

Director General of Anti-Profiteering v. Lifestyle International Private Limited

Case number: NAPA/9/PB/2025

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

Decision date: 26 May 2026

Retail rate-reduction liability: expanded investigation, institutional succession, averaging and temporal interest relief

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

Bench: Justice (Retd.) Dr. Sanjaya Kumar Mishra, President, and Shri Anil Kumar Gupta, Member (Technical), Division Bench Court I; opinion by the President

Decision stage: Final reasoned mixed-result judgment: Rs. 13,61,51,254 inclusive of the recorded excess GST is directed to Consumer Welfare Funds after jurisdiction, limitation and methodology objections fail; interest and penalty are expressly excluded for the investigated 2017–2018 period.

01 Facts of case and issues

A consumer's complaint concerned Maybelline Fit Me Foundation following the GST-rate reduction from 28% to 18% effective 15 November 2017. The first DGAP report led to NAA Order 08/2018 dated 25 September 2018: Rs. 15,861 was recorded, with Rs. 41 directed to the complainant and Rs. 15,820 to Consumer Welfare Funds. Those are historical directions, not amounts freshly awarded here. Lifestyle's own May 2018 submission stated that Rs. 1,98,46,438 might not have reached the same purchasers while greater benefits had been extended to others; NAA directed further investigation.

A report dated 30 September 2019 proposed Rs. 15,37,04,697. NAA's 4 June 2020 interim order sent the matter back for further investigation on Lifestyle's submissions. The revised computation, adopted from the 23 November 2020 report, was Rs. 13,61,51,254 for 15 November 2017–31 January 2018. It excluded the previously examined Maybelline item and compared discounted average pre-reduction base prices for 1–14 November 2017, or October where applicable, against actual post-reduction invoice prices. The source describes approximately 25.97 lakh transactions and includes excess GST collected on the increased base prices.

Table A illustrates five household white-filler items at an actual tax-inclusive unit price of Rs. 349 against a commensurate Rs. 321.54, giving printed profiteering of Rs. 137.30. Table B allocates the total across 23 State/UT entries. Those displayed allocations add to Rs. 13,61,51,254, but the complete transaction-level dataset and worksheets are not supplied in the PDF.

Lifestyle challenged the expansion beyond the original complaint, survival of proceedings after omission of the NAA's institutional rules, the adjudication time limit, interest and penalty. It also disputed average-price methodology, MRP versus actual retail price, amounts allegedly exceeding the rate benefit, and goods bought and sold at 18%. It claimed subsequent benefit of Rs. 10,06,42,391 through reduced prices. These were contested submissions, not a verified credit against the final demand.

Pinpoint: Complaint, first award, further investigation and writs: paragraphs 1–7, physical pp. 3–5. Revised computation and Tables A/B: paragraphs 8–10, pp. 5–9. Legal/factual objections: paragraphs 13–16, pp. 10–11. Claimed later pass-through: paragraph 38, p. 24.

02 Discussion by Hon'ble Tribunal

On jurisdiction, paragraphs 17–27 distinguish authorities about inherent powers and rely on the express further-investigation power in Rule 133(4). The Tribunal treats the subsequently inserted Rule 133(5) as clarificatory and emphasises Lifestyle's own admission that some original purchasers may not have received the benefit. It also draws on Reckitt paragraphs 159–161 concerning DGAP's wide investigative scope. The conclusion is this Tribunal's application to the particular further-investigation record; it does not erase the quoted requirements for recorded reasons, applicable time limits and the new-investigation procedure. Nor does it create unlimited inherent jurisdiction merely by analogy.

On institutional succession, paragraphs 28–32 reject the contention that omission of Rules 122, 124, 125, 134 and 137 erased the proceedings. The Tribunal reasons that anti-profiteering functions continued through CCI and then GSTAT, rather than disappearing with NAA's constitution provisions. It distinguishes the cited repeal/omission authorities on that basis. The official instruments correct the printed chronology: Notifications 23/2022 and 24/2022 are both dated 23 November 2022 and effective 1 December 2022. Notification 23 empowers CCI, while Notification 24 amends the rules. The source's different effective date, December date and instrument conflation are disclosed rather than adopted.

