



## BEFORE THE COMPETITION COMMISSION OF INDIA

(AUTHORITY UNDER SECTION 171 of THE CENTRAL GOODS & SERVICES TAX ACT, 2017)

I. O. No. : 01/2023  
Date of Institution : 23.01.2023  
Date of Order : 10.07.2023

### In the matter of:

Director General of Anti-Profitteering, Central Board of Indirect Taxes & Customs, 2<sup>nd</sup> Floor, Bhai Vir Singh Sahitya Sadan, Bhai Vir Singh Marg, Gole Market, New Delhi-110001.

Applicant

Versus

M/s. Sanghvi Premises Pvt. Ltd., 401, Rangoli Time Complex, Adjoining Premier Theater, Dr. B. A. Road, Parel (E), Mumbai-400012.

Respondent

Quorum:-

1. Smt. Ravneet Kaur, Chairperson,
2. Dr. Sangeeta Verma, Member,
3. Sh. Bhagwant Singh Bishnoi, Member.

### ORDER

1. The present Report dated 24.01.2023 has been received from the Director General of Anti-Profitteering (DGAP) after a detailed investigation under Rule 129

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- (6) of the Central Goods & Service Tax (CGST) Rules, 2017. The brief facts of the case are that the erstwhile National Anti-Profiteering Authority (NAA) in the case of M/s Sanghvi Premises Pvt. Ltd., (Respondent) vide Para 19 of the Order No. 48/2022 dated 26.07.2022 had directed the DGAP to investigate other Projects/Blocks being constructed by the Respondent under GST Registration No. 27AAACL05981D1ZM, under Rule 133(5) of the CGST Rules, 2017 and submit his report to the NAA for determination whether the Respondent was liable to pass on the benefit of ITC in respect of all the other Projects/Blocks to the buyers, or not, as per the provisions of Section 171(1) of the CGST Act, 2017.
2. Accordingly, the DGAP had requested the Respondent to submit the details of all the projects constructed by him under the GST Registration No. 27AAACL05981D1ZM. Profiteering in respect of the project "Sanghvi Solitaire" which was registered under the above Registration Number had already been determined by the NAA vide its Order dated 26.07.2022. The DGAP has stated that the period covered during the current investigation was from 01.07.2017 to 30.06.2022.
3. The DGAP in his report has stated that the Respondent has submitted that he was a private limited company which was mainly providing construction services and was registered with the Service Tax Department in the pre-GST regime vide Registration No. AAACL0598DSD002. In the GST regime he was registered with the GST Department under GST No. 27AAACL0598D1ZM, under the directorship of the following persons: -

Sr. No.	Name	Designations
1	Rakesh Sanghvi	Director

2	Shailesh Sanghvi	Director
3	Ramesh Sanghvi	Director
4	Prithviraj Sanghvi	Director

4. The Respondent has also stated that under GST No. 27AAACL0598D1ZM, he had executed multiple projects which were started in the pre-GST regime. However, due to some reasons, w.e.f. 01.04.2019 he had taken 3 more GST registrations under the same PAN No. as is detailed below: -

Name of the Company	Director	GST No.
Sanghvi Premises Private Limited	Rakesh Sanghvi	27AAACL0598D3ZK
Sanghvi Premises Private Limited	Shailesh Sanghvi	27AAACL0598D2ZL
Sanghvi Premises Private Limited	Ramesh Sanghvi	27AAACL0598D4ZJ
Sanghvi Premises Private Limited	Prithviraj Sanghvi	27AAACL0598D1ZM

5. However, w.e.f. 01.04.2019 vide GST No. 27AAACL0598D3ZK which was under the Directorship of Mr. Rakesh Sanghvi having his registered office at the same premises i.e. 403, 401A, 4, Rangoli Time Complex, Dr. B. A. Road, Parel, Mumbai-40001 the following projects were being executed: -

