

24th December, 2024

The Secretary,
Bombay Stock Exchange Ltd (BSE)
Phiroze Jheejheebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Scrip Code - 543308
ISIN: INE967H01025

The Secretary,
National Stock Exchange, Exchange
Plaza, 5th Floor Plot No.C/1, 'G' Block
Bandra - Kurla Complex
Mumbai - 400 051.
Symbol - KIMS
ISIN: INE967H01025

Dear Sir/ Madam,

Sub: Disclosure under regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and SEBI Circular dated July 13, 2023- Update on the order received u/s 250 of Income Tax Act, 1961-Reg.

The Company, in its earlier intimation dated 16th April 2024, had informed the exchanges regarding the receipt of a demand notice under section 156 of the Income Tax Act, 1961 (“IT Act”), which determined a demand of Rs. 306.97 crores against M/s. SPANV Medisearch Lifesciences Private Limited (“SPANV”), a subsidiary of the Company.

In this regard, the Company would like to further update that an appeal was filed under appeal No. NFAC/2021-22/10368841 against the order dated 29th March 2024, issued under section 144 of the Income Tax Act, 1961 by the National Faceless Assessment Centre (NeFAC), hereinafter referred to as the ‘AO’, for the assessment year 2022-23.

In the appeal process, the required documents and information were submitted to the Commissioner of Income-tax (Appeals). Subsequently, an order was passed under section 250 of the Income Tax Act, 1961. The order deems the case appropriate for remand back to the AO for making a fresh assessment.

Additionally, the AO has been directed to provide a further opportunity for a hearing to the assessee company and to conduct a fresh assessment. The assessee company is also required to submit all documentary evidence that was presented during the appeal stage, as well as any additional documents that may be requested by the AO for the purpose of the fresh assessment. Accordingly, the appeal is set aside for statistical purposes.



A copy of the order passed under section 250 of the Income Tax Act, 1961 is enclosed as “Annexure-A,” which was received by the Company today, 24th December 2024, at 13:52 PM (IST).

This is for your information and records.

Thanking you,
Yours truly

For Krishna Institute of Medical Sciences Limited

BHASKARA
RAO BOLLINENI

Digitally signed by
BHASKARA RAO BOLLINENI
Date: 2024.12.24 19:38:23
+05'30'

Bhaskara Rao Bollineni
Managing Director-KIMS

Krishna Institute of Medical Sciences Limited

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CIN: L55101TG1973PLC040558



भारत सरकार / GOVERNMENT OF INDIA
 वित्त मंत्रालय / MINISTRY OF FINANCE
 आयकर विभाग / INCOME TAX DEPARTMENT
 राष्ट्रीय पहचानविहीन अपील केन्द्र / NATIONAL FACELESS APPEAL CENTRE (NFAC)
 दिल्ली / DELHI

To, SPANV MEDISEARCH LIFESCIENCES PRIVATE LIMITED 44 Parwana Bhawan , Kingsway Nagpur 440001 ,Maharashtra India	
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PAN: AAZCS7904H	AY: 2022-23	Dated: 24/12/2024	DIN & Order No : ITBA/NFAC/S/250/2024-25/1071520343(1)
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Order u/s 250 of Income Tax Act,1961

Instituted on **26/04/2024** from the order of **NGP-C-(2)(1)** dated 29/03/2024

Appeal No	NFAC/2021-22/10368841
Status/Deductor Category	Company
Residential Status	Resident
Nature of Business	Others
Section under which the order appealed against was passed	144
Date of Order under which the order appealed against was passed	29/03/2024
Income/Loss Assessed (in Rs .)	3696993330
Tax/Penalty/Fine/Interest Demanded (in Rs.)	0
Present for the appellant	Not Applicable
Present for the Department	Not Applicable

The appeal was instituted on 26/04/2024 against the Order dated 29/03/2024 u/s. 144 of the Income-tax Act 1961 (the Act) passed by the NeFAC (hereinafter referred to as 'the AO'), for the assessment year 2022-23. As per Appeal Form No. 35, the date of service of the order was 29/03/2024. Subsequently, the appeal was migrated to the National Faceless Appeals Centre in terms of Notification No. 76/2020, dated 25.09.2020, issued from F.No.370142/33/2020-TPL/SO3296(E) by Central Board of Direct Taxes, Department of Revenue, Ministry of Finance which is

Note:- The website address of the e-filing portal has been changed from www.incometaxindiaefiling.gov.in to www.incometax.gov.in.

further amended by the Faceless Appeal Scheme, 2021 vide Notification No. S.O. 5429(E) dated 28.12.2021.

