GSTAT

Bench Court No. Court IV

NAPA/139/PB/2025

DG ANTI PROFITEERING, DIRECTOR GENERAL OF ANTI-PROFITEERING, DGAP ....**Appellant**

Versus

PRL DEVELOPERS ....**Respondent**

Counsel for Appellant **Counsel for Respondent**

Hon'ble Sh. A. Venu Prasad, 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. : ZA070010726000137H **Date of order:** 23/07/2026

1.	GSTIN/Temporary ID/UIN - 27AAFCP9978E1ZT	
2.	Appeal Case Reference no. - NAPA/139/PB/2025	Date - 17/12/2024
3.	Name of the appellant - DGAP , dgap.cbic@gov.in , 011-23741544	
4.	Name of the respondant - 1. PRL Developers , Satish.Solanki@piramal.com	
5.	Order appealed against -	
	(5.1) Order Type -	
	(5.2) Ref Number -	Date -

6.	Personal Hearing - 23/07/2026 06/07/2026 03/06/2026 20/05/2026 22/04/2026 17/03/2026 16/02/2026 02/02/2026 20/01/2026 19/01/2026 08/01/2026 29/10/2025
7.	Status of Order under Appeal - Confirmed – Order under Appeal is confirmed
8.	Order in brief - DGAP Report categorically records that the Respondent had passed on an amount of Rs. 99,67,875/- to the 31 eligible homebuyers who had booked their units during the pre-GST period, which exceeds the recomputed benefit required to be passed on, i.e., Rs. 87,98,766/-, by Rs. 11,68,109/-. The DGAP has not disputed the documentary evidence produced by the Respondent in support of such passing on of benefit and has accepted that the benefit stood passed on in excess of the amount required under Section 171 of the CGST Act, 2017.
Summary of Order	
9.	Type of order: Closure Report

Place :DELHI PB

Date : 23.07.2026

ORDER

1. The present proceedings arise from a complaint filed by Shri Diwakar Bansal, resident of H- 605, Great Eastern Gardens, LBS Marg, Kanjur Marg West, Mumbai - 400078 (hereinafter referred to as “the Complainant”), under Rule 128 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as “the CGST Rules”), alleging profiteering in respect of construction services supplied by M/s PRL Developers Put. Ltd., 8th Floor, Piramal Towers, Peninsula Corporate Park, Lower Parel, Mumbai- 400013 (hereinafter referred to as “the Respondent”) in respect of purchase of Flat No. T1- 507 in Tower - I on 5th Floor, in the Respondent’s project “Piramal Revanta Tower - 1”, situated at Mulund West, Mumbai.

2. The complainant alleged that the Respondent had failed to pass on the benefit of Input Tax Credit (hereinafter referred to as "ITC") by way of commensurate reduction in price, upon the introduction of GST w.e.f. 01.07.2017, in contravention of Section 171 of the CGST Act, 2017.
3. The complaint was examined by the Standing Committee on Anti- Profiteering, which, upon being satisfied, forwarded the matter to the Directorate General of Anti-Profiteering (hereinafter referred to as "the DGAP") on 30.05.2022 for detailed investigation under Rule 129(1) of the CGST Rules, 2017.
4. It is noted that the investigation Directorate General Anti-profiteering (DGAP) investigated the project "Piramal Revanta Tower - 1" executed by M/s. PRL Developers Ltd. and submitted its report dated 25.02.2023 under Rule 129(6) of the CGST Rules, 2017.
5. The report dated 25.02.2023 sent by the DGAP was pending for decision by the Competition Commission of India (CCI). In the interregnum, the Hon'ble Delhi High Court, in ***Reckitt Benckiser India Pvt. Ltd. v. Union of India, WP (C) 7743/2019*** dated 29.01.2024, laid down guiding principles governing the methodology for determination of profiteering.
6. Subsequently, in the view of the aforesaid judgment of the Hon'ble Delhi High Court, the CCI, vide communication dated 21.03.2024 had remanded the matter to the DGAP for re-investigation under Rule 129 of the CGST Rules, 2017.
7. In the view of the above, a notice dated 08.04.2024 was issued under Rule 129 of the CGST Rules, 2017 calling upon the Respondent to reply as to whether they admit that the benefit of the ITC has not been passed on to their customers by way

of commensurate reduction in prices and if so, to *suo moto* determine the quantum thereof and indicate the same in their reply to the Notice as well as furnish all supporting documents.

