

Director General of Anti-Profiteering v. Vertex Homes Pvt. Ltd.

Case number: NAPA/87/PB/2025

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

Decision date: 2 September 2026

Vertex Panache: documented construction-cost escalation and a reasoned finding of no profiteering

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

Bench: Shri Anil Kumar Gupta, Member (Technical), Court III

Decision stage: Final reasoned no-contravention judgment for Vertex Panache after the Tribunal accepted verified cost escalation exceeding the additional ITC savings; no operative refund, fund deposit, interest or penalty award.

01 Facts of case and issues

Abhilash Mohanty alleged that Vertex Homes Pvt. Ltd. had not passed the additional GST ITC benefit to him in the Vertex Panache project at Kokapet, Hyderabad. The Standing Committee referred the complaint to DGAP. Its original report dated 27 August 2025 proposed Rs. 73,00,010 for 140 eligible homebuyers, comprising Rs. 65,17,866 base amount and Rs. 7,82,144 GST at 12%. This proposal is historical and is not the amount ordered by the Tribunal.

In submissions filed on 29 June 2026 and refiled on 13 July 2026, the developer contrasted a budgeted construction cost of Rs. 1,56,94,91,872 with actual expenditure of Rs. 1,61,06,72,320. The total overrun was Rs. 4,11,80,448, including indirect costs. Its narrower claim for escalation in ready-mix concrete, sand and bricks was Rs. 3,49,87,499, based on asserted increases of 19.87%, 62.98% and 73.17% respectively. A 25 June 2026 certificate of Tukaram & Co. LLP referred to books, cost and purchase records and Annexure I.

The developer also submitted that the original report excluded 197 flats whose agreed consideration already included anticipated GST ITC. That recital is a party submission about the report, not a separately reasoned universal rule that a contractual ITC clause always establishes pass-through. The judgment does not supply a complete project buyer list or a precise investigation end date. The applicant did not appear or respond to the clarification despite opportunities; the Tribunal considered the record and submissions rather than treating absence as proof of the merits.

Pinpoint: Complaint and original report: paragraphs 1–5, physical pp. 2–3. Cost claims and certificate: paragraphs 6.1–6.6, pp. 3–6. Excluded-flat submission: paragraph 6.7, p. 6. Hearing history and applicant absence: paragraphs 8–10, p. 8.

02 Discussion by Hon'ble Tribunal

DGAP's clarification dated 30 July 2026 accepted Rs. 3,49,87,499 cost escalation after examining the CA certificate and sample invoices. Revised Table B states pre/post credit-to-purchase ratios of 13.60% and 18.98%, a 5.38-percentage-point increment, post-GST goods/services purchases excluding taxes and duties of Rs. 45,91,09,633, and additional ITC savings of Rs. 2,47,02,175. Deducting the accepted escalation produces negative savings of Rs. 1,02,85,324 and nil profiteering. The developer accepted the revised findings by letter dated 19 August 2026.

02 Discussion by Hon'ble Tribunal

Although paragraph 11 initially says no further issues remain, paragraphs 11.1–11.8 independently examine why the revised conclusion is justified. The Tribunal evaluates the budget/actual breakdown, the material-specific claim, the independent certificate and DGAP's invoice verification. It finds the escalation genuine and substantial, and holds that deducting the proven escalation from additional ITC savings is appropriate on this record.

The Tribunal applies Reckitt Benckiser paragraphs 118 and 163: genuine commercial factors can justify price changes, and an anti-profiteering order can be erroneous if it ignores relevant cost variations. The judgment does not turn every budget overrun into a deduction, accept the entire Rs. 4,11,80,448 overrun, or decide that a certificate alone is conclusive. Its acceptance concerns the narrower verified material-cost figure of Rs. 3,49,87,499. The High Court principles and this Tribunal's particular computational application remain distinct.

