



April 5, 2024

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai -400 001

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

Scrip Code: 502820

Scrip Code: DCM

ISIN: INE498A01018

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

Dear Sir/Ma'am,

Pursuant to the provisions of Regulation 30 read with Schedule III of SEBI Listing Regulations, please find below disclosure under Clause 20 of Para A of Part A of Schedule III of SEBI Listing Regulations.

This is to inform you that the Company has received an order u/s 147 read with section 144(b) of the Income Tax Act, 1961 ('Act') from Assessment Unit, Income Tax Department wherein an addition of Rs.25,89,48,981/- (Rupees Twenty Five Crore Eighty Nine Lacs Forty Eight Thousand Nine Hundred Eighty One Only) on account of unexplained expenditure has been made with accompanying notice of zero demand u/s 156 of the Act.

The Company is examining the order/ notice received and shall take appropriate steps, including filing of appeals, rectification applications, seeking indemnity for the claim, elaborated in detail in annexure below.

The details of the above said order / notice as per SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 read with SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, Regulation 30 and Clause 20 of Para A of Part A of Schedule III of SEBI Listing Regulations, is enclosed herewith as **Annexure -I**.

We request you to kindly take this on record.

For DCM Limited

Yadvinder Goyal
Company Secretary

Encl. - As stated above

Registered office:

Unit Nos. 2050 to 2052, Plaza - II, 2nd Floor, Central Square, 20, Manohar Lal Khurana
Marg, Bara Hindu Rao, Delhi - 110006. Phone: (011) 41539170
CIN: L74899DL1889PLC000004, Website: www.dcm.in, Email Id: investors@dcm.in



Annexure - I

Information as per SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 read with SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, Regulation 30 and Clause 20 of Para A of Part A of Schedule III of SEBI Listing Regulations:

Sr. No.	Particulars	Details
a.	Name of the Authority	Assessment Unit, Income Tax Department
b.	Nature and details of the action(s) taken, initiated or order(s) passed	The Company has received an Assessment Order u/s 147 read with section 144(b) of the Income Tax Act, 1961 dated 30.03.2024 wherein an addition of Rs. 25,89,48,981/- to the total income of the Company for the Assessment Year 2019-20 has been made. The notice for initiating penalty proceedings u/s 271 (a) (c) of Income Tax Act has also been issued.
c.	Date of Receipt of direction or order, including any ad-interim or interim orders, or any other communications from the authority	March 30, 2024
d.	Details of violation(s) / contravention (s) committed or alleged to be committed	The Income Tax Department has passed Assessment Order dt. 30.03.2024 that the erstwhile Textile Business Undertaking (referred as Demerged Undertaking) of the Company which was demerged into DCM Nouvelle Limited under a scheme of arrangement, had made bogus purchases of Rs.25,89,48,981/- from a supplier during the FY 2018-19. In the Assessment Order, the said conclusion has been drawn by the Department primarily on account of non-receipt of information/reply from the said supplier in pursuance of notice issued by the Department to the said supplier u/s 133(6) of the Act and in the absence of any corroborative evidence from the said supplier. As per the notice of demand u/s 156 of Income Tax Act, zero demand has been determined to be payable by the Company (basis of the said notice of demand has not been made available in detail and hence the impact is not quantified appropriately as on date).
e.	Impact on financial, operation or order activities of the listed entity, questionable in	All legal proceedings against DCM Limited relating to the Demerged Undertaking shall be enforced by or against DCM Nouvelle Limited as

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<p>monetary terms to the extent possible.</p>	<p>per para 9.1 of the said scheme which is reproduced herein below:-</p> <p><i>“From the Effective Date, all legal or other proceedings by or against the Demerged Company and relating to the Demerged Undertaking, including proceedings under various tax laws, whether pending on the Appointed Date or which are instituted at any time in the future, shall be continued and enforced by or against the Resulting Company after the Effective Date, to the extent legally permissible. If proceedings relating to the Demerged Undertaking are taken against the Demerged Company, the Demerged Company will defend such proceedings on notice or as per advice of the Resulting Company for the benefit of and at the costs of the Resulting Company and the Resulting Company will reimburse and indemnify and keep indemnified the Demerged Company from and against all liabilities, obligations, actions, claims and demands in respect thereof.”</i></p> <p>Also as per the order of NCLT dated 01.05.2019, all liabilities and dues of the demerged undertaking shall stand transferred to DCM Nouvelle Limited. Pursuant to the above, management does not expects the said order to have any material impact on the financial, operation or other activities of the Company as any liability and/or demand arisen under the said assessment order pertains and belongs to DCM Nouvelle Limited.</p> <p>The Company intends to file an appeal before the Appellate Authority against the said Assessment order within time limits prescribed under Income Tax Act including contesting the penalty proceedings initiated u/s 274 read with section 271 AAC(1) of the Act. The said proceedings shall be initiated by the Company on notice or as per the advice of DCM Nouvelle Ltd for their benefit and at their cost and consequences.</p>
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