8. In response to the Notice, the Respondent submitted the replies and required documents vide emails/ letters dated 09.04.2024, 20.05.2024, 07.06.2024, 10.06.2024, 24.06.2024, 02.07.2024, 19.07.2024, 30.07.2024, 11.10.2024, 06.12.2024, 09.12.2024 and 10.12.2024.

9. Upon completion of the investigation, the DGAP submitted its Report dated 13.12.2024 to the Principal Bench, GSTAT, which has been summarized as below:

   9.1. The DGAP conducted an investigation for the period 01.07.2017 to 31.03.2023 in respect of the project "Piramal Revanta – Tower 1" executed by the Respondent.

   9.2. The DGAP observed that prior to the implementation of GST, the Respondent was eligible to avail CENVAT credit of Service Tax on input services, whereas credit of Central Excise duty on inputs and credit of VAT were not available. Upon introduction of GST, the Respondent became entitled to avail ITC of GST on inputs and input services used in execution of the project. Accordingly, the ratio of credit availed to the purchase value during the pre-GST and post-GST periods was examined to ascertain whether any additional ITC had accrued to the Respondent.

   9.3. The DGAP further observed that the project comprised 231 residential units, of which 31 units had been booked during the pre-GST period, 14 units had been sold after the Occupancy Certificate, 7 units remained unsold as on 31.03.2023, and the remaining 179 units had been booked during the post- GST period prior to the Occupancy Certificate. The Respondent also submitted that, after implementation of GST, it had passed on the benefit of ITC to eligible homebuyers by reducing the prices agreed with customers, and that no bookings were made between August 2017 and April 2018, with subsequent sales freshly factoring in the GST benefits in the registered sale agreements.

9.4. The DGAP examined the CENVAT credit availed during the pre-GST period, the ITC availed under GST during the post-GST period, and the corresponding purchase value of goods and services. Based on the information furnished by the Respondent, the ratio of credit availed to purchase value was worked out as under:

Table - A

S. NO.	PARTICULARS	PRE- GST PERIOD	POST- GST PERIOD
1.	Purchase value of goods and services (Including taxes and duties)	Rs. 18,89,72,608	Rs. 1,73,60,84,712
2.	Credit of Central Excise Duty and Service Tax availed	Rs. 2,64,56,163	
3.	Credit of VAT availed		
4.	Total Credit availed in Pre- GST Period	Rs. 2,64,56,163	
5.	Net ITC of GST availed		Rs. 27,95,64,127
6.	Ratio of Credit availed to Purchase value	**14.00%**	**16.10%**

9.5. From the above computation, the DGAP observed that the ratio of credit availed to purchase value had increased from 14.00% during the pre-GST period to 16.10% during the post-GST period, resulting in an additional ITC benefit of 2.10%. Accordingly, the base profiteered amount required to be passed on to the recipients was computed at Rs. 39,00,226/- (excluding GST).

9.6. The DGAP thereafter examined the benefit of ITC actually passed on by the Respondent to the homebuyers and, on the basis of the documentary evidence furnished (credit notes), observed that the Respondent had passed on ITC benefit aggregating to Rs. 1,21,11,549/- to its buyers, which included an amount of Rs. 99,67,875/- passed on to the 31 eligible pre-GST homebuyers, well exceeding the required cum-tax benefit of Rs. 43,68,253/-. The DGAP also noted that 19 out of these 31 eligible homebuyers explicitly confirmed receipt of the benefit through e-mails, while no adverse responses were received from the remaining recipients.

