

E:KRBL/BIBHU/STK_EX_1819/58 February 8, 2019

The General Manager
Department of Corporate Services
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Scrip Code: **530813**

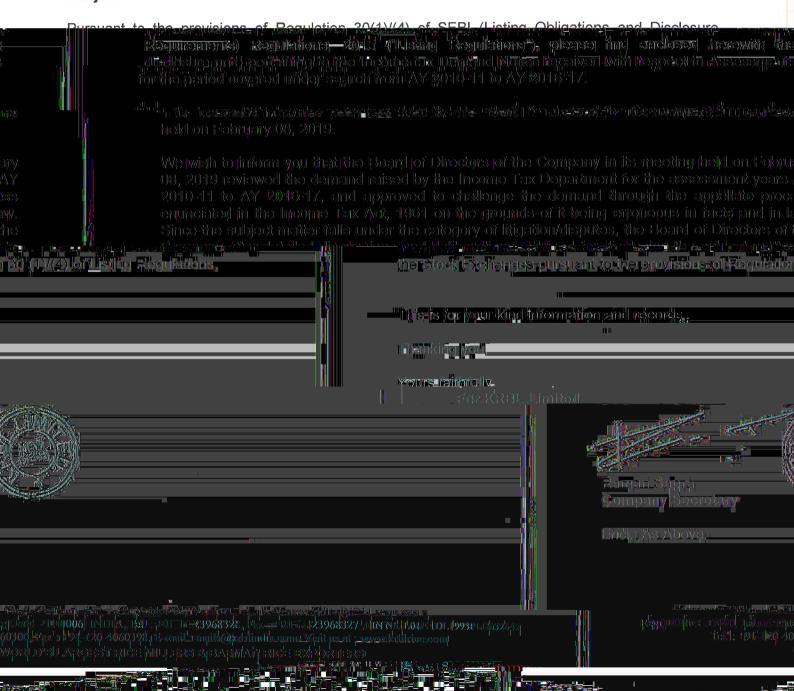
National Stock Exchange of India Limited "Exchange Plaza", C-1, Block-G Bandra-Kurla Complex Bandra (E) Mumbai-400051

Symbol: KRBL

Series: Eq.

Dear Sir/Madam,

Subject: Intimation about Income tax Demand Notice



KRBL Limited

SUB: DISCLOSURE NOTE PERTAINING TO THE INTIMATION ABOUT INCOME TAX DEMAND NOTICE

The Company has received an income tax assessment order pertaining to Assessment years 2010-11 to 2016-17 after taking into account the replies submitted by the Company during the course of Income Tax Assessment proceedings for the above mentioned period.

Background

A search and seizure operation u/s 132 of the Income-tax Act, 1961, was conducted by the Income Tax Department ("Department") from March 30, 2016 to April 1, 2016, on the Company. Subsequently, the Department conducted survey u/s 133A of the Income-tax Act 1961, on May 25, 2017, which was concluded on May 28, 2017. The Intimation pertaining to the search and survey conducted by the Income Tax Department in 2016 and 2017, were communicated to the Stock Exchanges vide intimation dated April 04, 2016 and May 29, 2017, respectively.

The assessment proceedings u/s 153A of the Income-tax Act 1961 have been completed and the Department made additions of Rs. 2,220.79 crores to total income of Company, out of which Rs.1,995.54 crores is on account of disallowance u/s 40A(3) of the Income-tax Act 1961, for paddy purchases from farmers. The above paddy purchase has been duly disclosed in the books of accounts of the respective years and had also been accepted in the assessment proceedings for the respective years. The Department has made total income tax demand of Rs. 757.44 crores and

The Board of Directors, in its meeting held on February 08, 2019, examined the abovementions demand and based on a considered legal assessment, is of the view that the addition was madefined in provisions of the Income tax Act, 1961, since the purchase of paddy, an agricultu continodity, was made by the Company from the farmers in the Mandi Samiti campuses only accordance with the terms of the provisions and practices of U.P. Krishi Utpadan Mandi Sam Adhiniyam, 1964 and rules framed under U.P. Krishi Utpadan Mandi Niyamavali, 1965. Therefore the demand made u/s 153A, majorly on account of disallowance of paddy purchase, is inordinated company and impugned.

Being aggrieved by orders, the Company has preferred appeals before the CIT(A), New Delhi a also requested to grant a stay on the abovementioned demand

The Company astounded with this inordinate demand had also filed Writ Petitions before th Hon'ble High Court has ordere Hon'ble High Court has ordere "mirac restances to the Hon'ble High Court has ordere with the applicable law,

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The Company has been paying all taxes promptly and is taking all the necessary legal steps to defend the case. The management, based on legal assessment, is confident that it has a strong case in its favour.