1. Sanghvi Solitaire
2. Sanghvi Valley
3. Sanghvi Heights



6. The DGAP has further stated that the Respondent vide his letter dated 11.01.2023 submitted partial documents i.e. the GSTR-1 & GSTR-3B Returns from July, 2017 to August, 2021 for the GST No. 27AAACL0598D1ZM. The DGAP observed from the said GSTR-3B Returns that the Respondent had availed Rs. 12,72,39,911/- (including the ITC for the project 'Sanghvi Solitaire' of Rs. 1,03,72,468/-) as the total Input Tax Credit for the period from July 2017 to December 2020 and that the Respondent had filed 'Nil' returns for eight months i.e. from January, 2021 to August, 2021 for the GSTIN No. 27AAACL0598D1ZM which had got cancelled suo-moto on 19.01.2022 (reason for cancellation of GST registration was shown as failure to furnish returns for a continuous period of six months).
7. The DGAP has also reported that as per the letter dated 11.01.2023 of the Respondent it has been revealed that he has divided projects under Registration No. 27AAACL0598D1ZM into three shares and had taken additional 3 GST registrations under the same PAN No. from April, 2019. Thus, four GST registration nos. were working parallelly till the date of cancellation of GST No. 27AAACL0598D1ZM on 19.01.2022. On going through the print obtained from the website of Maharashtra Real Estate Regulatory Authority (RERA) in respect of M/s Sanghvi Premises Pvt. Ltd., the DGAP has found that there were 12 registrations in the name of the Respondent which might fall in the purview of investigation under Section 171 of the CGST Act, 2017. The details of these 12 projects have been given below:-

S. No.	Project Name	Promoter Name
1.	Sanghvi Evana	Sanghvi Premises Pvt. Ltd.
2.	Sanghvi Solitaire (NAA has already passed Order No. 48/2022 dated 26.07.2022 & confirmed profiteered amount of Rs. 54,14,439/-)	Sanghvi Premises Pvt. Ltd.
3.	Sanghvi S3 Ecocity Woods	Sanghvi Premises Pvt. Ltd.
4.	Sanghvi S3 Ecocity Orchid	Sanghvi Premises Pvt. Ltd.
5.	Sanghvi Parsssva City	Sanghvi Premises Pvt. Ltd.
6.	Sanghvi S3 Paradise-Phase-I	Sanghvi Premises Pvt. Ltd.
7.	Sanghvi Valley A1 A2	Sanghvi Premises Pvt. Ltd.
8.	Sanghvi Heights	Sanghvi Premises Pvt. Ltd.
9.	Sanghvis Shri Parrsssva City 15-16	Sanghvi Premises Pvt. Ltd.
10.	S3 Legend	Sanghvi Premises Pvt. Ltd.
11.	Della Monte	Sanghvi Premises Pvt. Ltd.
12.	Sanghvi Heights Phase-2	Sanghvi Premises Pvt. Ltd.

The DGAP has further reported that from the RERA website, it was not clear which project fell under which GST Registration No. As per the letter of Sh. Rakesh Sanghvi, 3 projects viz. Sanghvi Solitaire, Sanghvi Valley and Sanghvi Heights being executed under GST No. 27AAACL0598D33ZK were under him. It could not be ascertained that the remaining 9 projects which were reflected on the RERA website were being executed under which GST registration and under whose management.

8. The DGAP has also submitted that as per the NAA's Order dated 26.07.2022 GST Registration No. 27AAACL0598D1ZM was to be investigated under Rule



133(5) of the CGST Rules, 2017 for other projects of the Respondent but the DGAP has found that this GST Registration No. (27AAACL0598D1ZM) had got cancelled suo moto on 19.01.2022. Further, the Respondent had single GST Registration No. 27AAACL0598D1ZM for all the projects till March, 2019 but he had not provided any details of CENVAT Credit/Input Tax Credit, total sold area and unsold area, homebuyers list and turnover projects wise. However, from 1st April, 2019 3 more GST registrations under the same PAN No. were taken but the Respondent had not provided the details which project fell under which GST Registration No. It also could not be ascertained that the taxable value and input tax credit availed till December, 2020 shown in GSTR-3B Return by the Respondent for the GST Registration No. 27AAACL0598D1ZM pertained to which of the projects.

