

Director General of Anti-Profitteering v. Paarth Infrabuild Pvt. Ltd.

Case number: NAPA/158/PB/2025

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

Decision date: 26 February 2026

Paarth Aadyant principal compliance accepted and penalty excluded while recipient interest and a compliance report remained required

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

Bench: Justice Shri Mayank Kumar Jain, Member (Judicial), and Shri Anil Kumar Gupta, Member (Technical), Division Bench Court No. 2

Decision stage: Final reasoned determination accepting principal-benefit compliance and excluding penalty, with recipient-interest calculation/payment and a two-month compliance-report obligation retained.

01 Facts of case and issues

A homebuyer alleged failure to pass on ITC benefit in Paarth Aadyant Lucknow Phase-1. Following a DGAP report dated 11 October 2022, CCI directed reinvestigation on 21 March 2024 by reference to Reckitt Benckiser. The investigation period was 1 July 2017 to 10 November 2022, the recorded project-completion date. DGAP submitted its revised report on 30 October 2024.

The revised investigation reported credit-to-purchase ratios of 11.69% and 17.13%, a 5.44 percentage-point increase. Paragraph 13 computes base benefit of Rs. 1,69,70,528, and paragraph 14 states Rs. 1,90,06,991 after 12% GST. The report and final reasoning also use Rs. 1,70,87,844 as the computed amount after adjustment; the printed adjustment does not reconcile arithmetically.

Pinpoint: Paragraphs 1–14, physical pp. 2–6.

02 Discussion by Hon'ble Tribunal

Paragraph 15 states that verified benefit of Rs. 41,41,538 for 55 buyers was adjusted against Rs. 1,90,06,991 and that the balance became Rs. 1,70,87,844. Those figures do not subtract to that stated balance. The order does not explain the discrepancy; this note preserves the Tribunal's referenced amount without inventing a replacement demand or missing adjustment.

Paarth subsequently accepted the report and claimed Rs. 2,02,53,991 had been passed to eligible buyers. DGAP verified that amount from the documents. GSTAT accepted principal compliance by comparing that verified benefit with the stated Rs. 1,70,87,844.

02 Discussion by Hon'ble Tribunal

The Tribunal nevertheless addressed recipient interest under Rule 133(3)(b). It recorded the undertaking to calculate interest within two months and ensure payment, and required a compliance report on interest payment within two months from the order date. Paragraph 23 excludes penalty because the profiteered amount had already been passed on. That is the order's stated reasoning, not a general statutory amnesty or a pre-2020-period exemption.

Pinpoint: Unreconciled adjustment: paragraph 15, physical p. 6. Acceptance, verification and principal compliance: paragraphs 17–21, physical pp. 6–7. Interest and penalty: paragraphs 22–25, physical pp. 7–8.

03 Judicial decision and operative relief

GSTAT accepted DGAP's report, finding that Rs. 2,02,53,991 of ITC benefit had been passed on against the stated computed Rs. 1,70,87,844. It held the respondent not liable to penalty on the reason expressed in paragraph 23.

Recipient interest was not waived. The respondent's undertaking was to calculate its quantum within two months and ensure payment as applicable. The operative direction required a report about interest payment to the jurisdictional Commissioners within two months from 26 February 2026, with a copy to DGAP. No case-specific interest rate, quantified total or collection/payment dates are supplied. Actual later interest payment and report filing have not been verified.

The printed decision and pronouncement date are 26 February 2026; both digital-signature stamps show 27 February 2026. The administrative Closure Report label must be read with the continuing interest/compliance directions.

Pinpoint: Paragraphs 20–26 and date/signature block, physical pp. 7–8; administrative summary, physical p. 2.

04 In favour of

Mixed: Paarth on accepted principal-benefit compliance and the order's express penalty relief; eligible homebuyers on retained Rule 133(3)(b) interest, with a time-bound compliance report. Later interest compliance is unverified.

Final mixed determination, not unconditional exoneration. Principal pass-through is accepted and penalty excluded on the stated reasoning, while interest and compliance-report duties remain.

Pinpoint: Paragraphs 20–25, physical pp. 7–8.

05 AKHB REVIEW POINT

AKHB analysis: Obtain the original DGAP adjustment schedules before relying on Rs. 1,70,87,844 as an independently reproducible arithmetic result. Preserve all three printed adjustment figures rather than silently replacing one.

Separate principal pass-through, recipient interest and penalty in the compliance file. The two-month report direction runs from the printed order date, not the next-day signature stamp. Retrieve the report and recipient-wise interest calculation before asserting that this obligation was completed.

05 AKHB REVIEW POINT

Treat the penalty passage as the Tribunal's case-specific stated reason. Do not use it to assert that repayment automatically removes every penalty under Section 171, or recast it as a pre-2020 exemption when the recorded investigation extends to November 2022.

Pinpoint: AKHB commentary based on paragraphs 9–15 and 20–25, physical pp. 4–8. Recommendations are distinct from the Tribunal's holding.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171; CGST Rules 2017: Rule 133(3)(b); CGST Act 2017: Sections 109 and 171(2), institutional/current-law context; Central Tax Notifications 18/2024 and 19/2024, empowerment and new-request-cutoff 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. Rule 133(3)(b), in the official rules compilation updated through 13 September 2018, already provided for return to the recipient with interest at 18% from collection of the higher amount until return or recovery. That statutory text is context for the order's phrase applicable interest; it does not supply a verified case-specific interest computation. The separate amendment of the Consumer Welfare Fund clause, Rule 133(3)(c), should not be imported into this recipient-return remedy. The penalty passage is reported on its own wording; no additional statutory penalty exception or temporal exemption is inferred.

Treatment note

Checked 13 October 2026. No later case-specific stay, recall, reversal or appeal disposition was located in the bounded official-source searches and the reviewed public final/interim order listings. This is not certification that no proceeding or stay exists, or that the complete current docket has been checked. No later official evidence of the directed recipient-interest payment or compliance report was located; actual performance remains unverified. The Delhi High Court's 29 January 2024 Reckitt Benckiser judgment appears in further Supreme Court proceedings, including SLP(C) 12705/2024 in the 13 May 2026 cause list. Listing is not merits approval or a stay ruling, and the complete current Supreme Court docket was not verified.

Scope of source review

One final order of the GSTAT Principal Bench exercising anti-profiteering jurisdiction. DGAP reports and earlier NAA/CCI or High Court steps are history as recorded in this order unless a separate source is expressly identified. The administrative form is read with the signed reasons. Ordinary GST appeals, all State Benches and corpus-wide completeness are not covered.

Identity note

NAPA/158/PB/2025; order reference ZA070010226000124H; printed decision 26 February 2026 and both digital signatures 27 February 2026. Paragraph 15's Rs. 1,90,06,991, Rs. 41,41,538 and Rs. 1,70,87,844 do not reconcile by subtraction. The accepted Rs. 2,02,53,991 principal benefit is distinct from unverified later interest compliance.

Primary source

Source description: Complete 8-page official PDF, including Form GST APL-04A and the final reasoned order. Every original page read and individually viewed; source bytes preserved.

Official source: [Open source document](#)

Source pages: 8

Outcome type: mixed

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.

CGST Rules 2017, official compilation updated through 13 September 2018

Source document: [Open source document](#)

Pinpoint: Rule 133(3)(b), physical p. 106 (printed p. 99): recipient return with 18% interest; a historical statutory version, not a complete current-rule audit.

Disclosures and source rights

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

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