursuant to Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, please find attach the details of ongoing pending litigations of DCM Limited and its subsidiaries as **Annexure- 1**. Most of these litigations have been disclosed as contingent liabilities in the consolidated financial statements of the Company as on March 31, 2023. The Company believes that all these matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of management, have a material effect on the results of operations or financial position of the Company.

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements in accordance with applicable regulations. For potential losses that are not probable in Company's assessment, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

Further, as stated above, the description of claims and assertions where a potential loss is possible, but not probable, have already been shown under contingent liabilities in annual accounts, however, there has been some delay in making this disclosure in compliance of Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 primarily for the reason that these disclosure requirements are new and there has been divergent interpretation of industry circle in this regard, the Company took time to take view in the matter for appropriate disclosure of the information as per the requirement.

Thanking You
Yours Truly,
For DCM Limited

Yadvinder Goyal
Company Secretary

Encl. - as stated above

Registered office:

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Bara Hindu Rao, Delhi – 110006. Phone: (011) 41539170
CIN: L74899DL1889PLC000004, Website: www.dcm.in, Email Id: investors@dcm.in

ANNEXURE- 1

Disclosure Requirement	Information
Matter 1: Matter Before Punjab VAT Tribunal, Chandigarh / Deputy Commissioner Appeal, Mohali.	
<p>a) Brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation.</p> <p>b) Expected financial implications, if any, due to compensation, penalty etc.</p> <p>c) Quantum of claims, if any</p>	<p>Punjab VAT Department took the view that Input Tax Credit shall not be admissible on HSD as per section 31 of Punjab VAT Act, 2005. As per the department, HSD input should necessarily assimilate in the final product.</p> <p>In pursuance of the above view, the department has disallowed the Input Tax Credit on HSD claimed by the Company during the Financial Years beginning from F.Y. 2010-11 to F.Y. 2013-14 and raised the demand of Rs.618.03 lacs including interest and penalty. The Company had filed an appeal before the Deputy Commissioner Appeal, Mohali and /or Punjab VAT Tribunal, Chandigarh (“the Tribunal”). In the said appeal, Company took a ground that Government had inserted section 6(7) & 6(8) on 12.08.2011 which specifically clarifies that Entry Tax collected from the dealer shall be deemed to have been collected under the provision of section 6(7) & 6(8) meant for Advance Tax. The above insertion of section 6(7) & 6(8) is of clarificatory nature and it cannot be said that it shall be effective from 04.10.2013. The Company has made a pre-deposit of Rs.99.6 lacs in the said matter.</p> <p>The aforesaid appeal was subsequently accepted by the department from October, 2013 that section 6(7) & 6(8) has been inserted in Punjab VAT Act which states that Entry tax is an Advance Tax and adjustment of the same is permitted. The Company, based on the internal legal assessment, believes that it has a good case on merits. The matter is pending and yet to be listed for final hearing before Tribunal.</p>
Matter 2: Writ Petition before Hon’ble High Court of Jaipur.	
<p>a) Brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation.</p> <p>b) Expected financial implications, if any, due to compensation, penalty etc.</p> <p>c) Quantum of claims, if any</p>	<p>The Commissioner of Industries, MSME, Jaipur had pronounced the award of Rs.144.90 lacs including the interest of Rs.63.87 lacs in favour of Gayatri Minerals against their claims for supply of sand to the Engineering Division of the Company. The Company filed counter claims in the matter claiming substantial loss incurred due to higher rejections on account of poor quality of sand supplied by the party.</p> <p>The operation of the said award passed by the Commissioner of Industries, MSME, Jaipur on 12.02.2020 was stayed in the writ petition filed by the Company before Hon’ble High Court of Jaipur. The Company believes that it has a good case on merits.</p>

Disclosure Requirement	Information
Matter 3: Appeal before ADJ, Tis Hazari, Delhi against the demand raised by ESIC Department.	
<p>a) Brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation.</p> <p>b) Expected financial implications, if any, due to compensation, penalty etc.</p> <p>c) Quantum of claims, if any</p>	<p>ESIC Court has raised a demand of Rs.18.90 lacs pertaining to Textile Marketing Department which was transferred to DCM Shriram Limited (“DSL”) under a Scheme of Arrangement effective from 01.04.1990.</p> <p>DSL got the said demand quashed from the Hon’ble High Court, however ESIC again raised the said demand which was reduced to Rs.12.70 lacs in the appeal filed by the Company. After depositing the said demand of Rs.12.70 lacs, inadvertently, ESIC had further issued a notice for levy of damages of Rs.54.61 lacs. The Company had filed an appeal against the said demand of Rs.12.70 lacs and also against the notice levying damages of Rs.54.61 lacs. In the said appeal, the Company had also impleaded DSL as defendant before ADJ, Tis Hazari, Delhi stating that ESIC had wrongly raised the demand upon DCM which factually belongs to DSL. The Company believes that it has a good case on merits and the final outcome in the matter will not have material impact on the financial position of the Company.</p>
Matter 4: Appeal before Hon’ble High Court of Jaipur against the order of ADJ, Kota, Rajasthan pertaining to DCM Infotech Ltd. (Material Subsidiary).	
<p>a) Brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation.</p> <p>b) Expected financial implications, if any, due to compensation, penalty etc.</p> <p>c) Quantum of claims, if any</p>	<p>The Company had filed an appeal before the Hon’ble High Court of Jaipur against the order of the ADJ, Kota, Rajasthan in respect of the recovery suit filed by Western Railway under which the Company was liable to pay Rs.15.27 lacs along with interest @9% effective from 11.12.1996. The operation of the said judgement of ADJ, Kota, Rajasthan has been stayed in the appeal filed by the Company before the Hon’ble High Court of Jaipur.</p> <p>The matter is presently pending before the Hon’ble High Court of Jaipur. The Company believes that the final outcome in the matter will not have material impact on the financial position of the subsidiary.</p>
Matter 5: Taxation related matter(s) before various forums.	
<p>a) Brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation.</p> <p>b) Expected financial implications, if any, due to compensation, penalty etc.</p> <p>c) Quantum of claims, if any</p>	<p>The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. Most of these disputes and/or disallowances have consistently been decided in favour of the Company, however, the income tax authorities are contesting these matters in appeal(s) at different forums. The Management including its tax advisors expect that the Company has merits in these matters and its position will likely be upheld in favour of the Company.</p> <p><u>FY 1982-83 to 1989-90</u></p> <p>The tax department had passed an order dated 28.02.1994 for withdrawal of investment allowance allowed on the</p>