9.7. In view of the above findings, the DGAP concluded that the Respondent had passed on the benefit of the additional ITC accrued on account of the implementation of GST to the eligible homebuyers in excess of the calculated profiteered amount. Consequently, the provisions of Section 171(1) of the Central Goods and Services Tax Act, 2017 had not been contravened by the Respondent in the present case.

10. With effect from 01.10.2024, the Central Government, on the recommendations of the GST Council, empowered the Principal Bench of the GST Appellate Tribunal (GSTAT), constituted under sub-section (3) of Section 109 of the CGST Act, 2017, to adjudicate anti-profiteering cases in terms of Notification No. 18/2024–Central Tax dated 30.09.2024.

11. The above Report was received in the Principal Bench, GSTAT, on 13.12.2024 for adjudication under Section 171 of the CGST Act, 2017. A Notice dated 30.10.2025 was issued to the Respondent directing it to file written submissions on the DGAP Report.

12. The Respondent vide submissions dated 05.12.2025 and 27.01.2026 submitted that:

    12.1. The DGAP, while computing the additional ITC benefit at Rs. 39,00,226/- (Rs. 43,68,253/- including GST) in respect of 31 pre-GST booked units, had not alleged any contravention of Section 171 of the CGST Act, 2017, as it had concluded that the Respondent had already passed on the benefit to the eligible homebuyers.

    12.2. The Respondent submitted that the DGAP itself recorded in Table-C that it had passed on Rs. 99,67,875/- towards ITC benefit against the required amount of Rs. 43,68,253/-, thereby passing an excess benefit of Rs. 55,99,622/-, and consequently no profiteering had occurred.

    12.3. It was further contended that the observation in Paragraph 25 of the DGAP Report stating that the Respondent had contravened Section 171 was merely a typographical error, as the findings recorded in Paragraphs

21, 23 and 26 clearly concluded that no benefit remained to be passed on and that the provisions of Section 171 had not been contravened.

12.4. Furthermore, the Respondent clarified the basis of the figures reflected in Table-A of the DGAP Report dated 13.12.2024. It was submitted that the purchase value of Rs. 18,89,72,608/- and corresponding CENVAT credit of Rs. 2,64,56,163/- for the pre-GST period pertained only to input services, as no credit had been availed on inputs during the relevant period.

12.5. The Respondent submitted that since Tower-1 was constructed simultaneously with Tower-2, Tower-3 and Tower-4, the common input service expenses were apportioned on the basis of the saleable area of Tower-1, which constituted 25.84% of the total saleable area of all four towers. Accordingly, the proportionate purchase value and CENVAT credit attributable to Tower-1 were considered for the purpose of computation.

12.6. It was further submitted that the pre-GST purchase value and CENVAT credit were computed under three categories, namely Tower-1 specific purchases, common Piramal Revanta purchases, and cross-charged expenses from the Head Office, with the proportionate allocation made in accordance with the above methodology.

12.7. On the aforesaid basis, the Respondent prayed that the explanation and supporting documents be accepted, the findings of the DGAP Report dated 13.12.2024 be accepted, and the proceedings against the Respondent be dropped.

13. It is pertinent to note that during the hearing held on 16.02.2026, this Tribunal observed that the pre-GST purchase value of Rs. 18,89,72,608/- considered by the DGAP pertained only to the services component and that the purchase value attributable to the goods component had not been incorporated while computing the ratio of ITC to the purchase value. Accordingly, the DGAP was directed to recalculate the profiteered amount after duly incorporating the goods component in the pre-GST purchase value and to submit a revised Report along with necessary clarifications under Rule 133(2A) of the CGST Rules, 2017. The Respondent was also directed to furnish all documents as may be required by the DGAP for the said exercise.

