

GSTAT

Single Bench Court No. 2

NAPA/104A/PB/2025

DG ANTI PROFITEERING, DIRECTOR GENERAL OF ANTI-
PROFITEERING, DGAP

.....Appellant

Versus

ST. ANGELO'S VNCT VENTURES LLP

.....Respondent

Counsel for Appellant

Counsel for Respondent

Hon'ble Justice Sh. Mayank Kumar Jain, Member (Judicial)

Form GST APL-04A

[See rules 113(1) & 115]

Summary of the order and demand after issue of order by the GST Appellate Tribunal

whether remand order: Yes

Order reference no.: ZA070010226000036H

Date of order: 06/02/2026

1.	GSTIN/Temporary ID/UIN - 33AANFV8620Q1ZE	
2.	Appeal Case Reference no. - NAPA/104A/PB/2025	Date - 26/06/2025
3.	Name of the appellant - DGAP, dgap.cbic@gov.in, 011-23741544	
4.	Name of the respondent - 1. St. Angelo's VNCT Ventures LLP, financevnct@gmail.com, 9600089070	

5.	Order appealed against -	
	(5.1) Order Type -	
	(5.2) Ref Number -	Date -
6.	Personal Hearing - 06/02/2026 20/01/2026 17/12/2025 17/11/2025 13/10/2025	
7.	Order in brief - Case is sent back to the DGAP for re-investigation under Rule 133(4).	
Summary of Order		
8.	If remanded with directions:	
	a) Remanded to: DGAP	
	b) Directions subject to which remanded, if any: Re-investigation under Rule 133(4).	
9.	Type of order: Sent for re-investigation to DGAP	

Place: DELHI PB

Date: 06.02.2026

ORDER

1. A complaint was made by Shri Selvakumar V, TC 48/934 (3), Rama Nilayam, Ambalathara, Thottam, Foonthura P.O., Thiruananthapuram, Kerala-695026, to Standing Committee, alleging profiteering in respect

of construction services supplied by the Respondent in the project "VNCT Lotus Villas. It was alleged that the respondent has not passed on the benefit of Input Tax Credit to the Complainant by way of commensurate reduction in the price on purchase of a Villa having Number D3 in the aforesaid Project on introduction of GST w.e.f. 01.07.2017, in terms of Section 171 of the Central Goods and Services Tax Act, 2017.

2. The Standing Committee examined the matter and forwarded it to the Director General on Anti-profiteering, hereinafter DGAP, to conduct detailed investigation.
3. The DGAP initiated the investigation and issued notice to the Respondent. The Respondent pursuant to the notice, dated 08.10.2024, submitted its reply along with documents/information which are duly considered during the investigation.
4. The DGAP found that the Respondent has opted for new scheme for discharging GST @ 5% without ITC benefit w.e.f. 01.04.2019. ITC has been availed by the Respondent up to the Financial Year 2018-19. Therefore, the profiteering was calculated for the period up to 31.03.2019.
5. The DGAP, has taken into consideration the purchase value of the Goods and Services, Credit of Service Tax availed, Credit of VAT availed, Net ITC of GST availed during the pre-GST and post-GST period by the Respondent and arrived at the conclusion that during the pre-GST period, the Credit availed to purchase value was 6.37% while in post-GST period it was 16.96%. Therefore, it was concluded that the difference between post-GST and pre-GST ratio was 10.59%. The DGAP calculated the amount of total saving on account of additional ITC to be Rs. 50,78,550/- being 10.59% of purchase value of Goods and Services (excluding taxes and duties) during post-GST period Rs. 4,79,56,086/-.

Total saleable area (in sq ft) of the project was Rs. 1,54,933/-, after deducting total sold area before opting for 5% GST without ITC option (in sq ft) was Rs. 1,34,420/-. Total saving per sq ft was calculated to be Rs. 32.78, therefore, the amount of profiteering arrived at Rs. 44,06,288/- plus GST @12% i.e. Rs. 5,28,754/- totaling Rs. 49,35,042/-. All the recipients are identifiable as per the document provided by the Respondent.