9. The DGAP has further submitted that the NAA vide Para 19 of its Order No. 48/2022 dated 26.07.2022 had given direction to investigate the Respondent (M/s Sanghvi Premises Pvt. Ltd.) for the projects registered under the GST No. 27AAACL05981D1ZM which had got cancelled suo moto on 19.01.2022. Thus, in view of the above circumstance, the DGAP could not investigate the other 3 GST Registration Nos. (i) 27AAACL0598D3ZK (ii) 27AAACL0598D2ZL (iii) 27AAACL0598D4ZJ suo-moto without direction from the Authority. Therefore, to comply with the direction issued vide above order of the NAA, it was necessary to investigate all the 3 new GST Registration Nos. (i) 27AAACL0598D3ZK (ii) 27AAACL0598D2ZL (iii) 27AAACL0598D4ZJ along with the GST Registration No. 27AAACL05981D1ZM.

10. This Commission has carefully considered the Report dated 24.01.2023 of the DGAP and the other material placed on record and it has been revealed that the Respondent was having single GST registration No. 27AAACL05981D1ZM till 19.01.2022 which got cancelled suo moto due to non-filing of Returns by the Respondent for six months continuously. Moreover, the Respondent had single GST Registration No. 27AAACL0598D1ZM for all the projects till March, 2019. Thereafter, he had taken 3 more GST registrations under the same PAN No. as is detailed below: -

Name of the Company			GST No.
Sanghvi Limited	Premises	Private	27AAACL0598D3ZK
Sanghvi Limited	Premises	Private	27AAACL0598D2ZL
Sanghvi Limited	Premises	Private	27AAACL0598D4ZJ
Sanghvi Limited	Premises	Private	27AAACL0598D1ZM

11. It is also revealed that the Respondent is executing 12 projects under the above 3 registrations under the Brand Name of the M/s Sanghvi Premises Pvt. Ltd. However, the DGAP could not investigate the other 3 GST Registration Nos. (i) 27AAACL0598D3ZK (ii) 27AAACL0598D2ZL (iii) 27AAACL0598D4ZJ suo-moto since there was no such direction issued by the NAA vide Order No. 48/2022 dated 26.07.2022 and the DGAP was only directed to investigate the GST Registration No. 27AAACL05981D1ZM of the Respondent.

12. Based on the above facts this Commission is of the view that the Respondent is apparently liable to pass on the benefit of ITC to the homebuyers of the above 12 projects being executed under the above 3 GST Registration Nos. in addition



to the projects which are being executed by him under the GST Registration No. 27AAACL05981D1ZM about which the NAA has already directed the DGAP to initiate investigation vide its order dated 26.07.2022. Accordingly, this Commission directs the DGAP to investigate all the projects which are being executed by the Respondent under the 3 new GST Registration Nos. (i) 27AAACL0598D3ZK (ii) 27AAACL0598D2ZL and (iii) 27AAACL0598D4ZJ along with the GST Registration No. 27AAACL05981D1ZM and submit his Report in terms of Section 171 of the Act read with Rule 133(5) of the CGST Rules, 2017.

13. The Respondent is also directed to extend all necessary assistance to the DGAP and furnish him necessary documents or information as required during the course of the investigation.

14. Further, the Jurisdictional Commissioners CGST/SGST are also directed to assist the DGAP in the matter to conclude this investigation.

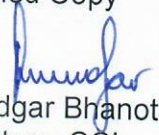
15. A copy of this order be supplied to all the parties.

Sd/-  
(Ravneet Kaur)  
Chairperson

Sd/-  
(Bhagwant Singh Bishnoi)  
Member

Sd/-  
(Sangeeta Verma)  
Member

Certified Copy

  
(Jyoti Jindgar Bhanot)  
Secretary, CCI

F. No. M/AP/05/ Sanghvi-OP/2023-Sectt. 414 - 416 Dated: 20.07.2023

Copy to:-

1. M/s Sanghvi Premises Pvt. Ltd., 401, Rangoli Time Complex, Adjoining Premier Theater, Dr. B. A. Road, Parel (E), Mumbai-400012.
2. Directorate General of Anti-Profiteering, 2<sup>nd</sup> Floor, Bhai Vir Singh Sahitya Sadan, Bhai Vir Singh Marg, New Delhi-110001.
3. Guard File.