A numerical limit should be preserved. Multiplying the displayed 5.38% by Rs. 45,91,09,633 gives approximately Rs. 2,47,00,098.26, rather than the printed Rs. 2,47,02,175. The underlying unrounded ratio is not supplied in this PDF, so the difference cannot be conclusively attributed to rounding or silently repaired. The subtraction using the source's printed savings and escalation does give the stated negative Rs. 1,02,85,324. Neither this negative result nor the old gross demand is a refund award in the developer's favour.

Pinpoint: DGAP clarification and revised Table B: paragraphs 7.1–7.3, physical pp. 6–7. Acceptance letter: paragraph 8, p. 8. Tribunal's own evidence and methodology findings: paragraphs 11–11.8, pp. 8–12. Reckitt references: paragraphs 6.5, 11.5 and 11.6, pp. 5 and 10–11. Negative conclusion: paragraphs 12–13, p. 12.

03 Judicial decision and operative relief

The Tribunal accepted the DGAP report dated 27 August 2025 read with its clarification dated 30 July 2026 and held that Vertex Homes had not contravened Section 171 for Vertex Panache. It found that the established construction-material cost escalation entirely offset the additional ITC benefit on the accepted project calculation.

The original Rs. 73,00,010 proposal was therefore not confirmed as an enforceable liability. No refund to the developer, homebuyer payment, Consumer Welfare Fund deposit, interest or penalty is ordered, and no payment or compliance-report deadline is imposed. Registry was directed to send copies to the applicant, respondent and jurisdictional CGST/SGST Commissioner. The proceeding was disposed of and the judgment pronounced on 2 September 2026.

The final result rests on the substantive findings in paragraphs 11.1–13, alongside the accepted revised evidence. It is not presented as a settlement or a finding that a previous liability had already been paid. The administrative labels Confirmed and Closure Report do not convert the superseded investigation proposal into an operative demand.

Pinpoint: Substantive no-profiteering conclusion and report acceptance: paragraphs 11.7–14, physical pp. 11–12. Communication, disposal and pronouncement: paragraphs 15–17, p. 13. Administrative summary: p. 2.

04 In favour of

Vertex Homes Pvt. Ltd. on the project-specific Section 171 allegation. The Tribunal found no contravention on the verified cost-escalation record; it did not award the developer a refund or establish a general construction-sector exemption.

Final reasoned no-contravention adjudication. The Tribunal independently evaluates the supporting evidence and legal relevance of genuine cost escalation and applies those findings to the revised negative savings calculation. Applicant nonappearance and the developer's acceptance of the revision are context, not substitutes for that reasoning.

Pinpoint: Paragraphs 10–14, physical pp. 8–12; final directions paragraphs 15–17, p. 13.

05 AKHB REVIEW POINT

AKHB analysis: Separate an asserted project overrun from a demonstrated increase in specified input costs. Preserve contemporaneous budgets, actual quantities and procurement prices, books, invoice samples and the certificate's methodology. Reconcile the chosen cost items with the additional ITC calculation and avoid double counting tax effects or unsupported indirect costs.

A reasoned no-contravention finding can follow from a verified negative calculation, but this case supplies no automatic right to offset any commercial loss against ITC benefit. The accepted evidence and timing must fit the particular project. The recital about 197 excluded agreements should not replace recipient-level proof in a different dispute.

Obtain the underlying reports and unrounded workings before relying on the displayed 5.38% multiplication. Preserve the printed savings, explain any demonstrable reconciliation and distinguish the original Rs. 73,00,010 proposal from the final nil result. Check later judicial treatment before using the decision in advice; the source alone does not establish appellate finality.

Pinpoint: AKHB commentary based on paragraphs 6–7 and 11–14, physical pp. 3–7 and 8–12. Practical recommendations are distinct from the Tribunal's holding.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171, project ITC pass-through allegation and no-contravention finding; CGST Rules 2017: Rule 129, investigation report; CGST Rules 2017: Rules 122, 124, 126, 127, 129, 133 and 134, only in the reproduced Reckitt constitutional-validity passage, not separate operative rulings in this case.

