



November 12, 2025

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001
Scrip Code: 502820
ISIN: INE498A01018

National Stock Exchange of India Ltd.

Exchange Plaza, Plot no. C/1,
G Block, Bandra - Kurla Complex,
Bandra (E), Mumbai – 400051
Trading Symbol: DCM
ISIN: INE498A01018

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended - Update on pending litigation

Dear Sir/Madam,

This is in continuation of our earlier letter dated August 21, 2023, intimating you about the ongoing pending litigations of DCM Limited and its subsidiaries which include one of the matter pending before Punjab VAT Tribunal, Chandigarh / Deputy Commissioner Appeal, Mohali.

Notification of Scheme by Punjab Government for recovery of outstanding dues:

The Government of Punjab, Department of Excise and Taxation has issued a notification dated September 30, 2025 to notify a scheme for recovery of outstanding dues (referred as one time settlement scheme or OTSS). The said scheme came into effect from October 1, 2025 and shall be applicable to all cases under the Relevant Act where the assessment or rectification or revision of assessment and/or Penalty order etc. has been made till September 30, 2025. The last date for availing for settlement of outstanding dues under the said scheme is December 31, 2025.

Brief particulars of pending litigation:

Assistant Commissioner of Sales Tax, Ropar while assessing the sale tax return of Engineering Division has raised the demands by disallowing the Entry Tax credit in respect of HSD claimed by the division taking the stand that as per section 13(5)(b) of PVAT Act 2005 the input tax credit in respect of certain specific goods including HSD will not be available unless the taxable person is in the business of selling these specific goods. In this connection, Company has filed an appeal taking the following grounds:

1. Section 13(5)(b) is applicable in respect of input credit of VAT paid by the taxable person for purchase of specified goods. However, this section does not apply to entry tax paid by the taxable person for the purchase of goods from the outside state of Punjab. The nature of Entry Tax is tax levied by Government for Entry of goods in the state of Punjab from other state. Whereas VAT is applicable on the goods purchased by the Taxable person within the state of Punjab.
2. DCM Engineering has paid the Entry Tax under section 3A of the Punjab Tax on Entry of Goods into Local Areas Act, 2000 collected by state of Punjab for entry of goods from outside state. The Entry tax was introduced by Punjab State in 2000 and HSD was included in Feb 5th 2010. DCM Engineering was taking input credit under section 3 in respect of Entry tax paid under section 3A of the Act stated above.
3. Section 6(7) and Section 6(8) of PVAT Act was introduced in 11.08.2011. As per the said Section 6(7) is a charging section and Entry Tax collected under section 3A is deemed to be Advance tax paid by the Company under section 6(7) and 6(8) of PVAT Act. Section 6(8) of PVAT Act deems The Entry Tax paid as Advance Tax under section 6(7), therefore rigors of section 13-A and Section 13, placing restriction on ITC on HSD are not applicable.



The Government has notified on 12.08.2011 that Tax paid under section 6(7) will be considered as Advance Tax. However, no Advance was collected as goods were not notified. This levy of Entry Tax continues till the Government notified the list of goods including HSD on which Advance Tax provision would be applicable and the same time levy of entry tax under section 3A of PET Act was exempted vide notification No.S.O.89/P.A.9/2000/S.3-A/2013 dated 04th October, 2013.

It is clear that Advance Tax and Entry Tax were not levied together. When the levy of entry tax under section 3A was there, advance tax levy was not enforced as goods were not notified. Once the goods were notified for the purpose of levy of advance tax, entry tax under section 3A was exempt.

Pursuant to the above, section 13 read with section 13A of PVAT Act are not applicable under which the Assessing Officer has levied pursuant to which the department has raised the demand by disallowing the entry tax credit.

Board approval for settlement of pending litigation before Punjab VAT Tribunal, Chandigarh under the said OTSS notification of September 30, 2025

As per the legal advice, the Company has good case of merits and likelihood of succeeding in these matters either before Tribunal or before higher forums.

Due to the potential for extended litigation and the resulting exposure to ongoing interest and penalty liabilities, the Company's Board of Directors, at its meeting held on November 12, 2025 (which commenced at 4:00 P.M. and concluded at 5:54 P.M.), considered it prudent to approve the settlement of the matter under OTSS notified on September 30, 2025, thereby avoiding any future litigation.

Under the said OTSS the Company will be required to make payment of Rs. 113.89 lacs (being 50% of the basic tax amount of the demand) towards the settlement of all claims of basic tax, penalty and interest in the matter (Rs. 811.67 lacs based on interest calculated as on 31.12.2025).

The Company has already deposited Rs. 99 lacs towards the demand while filing the appeal in the matter and this balance of about Rs. 19.23 lacs will now be paid by the Company under the OTSS.

This information is also being uploaded on the website of the Company i.e. www.dcm.in.

You are hereby requested to take the above information on record.

Thanking You

Yours Faithfully,
For DCM Limited

Arjit Gupta
Company Secretary