14. The DGAP, with reference to the hearing held on 16.02.2026, recalculated the profiteering and submitted a revised Report dated 29.06.2026 before this Tribunal. The Report has been summarized as below:

    14.1. The DGAP submitted that, pursuant to the directions of this Tribunal, it examined the additional documents furnished by the Respondent regarding the purchase value of goods during the pre-GST period and revised the computation by including the purchase value of inputs amounting to Rs. 3,38,48,116/-. Consequently, the total pre-GST purchase value of goods and services was revised from Rs. 18,89,72,608/- to Rs. 22,28,20,724/-, while the total pre-GST CENVAT credit remained unchanged at Rs. 2,64,56,163/-. The revised computation is reproduced below:

Table- B

Sr. No.	Particulars	Pre-GST Period	Post-GST Period
1 .	Purchase Value of Goods and Services (Excluding Taxes and Duties)	Rs. 22,28,20,724	Rs. 1,73,60,84,712
2 .	Credit of Central Excise Duty and Service Tax availed	Rs. 2,64,56,163	-
3 .	Credit of VAT availed	-	-
4 .	Total Credit Availed in Pre-GST Period	Rs. 2,64,56,163	-
5 .	ITC of GST Availed	-	Rs. 27,95,64,127
6 .	Ratio of Credit Availed to Purchase Value (in %)	**11.87**	**16.10**

14.2. Based on the revised figures, the DGAP observed that the ratio of ITC to purchase value increased from 11.87% during the pre-GST period to 16.10% during the post-GST period, resulting in an additional ITC benefit of 4.23%. Accordingly, the profiteered amount was recomputed as follows:

Table -C

Sr. No.	Particulars		Post-GST
1 .	Period	A	July, 2017 to March, 2023
2 .	Ratio of Credit availed to Purchase Value as per Table-A above (%)	B	11.87 / 16.10

3 .	Increase in ITC availed Post-GST (%)	C	**4.23**
4 .	Purchase Value of Goods and Services (Excluding Taxes and Duties) during Post-GST Period	D	Rs. 1,73,60,84,712
5 .	Total Savings on account of additional ITC Benefit	(E = D × C/100)	Rs. 7,34,36,383
6 .	Total Saleable Area / Carpet Area (in Sq. Ft.)	F	3,33,130
7 .	Total Saving Per Sq. Ft.	G = E/F	Rs. 220.44
8 .	Total Sold Area (in Sq. Ft.) in pre-GST period	H	35,638
9 .	**Profiteered Amount**	**I = G × H**	**Rs. 78,56,041**

14.3. The DGAP further verified the benefit of ITC passed on by the Respondent and observed that, against the recomputed profiteered amount of Rs. 87,98,766/- (inclusive of GST), the Respondent had passed on Rs. 99,67,875/- to the 31 homebuyers who had booked their units during the pre-GST period. The buyer-wise details were tabulated as under:

Table- D

S. No.	Category of Customers	No. of Units	Area (in Sq. Ft.)	Profiteering Amount as per Annexure-3 (Incl. GST) (Rs.)	Benefit passed on by the Respondent (Rs.)	Difference (Rs.)	Remarks

1.	Flats booked prior to introduction of GST i.e. units booked in pre-GST	31	35,638	87,98,766	99,67,875	-11,68,109	Excess benefit passed by the Respondent. Credit notes are documentary evidence.
2.	Units booked in post-GST period (July, 2017–2018) before receipt of OC	3	4,212	0	21,43,674	-21,43,674	Value of flat has been quoted in the agreement after considering impact of GST.
3.	Units booked in post-GST period (2018–2023) before receipt of OC	176	2,57,927	0	0	0	Value of flat has been quoted in the agreement after considering impact of GST.
4.	Units booked in post-GST period after receipt of OC	14	21,778	0	0	0	Out of purview of Anti-Profiteering.

