



DCM SHRIRAM

BSE Limited Phiroze JeeJeeBhoj Towers, Dalal Street, <u>Mumbai - 400 001</u>	National Stock Exchange of India Ltd., “Exchange Plaza”, 5 th Floor, Plot No. C-1, G Block, Bandra-Kurla Complex, Bandra (E) <u>Mumbai – 400 051</u>
SCRIP CODE : 523367	SCRIP CODE : DCMSHRIRAM

Kind Attn : Department of Corporate Communications/Head – Listing Department

Sub : Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Update on material litigation earlier reported.

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI LODR'), as amended, read with SEBI Circular No. SEBI/HO/CFD/CFD/PoD-1/P/CIR/ 2023/123 dated July 13, 2023, and referring to our earlier communication dated August 14, 2023 regarding pendency of material litigations (**Matter 5 – Arbitration matter reg. Chhatru Hydro Power Project**), copy enclosed, it is hereby informed that during the proceedings on February 29, 2024, the Arbitrator has pronounced the award, details of which are as under:

Arbitration matter reg. Chhatru Hydro Project											
a) the details of any change in the status and / or any development in relation to such proceedings;	<p>On February 29, 2024, the Arbitrator has pronounced the award orally and the Govt. of Himachal Pradesh was inter-alia directed to pay the following amounts to the Subsidiary of the Company :</p> <p style="text-align: right;">(Rs. in crores)</p> <table border="1"> <tr> <td>Upfront fees @50% of Claim amount of Rs. 21.87 Cr.</td> <td style="text-align: right;">10.93</td> </tr> <tr> <td>Expenses @ 20% of claim amount of Rs.34.21 Cr.</td> <td style="text-align: right;">6.84</td> </tr> <tr> <td>Arbitrator fees</td> <td style="text-align: right;">0.30</td> </tr> <tr> <td>Interest @10% per annum during the Pendentlite & future period</td> <td style="text-align: right;">6.58</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">24.65</td> </tr> </table>	Upfront fees @50% of Claim amount of Rs. 21.87 Cr.	10.93	Expenses @ 20% of claim amount of Rs.34.21 Cr.	6.84	Arbitrator fees	0.30	Interest @10% per annum during the Pendentlite & future period	6.58	Total	24.65
Upfront fees @50% of Claim amount of Rs. 21.87 Cr.	10.93										
Expenses @ 20% of claim amount of Rs.34.21 Cr.	6.84										
Arbitrator fees	0.30										
Interest @10% per annum during the Pendentlite & future period	6.58										
Total	24.65										
b) in the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings;	NA										

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c) in the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity.	NA This is the award pronounced by the Arbitrator orally and the figures mentioned in table are approx. basis and will be confirmed only after formal written award is received.
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Please take the same on your record.

Thanking you,
Yours faithfully,

For DCM Shriram Ltd.

(Sameet Gambhir)
Company Secretary & Compliance Officer

Dated: March 1, 2024

Encl: As above

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Kind Attn : Department of Corporate Communications/Head – Listing Department

Sub : Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Pendency of material litigation(s), dispute(s) etc.

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI LODR’), as amended, read with proviso to Regulation 30(4)(i) and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, please find the details with respect to pending litigation(s), dispute(s) etc. which become material pursuant to the amended SEBI LODR, as enclosed herewith at **Annexure – I**.

Please take the same on your record.

Yours faithfully,

For DCM Shriram Ltd.

Sameet

Gambhir

(Sameet Gambhir)

Company Secretary & Compliance Officer

Dated: August 14, 2023

Encl: As above

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Annexure - I

Matter 1: Matter before the Division Bench, High Court of Gujarat	
<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>Gujarat Electricity Regulatory Commission brought out a Regulation in 2010 requiring all electricity consumers including captive power plants (CPPs) to consume a minimum specified percentage from energy produced from renewable sources. The percentage varies on YoY basis. The effective/applicable date in respect of CPPs is yet to be notified. Many companies challenged this regulation in High Court of Gujarat. The Company also joined them in June, 2011 as petitioner; and the matter is pending before the Division Bench, High Court of Gujarat.</p> <p>There is no demand, penalty or compensation as on date. As on March 2023, the Company has created a provision of ~Rs.86 crores in the books of accounts. The matter is pending for final hearing since 2019. The amount will increase basis Company's obligation till the matter is settled.</p>
Matter 2: Writ Petition before the High Court of Bombay	
<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>Around June - October 2017, there was an outbreak of Pink Boll Worm infestation of cotton crops across Maharashtra. In December 2017, the Government of Maharashtra (GoM) announced a compensatory package for the affected farmers. The GoM issued show cause notices to several seed companies, including Bioseed, a division of the Company.</p> <p>The first show cause notice (SCN) was served on Bioseed in June 2018 and thereafter several orders were passed and SCNs were received until November 2018, pursuant to which the Company has been directed to pay a total compensation of ~Rs.56.86 crores.</p> <p>Seeds Industries Association of Maharashtra (the "Association") filed a writ petition before the High Court of Bombay on behalf of its member companies <i>inter alia</i> challenging the arbitrary actions of the Controller & Director (Input & Quality Control), Chief Quality Control Officer of the Commissionerate of Agriculture.</p>

