



Novartis India Limited
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March 6, 2020

The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Dear Sir / Madam,

Subject: Intimation under Reg. 30 of SEBI (LODR) Regulations 2015 pertaining to notice of demand under the Income Tax Act, 1961

Ref.: Scrip Code 500672

This is to inform that the Company has received certain notices of demand from the office of 'Joint Commissioner of Income Tax (OSD) (TDS)' in respect of Orders passed under sec. 201(1) / 201(1A) of the Income Tax Act, 1961 pertaining to short deduction of TDS (Tax Deduction at Source) on certain transactions of the Company.

The said demand notices and orders pertain to seven assessment years beginning 2013-14 upto 2019-20 and an aggregate demand arrived for all those years is to the tune of Rs. 169,52,25,130 (including interest portion). The main contention of the Jt. Commissioner is that the Company has not deducted TDS on discounts given to the Stockists, that there was delay in deduction of TDS on performance-based shares (ESOP's), and that no TDS was deducted on the accrual of interest on outstanding payments to MSME's.

The Company believes that the learned Jt. Commissioner while passing the orders has not considered several submissions made by the Company including various judicial and jurisdictional pronouncements furnished in support of the Company's contentions.

Additionally, the Company was surprised to note that said notices of demand / orders were raised for seven consecutive assessment years which is unusual. While all these orders were received on January 27, 2020, the management has in good faith been evaluating them based on applicable facts, contentions raised and reviewed various judicial pronouncements in that context. Accordingly, a considerable time was spent on internal assessment as well as on evaluating the Company's legal position vis a vis various legal remedies available against such orders.

The Company has now filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai along with detailed submissions.

Based on thorough tax and legal assessments, the Company's belief is that it has strong case and merits in its favour and the demands raised in above orders are grossly erroneous and are liable to be set aside by appellate authorities.

You are requested to take note of the above information in your records.

Thanking you

For **Novartis India Limited**


Trivikram Guda
Company Secretary & Compliance Officer