

Director General of Anti-Profiteering v. Nirma Ltd.

Case number: NAPA/108/PB/2025

Citation: No neutral or reporter citation printed in the identified official order.

Decision date: 17 October 2025

Nirma: no Section 171 contravention after repeated investigation of tax-rate-reduction benefits

Court: Goods and Services Tax Appellate Tribunal, Principal Bench, New Delhi, Anti-Profiteering Division

Bench: Justice (Retd.) Shri Mayank Kumar Jain, Member (Judicial), Single Bench Court No. 2

Decision stage: Final reasoned disposal accepting a no-contravention DGAP report and consigning the record.

01 Facts of case and issues

A letter dated 18 April 2019 from the NAA Secretary led the Standing Committee to refer Nirma's supplies to DGAP. The allegation was failure to pass on the benefit of the tax-rate reduction under Notification 41/2017 dated 14 November 2017. DGAP's first report dated 15 December 2021 found no contravention.

NAA remitted the matter on 10 May 2022 for examination of revised MRPs and their communication to dealers, stickers or other relabelling of existing stock, the tax rate charged after reduction, reasons for immediate base-price increases, crude-oil cost evidence and any resulting profiteering. DGAP again found no contravention in its 27 January 2023 report. CCI ordered reinvestigation on 23 August 2024 in light of the Delhi High Court judgment dated 29 January 2024. The final report dated 23 May 2025 came before GSTAT.

Pinpoint: Paragraphs 3–10, physical pp. 2–5.

02 Discussion by Hon'ble Tribunal

The Tribunal recorded the succession from NAA/CCI to the empowered Principal Bench and heard DGAP's representative, who said that the matter had been investigated extensively several times without finding a Section 171(1) breach. It treated the repeated investigations and their consistent conclusion as sufficient reason to accept the 23 May 2025 report.

This is the Tribunal's reasoned acceptance of a no-contravention report. It is not merely the investigator closing a file. Equally, the six-page order does not publish the SKU-level calculations, an overall quantified alleged demand, all the cost documents, or a detailed answer to each remand question. The inquiries quoted from the earlier NAA remand are questions, not adverse findings established against Nirma.

The decision does not lay down that crude-oil price increases automatically justify retention of a GST reduction, or that unchanged MRPs alone establish compliance. Its reasoning remains tied to the reports and record examined in this case.

Pinpoint: Paragraphs 5–14, physical pp. 3–5; statutory succession specifically at paragraph 10, physical pp. 4–5.

03 Judicial decision and operative relief

The Tribunal accepted the DGAP report dated 23 May 2025 finding no Section 171(1) contravention and ordered the record to be consigned. A copy was to be sent to the respondent and the concerned CGST/SGST Commissionerate for necessary action, if any. No quantified principal payment, interest or penalty was imposed. The signed final order was pronounced on 17 October 2025.

Pinpoint: Paragraphs 13–17, physical pp. 5–6.

04 In favour of

Nirma Ltd. on the investigated supplies and record: the no-contravention report was accepted. This is not an exemption from future or unrelated Section 171 obligations.

Final reasoned, record-specific disposal in favour of the respondent by acceptance of the latest no-contravention report. The earlier remands were not the ultimate GSTAT relief.

Pinpoint: Paragraphs 13–17, physical pp. 5–6.

05 AKHB REVIEW POINT

AKHB analysis: Preserve contemporaneous SKU price lists, revised MRPs, stock-relabel records, dealer communications, invoice tax rates and a documented cost bridge. The remand questions identify the kind of evidence that can matter even where the final investigation finds no breach.

Obtain the underlying reports before using this case to support a particular computation or pricing defence. The outcome alone cannot establish that a specific practice was approved if the signed reasons do not discuss it. Distinguish the NAA's questions, CCI's further-investigation direction, DGAP's conclusions and GSTAT's final acceptance.

The transfer of pending anti-profiteering work to GSTAT and the later cutoff for new requests must be read separately. A decision after the cutoff is not inherently invalid merely because of its date.

Pinpoint: AKHB commentary based on paragraphs 3–15, physical pp. 2–5, and the statutory context below. Recommendations are distinct from the holding.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171(1) and Section 109(3). Notification 18/2024-Central Tax dated 30 September 2024 is expressly recorded in paragraph 10. Notification 41/2017 dated 14 November 2017 is referenced in the facts. Section 171(2) and Notification 19/2024-Central Tax are reviewed as current-law context.

Statutory note

Checked 13 October 2026. Section 171(1) requires the benefit of a tax-rate reduction or ITC to be passed to recipients through commensurate price reduction. Notification 18/2024-Central Tax, issued under Section 171(2) read with Section 109(1) and the second proviso to Section 109(5), empowers the Principal Bench constituted under Section 109(3) from 1 October 2024. Notification 19/2024-Central Tax fixes 1 April 2025 as the date from which the authority shall not accept new examination requests. Its text does not repeal Section 171 or direct automatic termination of pending matters. This anti-profiteering jurisdiction must be distinguished from ordinary GST appellate jurisdiction; earlier NAA/CCI investigations are historical steps.

Treatment note

Checked 13 October 2026. Targeted official-domain searches did not locate a later case-specific stay, reversal or appellate decision concerning this identified GSTAT order. This is a bounded search result, not certification that no appeal or stay exists. The Delhi High Court's judgment in Reckitt Benckiser, W.P.(C) 7743/2019, dated 29 January 2024, is relevant background authority. Supreme Court records list Reckitt's SLP(C) 12705/2024, including the cause list for 13 May 2026. Those records establish further proceedings but do not establish a stay, affirmation or final Supreme Court outcome; the current complete appellate docket was not verified.

Scope of source review

One final order of the GSTAT Principal Bench exercising anti-profiteering jurisdiction. DGAP investigation reports and earlier NAA/CCI steps are procedural history, not separate GSTAT decisions. The administrative form is read with the signed reasons. This is not coverage of ordinary GST appeals or all State Benches.

Identity note

NAPA/108/PB/2025; order reference ZA071025000082H. Scanned six-page official order; caption, paragraph numbering, signature and date were visually verified against the OCR sidecar.

Primary source

Source description: Complete 6-page official PDF, including Form GST APL-04A and the signed final order. All original pages read and individually viewed; original bytes preserved. A fresh official download on 13 October 2026 was byte-identical to the retained original.

Official source: [Open source document](#)

Source pages: 6

Outcome type: final

Additional source

Central Tax Notification 18/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Paragraphs 1–2, physical p. 1: statutory power and commencement on 1 October 2024.

Central Tax Notification 19/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Operative paragraph, physical p. 1: 1 April 2025 cutoff for accepting examination requests.

CGST Act 2017, India Code compilation marked as at 11 June 2026

Source document: [Open source document](#)

Pinpoint: Sections 109 and 171; relevant statutory passages reviewed, not a complete legislative-update audit.

Reckitt Benckiser India Private Limited v. Union of India, Delhi High Court, 29 January 2024

Source document: [Open source document](#)

Pinpoint: W.P.(C) 7743/2019 and connected matters; background authority. This note does not claim final Supreme Court approval.

Supreme Court cause list for 13 May 2026

Source document: [Open source document](#)

Pinpoint: Physical p. 37, Reckitt SLP(C) 12705/2024. Listing evidence only, not a merits judgment or stay order.

Disclosures and source rights

AI disclosure: Prepared with AI assistance from the identified sources. No human legal review is claimed.

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