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	<p>The said Writ Petition was filed on 31 October 2018 by the Association. On 18 December 2018, High Court of Bombay passed ad-interim order directing the Respondents to only hear and pass orders in matters (of the seed companies) where the documents mentioned in the Impugned SCNs have been supplied to the said seed companies. It was further stated that if any order would come to be passed to the prejudice of a seed company then the same would not be given effect until the next date of hearing.</p> <p>Subsequent to filing of the Writ Petition by the Association, Company became a member of the Association and the Writ Petition was suitably amended. The said amendment was allowed by the Bombay High Court vide order dated 25 February 2019, which inter-alia stated that <i>"Interim order passed on 18 December 2018 shall apply to them if they have filed their reply to show cause notice and already order to their prejudice is not passed"</i>. Therefore, the interim order passed on 18 December 2018 also became applicable on the Company.</p> <p>Since then the matter has been listed on multiple occasions for final hearing but has not been taken up due to paucity of time, but the ad-interim reliefs, have continued.</p>
Matter 3 - 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 currently has on-going Income-tax litigation for AY's (AY 15-16 to AY 18-19) at various appellate forums (viz. Commissioner of Income Tax (Appeals) & Income Tax Appellate Tribunal (ITAT). The material issue involved in litigation, having a likely cumulative tax effect of Rs.188.49 crores, is of transfer pricing adjustments on industrial consumables intra-transferred between units of the Company.</p> <p>The said issue (of transfer pricing adjustments on industrial consumables) has been decided in favour of the Company in AY 14-15 by the Income Tax Appellate Tribunal (ITAT) and forms a favorable precedent for the following years in dispute. Years prior do not involve transfer pricing issues or any other material tax litigation.</p>

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	<p>There is no change in status quo of the matters stated above and they are currently pending before CIT(A) & ITAT.</p>
<p>Matter 4: Arbitration matter regarding dispute with Maharaja Salts</p>	
<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 entered into agreement with Maharaja Salt Works Co. Pvt. Ltd. for supply of industrial grade salt for a period of 5 years @2 Lac MT per year. However, Maharaja Salt did not supply salt hence the dispute arose. Vide notice dated 07.3.2023, the Company called upon Maharaja Salt to pay a sum of ~Rs.48.91 crores towards difference of cost of deficient supply made in previous years and also to handover operational rights of its Versamedi unit alongwith goods lying therein, in terms of the agreement.</p> <p>Maharaja Salt failed to comply with the notice. Both the parties filed petition before Delhi High Court. The High Court appointed Justice P.S. Baghel, Former Judge, Allahabad High Court to arbitrate in the matter. The Company has filed statement of claim against Maharaja Salt claiming inter-alia, damages for non-supply of salt for a sum of ~Rs.48.91 crores. Proceedings are pending before the Arbitrator.</p>
<p>Matter 5: Arbitration matter - Chhatru Hydro Project</p>	
<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>Govt. of HP had allotted Chhatru Hydro Project (126MW) to DCM Shriram Infrastructure Ltd. (a wholly owned subsidiary) in July 2007. The subsidiary company made upfront payment of Rs.21.87 crores and executed Pre-Implementation (PI) Agreement with the Govt. Later on, the Govt. cancelled the project PI Agreement in 2019 and illegally forfeited the upfront premium Rs.21.87 crores. Company invoked arbitration and filed statement of claims before J. Swatanter Kumar, Retd. Judge, Supreme Court, appointed by H.P High Court at Shimla.</p> <p>The subsidiary company has filed claim statement for a sum of Rs.56.08 crores (Rs.21.87 crores towards refund of upfront fee and Rs.34.21 crores towards expense incurred towards project implementation and interest thereon).</p>

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	<p>Arguments have already been advanced by the parties. The matter is pending for clarification/ further arguments before the arbitrator.</p>
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