Statutory note

Checked 13 October 2026. Section 171(1) requires the benefit of a tax-rate reduction or ITC to reach recipients through commensurate price reduction. Notification 18/2024-Central Tax empowers the Principal Bench from 1 October 2024 under Section 171(2) read with Section 109; Notification 19/2024-Central Tax fixes 1 April 2025 as the cutoff for accepting new examination requests. Its text does not repeal Section 171 or expressly terminate pending proceedings. This anti-profiteering role is distinct from ordinary GST appellate jurisdiction. These are targeted primary checks, not an exhaustive current-law audit. The quoted Reckitt paragraph 163 includes CGST Rules 122, 124, 126, 127, 129, 133 and 134 in its historical constitutional-validity conclusion; these references do not create additional operative findings in Vertex. Reckitt's commercial-price discussion requires cogent, non-pretextual support; it does not automatically approve every cost offset or the precise purchase-ratio computation here.

Treatment note

Checked 13 October 2026. The freshly retrieved official original is byte-identical to the collected PDF. The four exact final detail pages, the returned final-index page with pagesize 100 and interim-index page with pagesize 30, and bounded exact-party/case searches located no later matching stay, recall, reversal or modification. Only those returned index pages and stated searches were checked, not every court or tribunal docket. A search negative does not certify absence of an appeal or stay. The official Supreme Court cause list of 13 May 2026 lists Reckitt SLP(C) 12705/2024 and Excel Rasayan SLP(C) 3112/2024; it establishes historical listing only, not merits affirmation, a stay, final disposal or present pendency. A separately retrieved 6 February 2024 CCI interim order was reviewed only at physical pages 1, 9 and 10 for identity and further investigation under Rule 133(4); it predates this final judgment and is not a later reversal. A same-name Supreme Court matter against Ch. Srinivas predates this decision and is not matched appellate treatment of it. Underlying cost invoices, CA workings, buyer agreements and annexures were not independently audited.

Scope of source review

One final reasoned Principal Bench anti-profiteering decision for Vertex Panache. The administrative summary calls it a Closure Report; the Tribunal nevertheless gives its own substantive analysis of the cost evidence, revised method and no-contravention conclusion. The DGAP's original demand and revised calculation are distinguished from that conclusion. The underlying CA certificate, Annexure I, sample invoices and buyer agreements are described as evaluated in the proceedings, not independently audited for this note. No ordinary GST appellate or complete GSTAT coverage is claimed.

Identity note

NAPA/87/PB/2025; reference ZA070010926000011H; order, pronouncement and visible digital signature dated 2 September 2026. The form's Closure Report and Confirmed labels coexist with an expressly reasoned no-contravention decision. Original gross proposal Rs. 73,00,010 is not operative relief. Preserve the displayed 5.38% multiplication discrepancy; the underlying unrounded ratio and the precise investigation endpoint are absent from the identified PDF.

Primary source

Source description: Complete 13-page official PDF, including Form GST APL-04A and the reasoned final order. All original pages read and individually viewed by the AI author; source bytes preserved.

Official source: [Open source document](#)

Source pages: 13

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: Targeted primary text/image checks of paragraphs 117–119, 128–129 and 163, physical pp. 120–121, 124–126 and 141: supported commercial changes, differing real-estate scenarios, methodology and preservation of merits remedies. No approval of each later calculation or final Supreme Court affirmation is asserted.

Supreme Court cause list for 13 May 2026

Source document: [Open source document](#)

Pinpoint: Physical pp. 33 and 37: Excel Rasayan SLP(C) 3112/2024 and Reckitt SLP(C) 12705/2024. Historical listing evidence only, not a merits judgment, stay order or present-pendency certification.

CCI I.O. 01/2024, Vertex Homes, 6 February 2024

Source document: [Open source document](#)

Pinpoint: Targeted review of physical pp. 1, 9 and 10 only: identity and further-investigation direction under Rule 133(4), without other merits findings. Earlier history, not later treatment.

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