

E:KRBL/BIBHU/STK_EX_2223/09
11 May 2022

The General Manager Department of Corporate Services BSE Limited Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001	✓	National Stock Exchange of India Limited “Exchange Plaza”, C-1, Block-G Bandra-Kurla Complex Bandra (E), Mumbai-400051
Scrip Code: 530813		Symbol: KRBL Series: Eq.

Dear Sir/Madam,

Subject: Intimation about relief of Income tax Demand

This is with reference to our earlier intimations dated 13 March 2020 and 08 February 2019, regarding the Income tax Demand, pertaining to assessment orders for the Assessment Year ('AY') 2010-11 to AY 2016-17. In this regard we wish to inform you that Hon'ble Income Tax Appellate Tribunal (Hon'ble Tribunal), New Delhi, vide consolidated order dated 09 May 2022 (received by us on 10 May 2022), has granted substantial relief against the impugned tax demand raised by the Income Tax Department ('ITD').

Background

During the year ended 31 March 2019, the Company had received assessment orders along with demand notices under Section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-11 to 2016-17, aggregating to Rs.1269.20 Crores (including interest), which were contested by the Company before CIT (Appeals), New Delhi. During the year ended 31 March 2020, CIT(Appeals) granted partial relief on certain issues in favor of the Company vide orders dated 11 March 2020 and correspondingly, Income tax demand stood reduced to Rs. 98.83 Crores (including interest).

The Company had filed appeals before Hon'ble Tribunal for additions sustained by CIT (Appeals), and correspondingly the ITD had also filed appeals before the Hon'ble Tribunal in respect of the relief allowed by CIT (Appeals).

Now, the Hon'ble Tribunal vide its aforesaid consolidated order has allowed the appeals filed by the Company and dismissed all the appeals filed by the ITD.

Impact of the Order of Hon'ble Tribunal

The Hon'ble Tribunal has granted relief for Income tax demand of Rs. 97.88 Crores, for the appeals filed by the Company and dismissed all the appeals for Income tax demand of Rs. 1170.36 Crores, filed by the ITD for the subject years. As result and once effect of order of Hon'ble Tribunal is given by the ITD, the tax demand would be reduced to approx. Rs. 0.96 Crores.

The Company is evaluating available legal remedies for the Income tax demand of Rs. 0.96 Crores, sustained by the Hon'ble Tribunal.

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The Company will now apply to get refund of Rs. 187.71 Crores, along with interest, out of amount paid to ITD under protest.

Furthermore, as a result, the Contingent Liability towards Disputed Direct Tax matters of Rs. 217.80 Crores, as shown in the Financial Statements of the Company for financial year 2020-21, will be substantially reduced to Rs. 2.19 Crores.

This is for your kind information and records.

Thanking you,

Yours faithfully,
For KRBL Limited

Raman Sapra
Company Secretary