6. In view of the above, the DGAP arrived at the conclusion that the Respondent has contravened the provision under Section 171 of the Central Goods and Services Tax Act, 2017.
7. The Respondent submitted its detailed submission with relevant annexures. It was submitted by the Respondent that actual prices charge was less than the adjusted expected cost, confirming that more than the statutory benefit was transferred to the buyers. It is shown that post-GST price was lower than the pre-GST rate after factoring in the ITC benefit calculated by the DGAP. Reduction in price is not limited to the ITC benefit alone-cost escalation in cement, labour, steel and other materials were observed by the Respondent and not passed on to the customers. The actual prices charged were less than the adjusted accepted cost confirming that more than the statutory benefit was transferred to the buyers.
8. It was argued that against the alleged profiteering amount Rs. 32.78/-, the respondent has passed on the benefit of Rs. 173/- to the recipients, therefore, no amount of profiteering is made on the part of the Respondent.
9. It is further submitted that the Villa was booked by the Complainant @ Rs. 2,865/- per sq. ft. Deducting alleged amount of profiteering by DGAP Rs. 33/-, the effective rate post-GST comes to Rs. 2,832/-. Base

amount comes to Rs. 2,829/- (without GST) while the amount charged from the complainant including all taxes is Rs. 3,338/-.

10. To buttress his arguments, the Learned Counsel impressed upon the following Table 3 and Table 4, mentioned in the Written Statement, that;

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Table 3: GST Benefit Passed on

Particulars	Amount (Rs /sq ft)
Average price before taxes (Pre – GST)	2,865
Less: Incremental GST Benefit (DGAP)	33
Effective Rate Post GST	2832
Base Amount Charged to Customer	2,829
Demonstrated reduction in price post- GST	

Impact of Cost Escalation

**Table 4: Adjusted Cost Analysis
(Including Material & Labour Escalation)**

Particulars	Amount (Rs/ sq ft)
Pre-GST Average Construction Cost (2015-2016, Before Taxes)	2,865
Add: 5% Increase in Raw Material & Labour Costs	143
Subtotal (Adjusted Pre-GST Cost)	3,008
Less: ITC Benefit Passed to	33

Customer (DGAP)	
Subtotal (After ITC Benefit)	2,975
Add: GST @ 18%	536
Revised Expected Cost (Including All Taxes)	3,511
Actual Amount Charged to Complainant (All Taxes)	3,338
Price Increase absorbed by Developer	173
Respondent absorbed additional cost, passing on greater benefit than required	

11. It is further submitted that the revised expected cost in all was Rs. 3,511/-, while actual amount which is charged from the Complainant is Rs. 3,338/-. Therefore, deducting this amount from revised expected cost price increase comes to Rs. 173/. This amount is passed by the Respondent to the complainant against the alleged amount of profiteering as calculated Rs 32.78 by the DGAP. Besides this, the year wise turnover, profit and profit ratio shows decline from 2014-15 to 2019-20 as demonstrated through table no 5 and 6 of the Written Statement. The profit forgone calculation is shown through table no 7. Before partner salary is also declined from 2014-15 to 2019-20.
12. Perused the record.
13. After considering the relevant records and hearing the arguments advanced by the learned Counsel for the Respondent as well as the authorized Representative of the DGAP, it is observed that the data shown through certain tables is not included in the report of the DGAP. It appears that during the investigation the Respondent never inform the

Authority about this fact that he has already passed on the benefit of Rs. 173/- to the complainant and other home buyers on basis of the calculation made in Table 3 and 4 of the written submission.

14. It is to be noted that the Respondent had participated in the investigation process, therefore, this fact that a benefit of Rs. 173/- has been passed to the Complainant and the other Villa buyers need to be verified on the basis of examining the relevant documents to be produced by the Respondent. The matter requires further investigation by the DGAP on the basis of the data supplied by the Respondent in his Written Statement.
15. The Learned Counsel for the Respondent vehemently argued that the entire proceedings are manifestly time-barred. The transaction occurred in 2017-2019, but the complaint and investigation commenced in 2024-2025.
16. In its Written Statement, the Respondent submitted applicable time limit under Section 73 and 74 during the financial year 2017-2018, 2018-2019 and it is shown to be lapsed on the part of the DGAP.
17. In view of the above, I am of the opinion that the matter requires further investigation in view of the Written Submission and the data demonstrated through different tables in it. Further this fact is to be examined extensively as to whether against the profiteered amount Rs 32.78 per sq ft. The amount of Rs. 173/- alleged to have been passed by the Respondent can be termed as the benefit of Input Tax Credit to the complainant and other home buyers by way of commensurate reduction in prices. The matter is sent back to the DGAP for re-investigation under Section 133 of the CGST Rules, 2017 to examine as to whether the Respondent has already passed the benefit of ITC to the Respondent commensurately to the reduction of rate of tax.

18. In view of the above the matter is sent back to the DGAP for further investigation under Rule 133(4), for the reasons as mentioned herein before, in accordance with the provision of the Act and Rules and to submit its report accordingly.
19. The Case disposed off.

Digitally signed by MAYANK KUMAR JAIN
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Justice Mayank Kumar Jain,
Judicial Member, GSTAT.

Dated: 06.02.2026