

GSTAT

Division Bench Court No. 2

NAPA/158/PB/2025

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

.....Appellant

Versus

PAARTH INFRABUILD PVT. LTD.

.....Respondent

Counsel for Appellant

Counsel for Respondent

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

Hon'ble Sh. Anil Kumar Gupta, Member (Technical)

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 : No

Order reference no. : ZA070010226000124H

Date of order : 26/02/2026

1.	GSTIN/Temporary ID/UIN - 09AAECP0249B1ZS	
2.	Appeal Case Reference no. - NAPA/158/PB/2025	Date - 01/11/2024
3.	Name of the appellant - DGAP , dgap.cbic@gov.in , 011-23741544	
4.	Name of the respondent - 1. Paarth Infrabuild Pvt. Ltd. , rustampaarthinfra.com , 011-49422422	
5.	Order appealed against -	

	(5.1) Order Type -	
	(5.2) Ref Number -	Date -
6.	Personal Hearing - 26/02/2026 15/01/2026 03/12/2025 14/10/2025	
7.	Status of Order under Appeal - Confirmed – Order under Appeal is confirmed	
8.	Order in brief - The Respondent has passed on the benefit of the ITC to its home-buyers to the tune of Rs. 2,02,53,991/- against the computed profiteered amount of Rs. Rs. 1,70,87,844/-, thus the Respondent has complied with the Provisions of Section 171 of CGST Act, 2017. In view of the above, the report of the DGAP is accepted.	
Summary of Order		
9.	Type of order: Closure Report	

ORDER

1. Shri Gaurav Pant, resident of MMS 24, Sector-A, Sitapur Road Scheme, Lucknow-21, made a complaint to the Standing Committee alleging profiteering in respect of construction service supplied by the M/s Paarth Infrabuild Pvt. Ltd, 3rd Floor, Unit No. 302 & 303, Eldeco Corporate Tower, Gomti Nagar, Vibhuti Khand, Lucknow, Uttar Pradesh (hereinafter referred to as “Respondent”)
2. It was alleged that the Respondent did not pass on the benefit of Input Tax Credit to the Complainant by way of commensurate reduction relating to their Project “**Paarth**

Aadyant Lucknow Phase-1” situated at Gomti Nagar Extension, Shaheed Path, Lucknow-227016.

3. The application was examined by the Standing Committee and thereafter referred to the DGAP for carrying out a detailed investigation in the matter.
4. The DGAP submitted its report dated 11.10.2022 which was examined by Competition Commission of India (hereinafter referred to as “CCI”), the erstwhile Authority.
5. The CCI vide its order dated 21.03.2024 sent the matter back to the DGAP for re-investigation in terms of the Judgement passed by the Hon’ble High Court of Delhi in *Reckitt Benckiser India Pvt. Ltd. v. Union of India (2024) 14 Centax 374 (Delhi)*.
6. Pursuant to above directions, the DGAP conducted detailed investigation.
7. Notice was issued to the Respondent calling upon his reply as to whether they admit that the benefit of Input Tax Credit had not been passed on to their customer by way of commensurate reduction in prices, if so *suo-moto* determine the quantum thereof.
8. Reply was submitted by the Respondent annexing therein certain documents which were duly considered by the DGAP during investigation.

9. The period of investigation in this matter is from 01.07.2017 to 10.11.2022, since the project was completed on 10.11.2022.
10. After conclusion of the investigation, the DGAP submitted its report dated 30.10.2024 concluding that the Respondent indulged in profiteering and has contravened the provision u/s 171 of the CGST Act, 2017. Further, an amount of Rs. 1,70,87,844/- was computed as profited amount.
11. The DGAP, in pursuance of the observation made by the Hon'ble High Court of Delhi in *Reckitt Benckiser India Pvt. Ltd. v. Union of India (Supra)* carried out the investigation and computed the ratio of ITC availed to purchase value of goods and services during the pre-GST and post-GST period. The details are tabulated in following manner: -

Particulars	Pre-GST Period (upto June 2017)	Post-GST Period (01.07.2017 to 10.11.2022) (Amount in Rs.)
Credit of Central Excise Duty and Service Tax availed (A)	8,23,31,948	-
Credit of VAT availed (B)	2,59,87,779	-
ITC of GST availed (C)	-	6,09,17,327
Total Credit availed (D=A+B+C)	10,83,19,727	6,09,17,327
Purchase Value of Goods and Services (Excluding Taxes and Duties) (E)	92,65,63,510	35,55,51,695
Ratio of Credit Availed to Purchase Value (in %) (F=D*100 /E)	11.69	17.13

