



Redefining Business
Services

February 26, 2025

To: BSE Limited (BSE) Corporate Relationship Department Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai- 400001 BSE Scrip Code: 543996	To: National Stock Exchange of India Limited (NSE) Listing Department Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai — 400051 NSE Code: UDS
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Dear Sir / Madam,

Sub.: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in reference to our earlier communication dated February 23, 2025, regarding the order received from the office of the Deputy Commissioner, Chennai, Tamil Nadu, for an amount of Rs. 6,52,27,852/- under Section 73 of the CGST Act, 2017, vide reference no: ZD330225231416S.

We would like to provide you with a detailed clarification on the same. The specifics of the order and associated details are enclosed herewith as **Annexure-A** for your information and records.

For Updater Services Limited

Sandhya Saravanan
Company Secretary and Compliance Officer

Updater Services Limited (earlier Updater Services Pvt Ltd)
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CIN L74140TN2003PLC051955



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Annexure-A

Dear Valued Shareholders and Esteemed Members of the Investment Community

We wanted to bring to your attention that GST Department has raised a demand for Rs. 6,52,27,852, disallowing the reversal of GST on account of the credit notes we have issued due to routine contractual adjustments. They have denied these credit notes on the grounds that we have not demonstrated that our clients have reversed the corresponding input tax credits (ITC) on their end. We are confident that we can appeal and get a favourable outcome

Here's why we're confident in a favourable outcome, as the department has referenced Section 15 of the GST Act and a recent circular pertaining to discounts. However, our situation doesn't involve discounts; it involves a reduction in the value of supply due to service deficiencies, which falls squarely under Section 34 of the GST Act. Unlike Section 15, Section 34 lacks any provision mandating that buyers must reverse their ITC when we issue a credit note for service deficiencies. This means the department's demand doesn't have a legal leg to stand on under the current legislation. Article 265 of the Constitution is clear: no tax can be levied or collected without the authority of law. We believe the department's stance overlooks this fundamental principle. Interestingly, the Finance Bill of 2025 proposes an amendment to Section 34 to include a requirement for ITC reversal by the buyer. The fact that this is a proposed change underscores that no such requirement exists at present. It's a forward-looking adjustment, not a retroactive one, reinforcing our interpretation of the current law.

The reliance on Section 15 and the associated circular was not mentioned in the original show cause notice. Introducing these elements at this stage not only deviates from the prescribed procedures under Section 75 of the GST Act but also violates the principles of natural justice.

Our legal team is diligently working and we are proactively addressing this matter by filing a writ petition before the Honourable Madras High Court. Opting for a writ allows us to directly challenge the jurisdictional and procedural discrepancies, rather than getting entangled in a prolonged appeals process.

Should you have any questions or wish to discuss this further, please don't hesitate to reach out to our investor relations team. Open communication is a cornerstone of our ethos, and we're here to engage with you.

Thank you for your trust and confidence.

For and on behalf of Updater Services Limited

Sandhya Saravanan
Company Secretary and Compliance Officer

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