Paragraphs 33–34 hold the Rule 133(1) adjudication timetable directory because no consequence is prescribed and the legislation serves consumer welfare. The Tribunal applies Reckitt paragraph 158 by analogy. That High Court paragraph expressly concerns DGAP's report-furnishing period; it is not reported here as a direct High Court decision on this separate adjudication time limit.

On the merits, paragraphs 36–40 apply the rebuttable presumption and treat the admitted non-pass-through to original purchasers as supporting liability. Benefits to other purchasers do not extinguish a particular recipient's entitlement. Commercial justification remains possible on cogent evidence; the decision is not a universal prohibition on all price changes. The Tribunal rejects the suggestion that the anti-profiteering proceeding should award a tax refund to Lifestyle, leaving any appropriate statutory remedy to the proper forum. This grants neither a refund nor an assurance that such a claim would succeed.

Paragraph 42 treats the earlier remand as a direction to investigate further, not a finding that DGAP's first methodology was legally invalid. Paragraph 43 then uses Reckitt's real-estate project-savings/per-area reasoning as an analogy supporting averaging in this retail case. That analogy is GSTAT's reasoning, not a direct High Court approval of the precise pan-India discounted retail-average method. The source calls the comparison pre-GST/post-GST although both relevant price periods are in 2017 after GST's introduction; they are actually before and after the November rate reduction. The full record is not available to independently verify every SKU, discount or purchase-rate objection.

Paragraph 35 allows the interest and penalty objection. Applying Proctor & Gamble, the Tribunal treats the express Fund-interest provision as commencing on 28 June 2019 and Section 171(3A) penalty on 1 January 2020, both after this investigated period. It therefore orders neither interest nor penalty. This is express partial relief alongside the sustained principal, not a complete victory for either party.

Pinpoint: Jurisdiction and statutory-power distinctions: paragraphs 17–27, physical pp. 11–18. Institutional succession: paragraphs 28–32, pp. 18–20. Timetable and interest/penalty: paragraphs 33–35, pp. 20–22. Recipient-specific liability, tax remedy and methodology: paragraphs 36–43, pp. 22–28.

03 Judicial decision and operative relief

The Tribunal accepted the 23 November 2020 report to the extent of Rs. 13,61,51,254 for the investigated 15 November 2017–31 January 2018 period and found contravention of Section 171(1). Because recipients were unidentifiable, it directed Rs. 6,80,75,627 to the Central Consumer Welfare Fund and Rs. 6,80,75,627 to the respective State/UT Funds in proportion to Table B. Where a State/UT Fund account had not been created, that share was to be deposited in the Central Fund for the time being. The total already includes the recorded excess GST; no further GST is added by this note.

Paragraph 35 expressly excludes both interest and penalty. There is no fresh individual Rs. 41 refund direction in this final order, and no tax refund to Lifestyle is awarded. Nor is the claimed benefit to other customers netted off against the adjudged principal.

The concerned Commissioner must report compliance to DGAP within four months from receipt of the order. The operative text does not separately prescribe a numerical deposit deadline, so the report period is not silently converted into one. Copies are directed to the respondent and concerned Commissioners, and the judgment is pronounced in open court. The typed date is 26 May 2026; both visible digital signatures are dated 29 May 2026. Actual Fund availability, deposit and reporting are not established by this PDF.

Pinpoint: Express interest/penalty relief: paragraph 35, physical p. 22. Principal, equal aggregate Fund shares, State/UT proportions and contingency: paragraph 44, p. 28. Reporting/circulation: paragraphs 45–46, p. 28. Pronouncement, typed date and signatures: paragraph 47, p. 29.

04 In favour of

Mixed. The anti-profiteering authority and consumer-welfare interests succeed on Rs. 13,61,51,254 principal and the substantive/procedural objections. Lifestyle succeeds on express exclusion of interest and penalty for the investigated period. No retailer tax refund, unrestricted future exemption or verified compliance is inferred.