12. On the basis of above computation, it was observed that the Respondent was benefitted from additional Input Tax Credit during post-GST period.
13. Further, the DGAP on the basis of the difference of the ratio of credit availed to purchase value, computed the profiteered amount on the basis of total saving on account of additional ITC benefit, net sold area in sq. ft. as Rs. 1,69,70,528/-. The said calculation is tabulated as under: -

Particulars		Post-GST (Amount in Rs.)
Period	A	01.07.2017 to 10.11.2022
Ratio of Credit availed to Purchase Value as per Table – A above (%)	B	11.69/17.13
Increase in Input Tax Credit availed post- GST (%)	C	5.44
Purchase Value of Goods and Services (Excluding Taxes and Duties) during Post-GST period	D	35,55,51,695
Total Savings on account of additional ITC benefit	$E=D*C/100$	1,93,42,012
Total Saleable Area (in Sq. Ft.)	F	6,72,270.11
Total Savings Per Sq. Ft.	$G=E/F$	28.77
Total Sold Area (in Sq. Ft.) till the date of Completion Certificate	H	6,42,508.21
Area (in Sq. Ft.) pertaining to 29 buyers from whom tax was not collected	I	52,639.33
Net Sold Area (in Sq. Ft.)	J	5,89,868.88
Profiteered Amount	$K=G*J$	1,69,70,528

14. The DGAP added GST @ 12% on the aforesaid profiteered amount. Resultantly the net amount of profiteering arrived at Rs. 1,90,06,991/-.
15. The Respondent during the investigation, informed the DGAP that he has passed on ITC benefit to his 55 home-buyers to the tune of Rs. 41,41,538/-. The DGAP, on the basis of the document submitted by the Respondent made verification of such claim. It was observed by the DGAP on the basis of the voucher issued by the Respondent to the home-buyers, ITC benefit of Rs. 41,41,538/- was verified and thus adjusted against the profiteered amount. Therefore, the profiteered amount reduced to Rs. 1,70,87,844/-.
16. Under the proceedings before this Tribunal, notice was issued to the Respondent calling upon his written submission against the report of the DGAP.
17. The Respondent filed his written submission stating therein that he has passed on the GST benefit in respect of construction services amounting to Rs. 2,02,53,991/- to eligible home-buyers. The details of such home-buyers were also annexed.
18. Further, an additional written submission was also submitted by the Respondent wherein it was stated that the findings recorded by the DGAP in its report dated 30.10.2024 were

accepted. It was also stated that the entire benefit as determined by the DGAP in its report has been passed to eligible home-buyers. The consumers who have received the benefit including the Complainant as acknowledge receipt of benefit.

19. Ms. Nutan, Additional Assistant Director/Authorised Representative of the DGAP submitted that the passing of the ITC benefit to the home-buyers to the tune of Rs. 2,02,53,991/- is verified on the basis of the document submitted by the Respondent.
20. After hearing the Authorised Representative of the DGAP as well the Learned Chartered Accountant of the Respondent and on perusal of the record placed before us, we find that since the Respondent has passed on the benefit of the ITC to its home-buyers to the tune of Rs. 2,02,53,991/- against the computed profiteered amount of Rs. Rs. 1,70,87,844/-, thus the Respondent has complied with the Provisions of Section 171 of CGST Act, 2017. In view of the above, the report of the DGAP is deserved to be accepted.
21. Accordingly, the report of the DGAP is accepted.
22. So far as the liability to pay interest under Rule 133(3)(b) of the CGST Rules, 2017, is concerned, the Learned Chartered Accountant appearing on behalf of the Respondent submitted

that the Respondent will calculate the quantum of interest within a period of 2 months and would ensure that interest is paid to the home-buyers, as applicable, accordingly.

23. So far as the liability to pay penalty is concerned, since the Respondent has already passed on the profiteered amount to the eligible home-buyers, therefore, the Respondent is not liable to pay any amount of penalty as per Section 171 of CGST Act, 2017.
24. The Respondent is directed to submit the compliance report about the payment of interest to the concerned Jurisdictional Commissioners within 2 months from today.
25. The copy of the compliance report be also made available to the DGAP for necessary action, if any.
26. Order pronounced in open court today.

Sd/-
(Justice Mayank Kumar Jain)

Sd/-
(Sh. Anil Kumar Gupta)

Dated: 26.02.2026