



Date: August 23, 2024

**National Stock Exchange of India Limited**

Exchange Plaza, C – 1, Block G,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai-400051

**Symbol: FIRSTCRY**

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

**Scrip Code: 544226**

Dear Sir/Madam,

**Sub: Intimation under 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**

**Re: Notices under clause (b) of section 148A of the Income Tax Act from Income Tax Department for A.Y. 2018-19, A.Y. 2019-20, A.Y. 2020-21 and A.Y. 2021-22.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Brainbees Solutions Limited (“the Company”) has received notices under clause (b) of section 148A of the Income Tax Act from Income Tax Department (“the Department”) for A.Y. 2018-19, A.Y. 2019-20, A.Y. 2020-21 and A.Y. 2021-22.

The details as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are attached as **Annexure - A**.

The Company strongly believes that the claim of ESOP expenses by the Company in its tax returns for above mentioned assessment years is in accordance with the provisions of the Income-tax Act, 1961 and are as per judicial precedents by various courts & advice from our external tax advisors. Furthermore, similar claim of ESOP expenses in the past has been allowed by Honourable Commissioner of Income Tax (Appeals) for AY 2015-16. Therefore, the Company believes that no income chargeable to tax has escaped the assessment. At this stage, no order of any kind has been passed and as mentioned above,

**Brainbees Solutions Limited**

**Corporate/Registered Office:-** Rajashree Business Park, Plot No. 114, Survey No. 338, Tadiwala Road, Nr. Sohrab Hall, Pune – 411001 **Contact:** +91-8482989157 **Email Id:** legal@firstcry.com **Website:** www.firstcry.com

**CIN: U51100PN2010PLC136340**



the Company believes that it has a strong case on merit. The Company will be filing an appropriate response to the Show Cause Notices in due course.

We would like to emphasize that the Company has always maintained high standards of integrity, corporate governance, and compliance in all aspects of its operations, including the prompt payment of taxes. We remain committed to upholding these standards.

The Company will provide regular updates on this matter to the exchanges. This is for your information and dissemination.

Kindly take the above on record.

Thanking You,

Yours Faithfully,

**For Brainbees Solutions Limited**

**Neelam Jethani**  
**Company Secretary and Compliance Officer**

**Brainbees Solutions Limited**

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**Annexures A**

**Details in terms of Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular No. SEBI/HO/CFD/CFDPoD-1/P/CIR/2023/123 dated 13th July, 2023:**

<p><b>Brief details of dispute/litigation - viz.</b></p> <ul style="list-style-type: none"> <li>• <b>name(s) of the opposing party -</b></li> <li>• <b>court/tribunal/agency where litigation is filed -</b></li> <li>• <b>brief details of dispute/litigation -</b></li> </ul>	<p>Income Tax Department, Pune</p> <p>NA</p> <p>On August 23, 2024, the Department has issued Show cause notices under clause (b) of section 148A of the Act for the A.Y. 2018-19, A.Y. 2019-20, A.Y. 2020-21 and A.Y. 2021-22.</p> <p>Notices dated 23.08.2024 requires that ESOP expenses of Rs. 2,76,71,599 /- for A.Y. 2018-19, Rs. 8,98,57,000/- for A.Y. 2019-20, Rs. 23,13,38,156/- for A.Y. 2020-21 and Rs. 44,38,60,546/- for A.Y. 2021-22 are liable to be disallowed and added back to the total income. Therefore, the company is requested to show cause as to why a notice under section 148 of the Income tax Act, 1961 should not be issued to tax the income escaped from taxation for aforementioned amounts.</p>
<p><b>Expected financial implications, if any, due to compensation, penalty etc.;</b></p>	<p>The financial impact cannot be determined at this stage as no order of any kind has been passed.</p> <p>The Company strongly believes that the claim of ESOP expenses by the Company in its tax returns for above mentioned assessment years is in accordance with the provisions of the Income-tax Act, 1961 and are as per judicial precedents by various courts &amp; advice from our external tax advisors. Furthermore,</p>

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	<p>similar claim of ESOP expenses in the past has been allowed by Honourable Commissioner of Income Tax (Appeals) for AY 2015-16. Therefore, the Company believes that no income chargeable to tax has escaped the assessment. At this stage, no order of any kind has been passed and as mentioned above, the Company believes that it has a strong case on merit.</p> <p>The Company will be filing an appropriate response to the Show Cause Notices in due course.</p>
<b>Quantum of claims, if any;</b>	<p>As per the Department's findings, that ESOP expenses of Rs. 2,76,71,599 /- for A.Y. 2018-19, Rs. 8,98,57,000/- for A.Y. 2019-20, Rs. 23,13,38,156/- for A.Y. 2020-21 and Rs. 44,38,60,546/- for A.Y. 2021-21 are liable to be disallowed and added back to the total income and have escaped assessment.</p>

Yours Faithfully,

**For Brainbees Solutions Limited**

**Neelam Jethani**  
**Company Secretary and Compliance Officer**