Final substantive mixed-result judgment, sustaining a quantified Consumer Welfare Fund principal while excluding interest and penalty. Developed merits reasons resolve contested legal and evidentiary issues; the administrative Confirmed label does not convey the full qualified result.

Pinpoint: Paragraphs 17–44, physical pp. 11–28, particularly paragraph 35 and operative paragraph 44.

05 AKHB REVIEW POINT

AKHB analysis: Distinguish a further-investigation power from a claim of unrestricted inherent jurisdiction, and preserve the actual procedural safeguards of the applicable rule. Identify whether a time-limit authority addresses DGAP reporting or adjudication before extending its reasoning. Institutional succession should be checked against the correct commencement instruments rather than a copied citation error.

05 AKHB REVIEW POINT

For retail quantum, obtain SKU-level invoice and discount data and reconcile the original item's exclusion, the averaging period and all alleged price offsets. Do not treat a real-estate averaging analogy as independent validation of every retail computation. Benefits given to different purchasers need recipient-specific analysis. Track the equal Central/State aggregate split, Table B proportions and temporary Central fallback, while keeping the receipt-based report separate from any subsequently clarified deposit deadline. Verify current judicial treatment before acting on the interest or penalty relief.

Pinpoint: AKHB commentary based on paragraphs 8–9, 17–35 and 38–45, physical pp. 5–28.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171 and Section 171(1), rate-reduction pass-through liability; CGST Act 2017: Section 171(2), institutional succession context; CGST Act 2017: Section 171(3A), express temporal penalty exclusion; CGST Rules 2017: Rules 129, 129(2) and 129(6), investigation scope and report history; CGST Rules 2017: Rules 133(4) and 133(5), further and expanded investigation, with the latter treated as clarificatory by this Tribunal; CGST Rules 2017: Rule 133(1), adjudication timetable held directory by this Tribunal; CGST Rules 2017: Rule 133(3)(c), Fund interest excluded for the historical period; CGST Rules 2017: Rules 122, 124, 125, 127, 134 and 137, omission/amendment and institutional-succession issue; Central Tax Notification 31/2019 dated 28 June 2019, expanded investigation and Fund-interest amendment context; Central Tax Notification 24/2022 dated 23 November 2022, effective 1 December 2022, institutional-rule amendment: source's alternative date and empowerment attribution are erroneous; Central Tax Notification 23/2022 dated 23 November 2022, effective 1 December 2022, CCI empowerment independently verified as a source-correction context; Central Tax Notification 18/2024 dated 30 September 2024, Principal Bench empowerment; General Clauses Act: Section 6, respondent's omission/repeal argument; Gujarat Land Revenue Rules 1972: Rule 108(6), within the Tribunal's discussion distinguishing Gangaben; Electricity Act 2003: source reference to Regulation 82 in the distinguished Gujarat Urja argument, not independently endorsed as an Act provision.

Statutory note

Official Notifications 23/2022 and 24/2022 are both dated 23 November 2022 and effective 1 December 2022. Notification 23 empowers CCI; Notification 24 omits Rules 122, 124, 125, 134 and 137, amends Rule 127 and changes the Authority definition. The source's 23 November effective date, alternative 23 December date and attribution of CCI empowerment to Notification 24 are inaccurate. This primary correction is separate from GSTAT's succession reasoning. The official 2018 rules consolidation and Notification 31/2019 verify the historical Rule 133 provisions; treating Rule 133(5) as clarificatory is the Tribunal's interpretation, not the notification's express text. The standalone 14/2018 instrument was not retrieved. Proctor-based interest relief concerns this historical Fund remedy, not every recipient-interest case. Non-GST authorities remain source-attributed arguments and distinctions; their complete primaries were not independently audited.