Disclosure Requirement	Information
	<p>assets of the undertakings transferred under the scheme which was approved by the Hon'ble Delhi High Court vide its order dated 16.4.1990 to other group companies, namely, DSCL, SIEL and DSIL. The Hon'ble Tribunal had allowed the appeal filed by DCM in the matter and the demand raised by the Income Tax Department of Rs. 442.18 lacs were quashed. Department filed the appeal before the Hon'ble Delhi High Court which was also decided in favour of the Company. As per the High Court Order, the matter was remanded back to the Tribunal to assess the tax liability, if any, in case of non-compliance of any terms and conditions prescribed under Section 32A (5) of Income Tax Act, 1961. The Tribunal has referred back the matter to the assessing officer for verification and for determination of the liability, if any.</p> <p>The aforesaid matter is pending before the Assessing Authority.</p> <p><u>FY-2003-04</u> <u>Real Estate Expenses</u> Company's claim of expenses relating to the project on accrual basis (proportionate to the area sold), based on the matching principle in the year of recognition of sale was rejected by the assessing officer. CIT(A) and Tribunal accepted Company's stand; however, the tax department has preferred an appeal before the Delhi High Court on the ground that land development expenditure aggregating to Rs. 4091 Lacs were wrongly allowed to the assessee Company. This is presently pending.</p> <p>Till financial year 2002-03, the assessing authority had allowed such claims of land development expenses of the Company in assessments on accruals basis (proportionate to the area sold), based on the matching principle in the year of recognition of sale.</p> <p><u>Interest on Interest Free Advance.</u> Assessing Authority had disallowed proportionate interest of Rs. 22.32 lacs on interest free loan given to DCM Employees Welfare Trust. In the said matter, the Company had taken a stand that the loan given was for the benefit of the employees out of its internal funds and no borrowed funds were utilized for providing the said loan.</p> <p>In the earlier years CIT appeal, ITAT, Tribunal and High Court have decided the said matter in favour of the Company.</p> <p><u>FY 2008-09</u> <u>Real Estate Expenses</u> Company's claim of expenses relating to the project on accrual basis (proportionate to the area sold), based on the</p>

Disclosure Requirement	Information
	<p>matching principle in the year of recognition of sale was rejected by the assessing officer. CIT(A) and Tribunal accepted Company's stand; however, the tax department has preferred an appeal before the Delhi High Court on the ground that land development expenditure aggregating to Rs. 294 lacs were wrongly allowed to the assessee Company. This is presently pending</p> <p>Till financial year 2002-03, the assessing authority had allowed such claims of land development expenses of the Company in assessments on accruals basis (proportionate to the area sold), based on the matching principle in the year of recognition of sale.</p> <p><u>Interest on Interest Free Advance.</u> Assessing Authority had disallowed proportionate interest of Rs. 22.32 lacs on interest free loan given to DCM Employees Welfare Trust. In the said matter, the Company took a stand that the loan provided was for the benefit of the employees out of its internal funds and no borrowed funds were utilized for providing the said loan.</p> <p>In the earlier year(s) the said matter has been decided in favour of the Company.</p> <p><u>FY 2011-12</u> The Department had filed an appeal in the High Court against the order of Tribunal in respect of the following issues which have been decided in favour of the Company:</p> <p><u>Interest on Interest Free Advance.</u> Assessing Authority had disallowed proportionate interest of Rs. 22.32 lacs on interest free loan given to DCM Employees Welfare Trust. In the said matter, the Company took a stand that the loan was given for the benefit of the employees out of its internal funds and no borrowed funds were utilized for providing the said loan.</p> <p>In the earlier year(s) the said matter has been decided in favour of the Company.</p> <p><u>Disallowance under Rule 8D</u> * Disallowance of Rs.330.26 lacs under Section 14A read with Rule 8D. * Addition in book profit of Rs.330.26 lacs under Section 14A read with Rule 8D.</p> <p>In the earlier year(s) the said matter has been decided in favour of the Company.</p>

Disclosure Requirement	Information
Matter 6: Declaration of lockout of Engineering Business Undertaking of the Company.	
<p>a) Brief details of litigation viz. name(s) of the opposing party, court/ tribunal/agency where litigation is filed, brief details of dispute/litigation.</p> <p>b) Expected financial implications, if any, due to compensation, penalty etc.</p> <p>c) Quantum of claims, if any</p>	<p>Due to continued situation of labour unrest, the management of the Company was forced to declare a lockout on October 22, 2019 at its Engineering Business Undertaking (refer as 'Engineering Division') situated at Village Asron, District Shaheed Bhagat Singh Nagar, Punjab.</p> <p>The said lockout was opposed by the workmen of said Engineering Division before the Labour Authorities and matter remained sub-judice before the labour authorities. Based on the legal advice received by the Company, the management is of the view that the present lockout is legal and justified. Therefore, the Company has not made any provision for wages pertaining to the lockout period October 22, 2019 to June 30, 2023 aggregating to Rs. 6,144 lacs.</p>