

MEGASTAR FOODS LTD.

Date: August 11, 2023
Registered Office : Plot No. 307 Industrial Area Phase-2, Chandigarh-160 002
Works : Kurali-Ropar Road, Village Solkhian-140 108, Distt. Roopnagar, Punjab
Ph. : +91 1881 240401 (6 Lines) E-mail : info@megastarfoods.com



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| To, The Manager Listing Department BSE Limited Floor 25 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001, Maharashtra BSE Code: 541352 | To, The Manager Listing Department National Stock Exchange of India Limited “Exchange Plaza”, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400051, Maharashtra Symbol: MEGASTAR Series: Equity |
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Dear Sir/Madam,

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that, The Company has received a Show Cause Notice dated July 27, 2023 yesterday through mail i.e. Thursday, August 10, 2023 from Directorate General of GST Intelligence, Chandigarh Zonal Unit, Central Revenue Building, Sector-17C, Chandigarh-160 017 (“GST Authority”) for the period from July 2017 to March 2022, alleging a tax demand of ₹ 8,05,76,344/- consisting of Rs. 1,92,58,062 /- towards Central GST and Rs. 1,92,58,062/- towards State GST and Rs 4,20,60,221/- towards IGST on a total taxable value of Rs. 1,61,15,26,886 /- under Section 74 of the Central Goods and Services Tax Act, 2017 (“CGST Act”) read with Section 20 of the Integrated Goods and Services Tax Act, 2017 (“IGST Act”) and corresponding Section 74 of the Punjab GST Act, 2017; along with interest under Section 50 of the CGST Act read with Section 20 of the IGST Act, 2017 and corresponding Section 50 of the Punjab GST Act, 2017 and penalty under Section 74 of the CGST Act, 2017 read with Section 20 of the IGST Act, 2017 and corresponding Section 74 of the Punjab GST Act, 2017.

The Company would be filing its response against the said Show Cause Notice within the prescribed timeline. Further The Company based on its preliminary assessment of the SCN, is confident of a favorable outcome in the said matter.

The details as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed herewith as an Annexure 1.

We request you to kindly take the same on records.

Thanking you.

Yours faithfully,
For and on behalf of,
Megastar Foods Limited

Vikas Gupta
Managing Director
DIN: 05123386

www.megastarfoods.com

Certified by:



Encl: A/a

Annexure 1

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| Name of the authority | Directorate General of GST Intelligence - Chandigarh Zonal Unit |
| Details of fines, penalties, dues, etc. including amount; & reasons for delay or default in payment | Show Cause Notice requiring the Company to show cause as to why GST amounting to ₹8,05,76,344/- consisting of Rs. 1,92,58,062 /- towards Central GST and Rs. 1,92,58,062/- towards State GST and Rs 4,20,60,221/- towards IGST on a total taxable value of Rs. 1,61,15,26,886 /- should not be demanded and recovered under Section 74 of the CGST Act, 2017 read with Section 20 of the IGST Act, 2017 and corresponding Section 74 of the Punjab GST Act, 2017; along with interest under Section 50 of the CGST Act read with Section 20 of the IGST Act, 2017 and corresponding Section 50 of the Punjab GST Act, 2017 and penalty under Section 74 of the CGST Act, 2017 read with Section 20 of the IGST Act, 2017 and corresponding Section 74 of the Punjab GST Act, 2017. |
| Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority | Thursday, August 10, 2023 |
| Details of the violation(s)/contravention(s) committed or alleged to be committed; | Show Cause Notice alleges the following: <ol style="list-style-type: none">1) The Company had not paid their entire tax liability within the prescribed due dates in respect of taxable supply of services and goods made during the period as per the relevant provisions of the CGST Act 2017, IGST Act, 2017 and Punjab GST Act, 2017; read along with the relevant rules thereunder.2) The Company had failed to file / furnish periodical GSTR-1 and GSTR-3B returns correctly during the period, within the prescribed due dates as per the relevant provisions of the CGST Act 2017, IGST Act, 2017 and Punjab GST Act, 2017; read along with the relevant rules thereunder. |

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| Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible. | There is no financial or operational impact of the order to the company. However GST investigation wing has raised the demand for ₹8,05,76,344 and it is being investigating authority, however we are hopeful that at the next level i.e adjudicating level where the interpretation of law is being taken up, the demand will be dropped on the merits as per prevailing law as on date. |