Treatment note

Checked 16 October 2026. The Delhi High Court's common order dated 15 October 2026 includes Lifestyle W.P.(C) 12647/2018 and 11253/2019. It records that the issues chart has been filed, lists the batch on 7 January 2027, and continues interim orders, if any, until the next hearing. Both registry entries show pending status and the same next date. This is procedural treatment of the related older writs; it does not establish a stay, reversal or affirmation of the specific 26 May 2026 GSTAT final, identify the scope of any case-specific interim relief, or verify the subject of CM 60950/2026. No complete docket or no-stay certification is given. The original's no-stay recital as of 4 December 2025 and its earlier refund/deposit directions and claimed later pass-through do not establish current status or completed compliance. Official common order:

https://delhihighcourt.nic.in/app/showlogo/1792146928_369f536b05f35410_778_109992018.pdf/2026

Scope of source review

One Principal Bench anti-profiteering judgment concerning the investigated retail sales from 15 November 2017 to 31 January 2018. The Tribunal gives developed reasons on expanded investigation, succession of authorities, time limits, recipient-specific benefits, GST, methodology and temporal interest/penalty. Its analogy from real-estate methodology and extension of a DGAP reporting principle to the adjudication timetable remain identified as GSTAT reasoning. No ordinary GST appellate or complete GSTAT coverage is claimed.

Identity note

NAPA/9/PB/2025; reference ZA070010526000131H; Division Bench comprising President Sanjaya Kumar Mishra and Member Anil Kumar Gupta. Typed order 26 May 2026; both visible digital signatures 29 May 2026. The administrative Confirmed label omits the express interest/penalty relief. Source paragraph 22 calls the earlier 08/2018 order interim while paragraphs 3 and 23 call it final. The 2022 notification dates/CCI reference, paragraph 35's 15.11.217 typo and the pre-GST label for a pre-rate-reduction period remain qualified. Report amount Rs. 13,61,51,254 is distinct from earlier proposals and claimed pass-through.

Primary source

Source description: Complete 29-page official PDF, including administrative summary and reasoned final order. All pages read and individually viewed by the AI author; typed and signature dates differ.

Official source: [Open source document](#)

Source pages: 29

Outcome type: mixed

Additional source

Central Tax Notification 23/2022, 23 November 2022

Source document: [Open source document](#)

Pinpoint: Complete one-page official instrument: CCI empowerment effective 1 December 2022.

Central Tax Notification 24/2022, 23 November 2022

Source document: [Open source document](#)

Pinpoint: Complete one-page official instrument: specified institutional rules omitted/amended effective 1 December 2022; corrects source date and instrument conflation.

Central Tax Notification 31/2019, 28 June 2019

Source document: [Open source document](#)

Pinpoint: Physical pp. 1 and 5, clause 17: Rule 133 timing, interest and expanded investigation; safeguards remain applicable.

Official CGST Rules consolidation, 13 September 2018

Source document: [Open source document](#)

Pinpoint: Targeted pp. 106–107 and footnotes 100/103; reference aid for historical rules, not a fresh standalone Gazette 14/2018 verification.

Reckitt Benckiser, Delhi High Court, 29 January 2024

Source document: [Open source document](#)

Pinpoint: Targeted paragraphs 117–119, 129, 131 and 158–163. Real-estate averaging and DGAP timing are distinguished from GSTAT's retail/adjudication analogies.

Proctor & Gamble, GSTAT, 10 September 2025

Source document: [Open source document](#)

Pinpoint: Targeted physical pp. 10–16: prospective Fund-interest and penalty reasoning relied on by Lifestyle.

Central Tax Notification 01/2020, 1 January 2020

Source document: [Open source document](#)

Pinpoint: Complete one-page commencement instrument; Finance (No. 2) Act 2019 Section 112 commenced on 1 January 2020.

Delhi High Court connected Lifestyle writs, 9 September 2026

Source document: [Open source document](#)

Pinpoint: Physical pp. 1–2 identify the two writs; paragraphs 1–10, pp. 45–46, require charts/list 15 October and conditionally continue interim orders. No established treatment of this GSTAT final.

Central Tax Notification 18/2024, 30 September 2024

Source document: [Open source document](#)

Pinpoint: One-page instrument: Principal Bench empowerment effective 1 October 2024.

Disclosures and source rights

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

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