5.	Unsold Units	7	13,575	0	0	0	Unsold Units
6.	**Total**	**231**	**3,33,130**	**87,98,766**	**1,21,11,549**	0	

14.4. From the above verification, the DGAP found that the Respondent had passed on Input Tax Credit benefit of Rs. 99,67,875/- to the 31 eligible pre-GST homebuyers, which exceeded the recomputed profiteered amount of Rs. 87,98,766/- (inclusive of GST) by Rs. 11,68,109/-. However, notwithstanding the aforesaid factual finding that the Respondent had passed on a benefit exceeding the amount required under Section 171 of the CGST Act, 2017, the DGAP, in the concluding paragraph of the revised Report, recorded that the Respondent had contravened the provisions of Section 171 of the CGST Act, 2017.

15. Hearings in the matter were held on 29.10.2025, 08.01.2026, 19.01.2026, 20.01.2026, 02.02.2026, 16.02.2026, 17.03.2026 and 06.07.2026. Shri Praveen Kumar, Additional Assistant Director, appeared as the Departmental Representative on behalf of the DGAP. Shri Shivam Batra and Shri Dhruv Tiwari, learned Advocates, appeared for the Respondent.

ORDER

16. We have carefully considered the DGAP Reports, the written submissions and additional written submissions filed by the Respondent, the clarifications furnished by the DGAP pursuant to the directions of this Tribunal, and the material available on record.

17. It is observed that, pursuant to the directions issued by this Tribunal vide Order dated 16.02.2026, the DGAP re-examined the computation after incorporating the value of the goods component in the pre-GST purchase value. Consequently, the pre-GST purchase value was revised from Rs. 18,89,72,608/- to Rs. 22,28,20,724/-, resulting in the ratio of ITC to purchase value being recomputed at 11.87% during the pre-GST period as against 16.10% during the post-GST period. The additional ITC benefit available to the Respondent was thus recalculated at 4.23%, and the profiteered amount was recomputed at Rs. 78,56,041/-, or Rs. 87,98,766/- inclusive of GST.
18. It is further observed that the revised DGAP Report categorically records that the Respondent had passed on an amount of Rs. 99,67,875/- to the 31 eligible homebuyers who had booked their units during the pre-GST period, which exceeds the recomputed benefit required to be passed on, i.e., Rs. 87,98,766/-, by Rs. 11,68,109/-. The DGAP has not disputed the documentary evidence produced by the Respondent in support of such passing on of benefit and has accepted that the benefit stood passed on in excess of the amount required under Section 171 of the CGST Act, 2017.
19. Section 171(1) of the CGST Act mandates that any benefit arising on account of reduction in the rate of tax or availability of additional ITC must be passed on to the recipients by way of commensurate reduction in prices. Once the supplier has passed on the entire benefit, and in fact a benefit exceeding the amount determined by the DGAP, the essential requirement of Section 171 stands duly complied with.

In such circumstances, no allegation of profiteering can be sustained merely because the methodology adopted for computation has undergone revision.

20. In view of the foregoing discussion and having regard to the revised findings of the DGAP, we hold that the Respondent has passed on the benefit of additional ITC to the eligible homebuyers in excess of the amount required under Section 171 of the CGST Act, 2017. Consequently, no contravention of the provisions of Section 171 of the CGST Act, 2017 is made out against the Respondent.
21. Accordingly, the revised Report dated 29.06.2026 submitted by the DGAP is accepted.
22. A copy of this Order be forwarded to the Respondent, the Complainant, the Directorate General of Anti-Profiteering and the jurisdictional CGST/SGST Commissioner(s) for information, necessary action and record.
23. The present proceedings are disposed of in the above terms.
24. Order pronounced in the open Court.

Digitally signed by ARABANDI VENU PRASAD
Date:27-07-2026 16:16:44 PM

(Sh. A. Venu Prasad)

Dated: 23.07.2026