2. Discussion, Reason & Decision:

2.1. An assessment order was passed *ex-parte* u/s. 144 by the AO in assessee's case for AY 2022-23. In such order, the AO added Rs. 15,34,407/-, on account of fresh share capital, issued by the assessee during the year, along with Rs. 172,32,98,119/- as premium received, in connection with the raising of share capital. The AO also added a sum of Rs. 145,39,06,650/- as unsecured loans, where the genuineness of transaction, identity and credit-worthiness of the creditors remained unexplained, due to non-compliance by the assessee to explain such source before the AO, during the assessment proceedings.

2.2. Aggrieved with the order, the assessee instituted the present appeal on 26/04/2024 and on the same date, they also submitted an application for rectification u/s. 154 before the AO. In such order u/s. 154, the AO allowed the loss from Business & Profession for a sum of Rs. 51,82,54,158/- to carry forward to the next year, but the addition made u/s. 68 by the AO in the original assessment order on the issue of fresh capital introduced was again added back at a reduced figure of Rs. 37,36,78,129/- and kept the addition u/s. 68, on account of unsecured loan, unaltered for Rs. 145,39,06,650/-.

2.3. Against the notice issued to the assessee, during the appeal proceedings, the assessee stated that the share capital, along with share premium, was issued on 4 different dates. On 05.05.2021, 9,16,309 shares were issued to Spark Mall & Parking (P) Ltd. at a price of Re. 1/- as face value and Rs. 232/- as premium. Such issue of shares was based on the valuation of the shares as made by a Chartered Accountant through his report dated 23.04.2021, where under the DCF Method, the shares were valued for Rs. 233/-, per share.

On 14.06.2021, further 3,53,953 shares were issued with the same face value of Re. 1/- and premium of Rs. 232/- and such shares were issued to 10 allottees as a rights' issue, as all these share-holders were existing share-holders of the Company.

Thereafter, on 28/01/2022, further 1,97,448/- shares were issued with face value of Re. 1/-, but premium was charged for Rs. 299/-, per share, in terms of a valuation of the shares, as valued by the same Valuation Officer, using DCF Method vide report dated 15/12/2021. The shares were issued to 23 allottees. Finally, on 30/03/2022, 66,667 shares were issued again to the Spark Mall & Parking (P) Ltd.

with face value of Re.1/- and premium of Rs. 299/-. In terms of the valuation report dated 15/12/2021. The assessee also claimed that in respect of the shares, issued to Spark Mall & Parking (P) Ltd., no cash was received from the said share-holder and actually the sundry creditor value of unsecured loan was converted to equity. In respect of the other parties, to whom shares were issued had been through banking channel and after maintaining the requisite formalities with Registrar of Companies.

In respect of the unsecured loans, the assessee claimed that, its opening balance of unsecured loan as on 01/04/2021 was Rs. 75,22,57,878/-. During the year, it raised further unsecured loan from nine different entities for a sum of Rs. 145,39,06,650/-. During the year, it made partial or complete repayment in case of 7 entities, including conversion of unsecured loan to equity, in respect of Spark Mall & Parking (P) Ltd. The total such repayment was for Rs. 148,46,05,199/-. The assessee submitted complete details of the entities from whom it received the unsecured loan and I find that two of such creditors were promoters-directors of the assessee Company.

I find that the assessee possesses documentary evidences, absence of which, before the AO, has resulted in the *ex-parte* addition made by the AO.

In an additional Ground, taken during the appeal stage, the assessee claimed that the matter may be remanded back to the file of the AO for making the assessment afresh, in terms of 1st proviso below Section 251.

I have considered the submitted documents during the appeal stage and I agree to the proposal as mooted by the assessee in their additional Ground taken during the appeal. Therefore, I find it deem to be fit as a case to be remanded back to the file of the AO for making assessment afresh. The AO is directed to provide further opportunity of being heard to the assessee Company and make a fresh assessment in this case. The assessee is also directed for submission of all documentary evidences as have been provided during the appeal stage before the AO and all such additional documents as may be required by the AO for making the assessment afresh.

3. The appeal is set aside for statistical purpose.

**Commissioner of Income-tax (Appeals)
Income Tax Department**