

Director General of Anti-Profitteering v. Praxis Home Retail Ltd.

Case number: NAPA/20/PB/2025

Citation: Final order dated 14 October 2026; no neutral or reporter citation printed in the identified official PDF.

Decision date: 2026-10-14

Customised modular-kitchen and home-retail supplies: rate-reduction profiteering, demerger continuity, invoice comparability and ₹3.68 crore determination

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

Bench: Justice Mayank Kumar Jain, Member (Judicial), and A. Venu Prasad, Member (Technical), Division Bench Court II; reasons by A. Venu Prasad

Decision stage: Final reasoned determination accepting the DGAP re-investigation report, ordering pass-through/deposit with interest and declining penalty under section 171(3A) for the pre-2020 period; no remand. No later judicial modification was located in the bounded search.

01 Facts of case and issues

K.G.M. Bhushan complained that a 3 November 2017 modular-kitchen quotation fixed a GST-inclusive price of ₹2,50,000 at the then 28% rate, against an alleged ₹1,25,000 advance. Although the rate fell to 18% on 15 November 2017, the complaint alleged that increased base prices left the total price unchanged. The introductory narrative dates the later invoice 20 November 2017; other passages refer to invoices dated 30 November and 7 December. This unresolved source difference is preserved rather than silently corrected.

DGAP's initial report dated 27 November 2020 was remitted for re-investigation by NAA Order 24/2022 dated 30 September 2022. NAA required examination of 12%/5% entries, anomalous component prices and a credit-note entry, a State-total mismatch, and Praxis's contention that Future Retail was a separate pre-reduction supplier. DGAP's further report dated 29 March 2023 is the report finally accepted by GSTAT.

The investigated material covered 1 July 2017–30 September 2019, while profiteering was computed only for 15 November 2017–30 September 2019. DGAP compared channel-wise average base prices for 1–14 November 2017 with corresponding actual post-reduction invoice-wise base prices, applying the reduced GST rates to identify the commensurate price. Praxis contested comparability because its modular kitchens were customised and priced as lump-sum contracts. It also relied on its 21 November 2017 GST registration, the NCLT-approved demerger of Future Retail's home-retail business, commercial cost changes, complaint withdrawal and the absence of wilful retention.

Pinpoint: Complaint and procedural history: paragraphs 1–5, physical pp. 2–5; benchmark and original total: paragraphs 6.1 and 6.6, pp. 5 and 9; NAA queries and further report: paragraphs 7–9, pp. 11–16; respondent submissions: paragraph 10, pp. 16–22. All page numbers are physical PDF pages and match the printed pagination.

02 Discussion by Hon'ble Tribunal

The Tribunal rejected an absolute exemption based on the later GST registration or separate corporate identity. The demerger arrangement, contractual and pricing documents, invoices and registration details had to be assessed together. Clause 13.1.2 of the NCLT scheme was relevant evidence of continuity but did not alone establish the supplier for every transaction. Similarly, neither an absent pre-reduction Praxis invoice nor a pre-reduction Future Retail quotation was individually conclusive. A sufficient evidentiary nexus was required; section 171 was not limited absolutely to transitional contracts.

Under rule 129(2), the investigation was not confined to the goods in the original complaint. Applying Reckitt Benckiser, the Tribunal held that examination of other supplies within section 171's statutory purpose was permissible. The 12% and 5% entries were treated as goods affected by the corresponding 18%→12% and 12%→5% reductions. They were not excluded merely because the complaint began with modular-kitchen goods whose rate fell from 28% to 18%.

Customisation and lump-sum consideration did not automatically defeat an invoice-based comparison. The methodology still had to be rational, evidence-based and responsive to the transactions. The Tribunal said DGAP used actual pre/post tax invoices, whereas Praxis's quotation examples did not establish the price of completed earlier supplies. It distinguished the complainant's individual documents from the underlying data for the wider computation. Rule 126 empowered the Authority to determine methodology; DGAP could apply that methodology in its investigation. The order cites Reckitt Benckiser and LICHFL Care Homes on case-specific methodology, without treating every mathematical formula as impermissible.

The negative serial-111 entry was a credit note with no profiteering computed. The claimed damaged/defective serial-994 goods were not sufficiently distinctly supported to invalidate the comparison. The Gujarat State figure was corrected from ₹1,98,043 to ₹19,48,043, but the corrected State sum of ₹3,67,88,029 remained ₹2 above the accepted aggregate. GSTAT expressly ignored this difference as insignificant; it did not demonstrate exact reconciliation or expressly identify a rounding error.

A withdrawn complaint did not terminate the statutory proceedings. Separate proof of intention or wilful retention was unnecessary under section 171(1), but mere profits or a price increase alone also did not establish profiteering: the benefit and its non-pass-through had to be quantified. Cost and market changes could matter if supported by cogent, contemporaneous and transaction-specific evidence; general assertions did not displace the computation here. The approximately 22-month period had a reasonable nexus with the rate reduction and DGAP reference, and was not invalid solely because of its length. This is not blanket approval of indefinite price control; the Tribunal expressly retained scrutiny of the period and proved commercial offsets.

Pinpoint: Re-investigation findings: paragraphs 14–15, physical pp. 28–31. Demerger/registration: paragraphs 17–26, pp. 33–36. Investigation scope: paragraphs 27–32, pp. 36–39. Methodology: paragraphs 33–50, pp. 39–49, including image tables at pp. 42 and 46–47. Withdrawal: paragraphs 51–53, pp. 49–50. Intention and commercial evidence: paragraphs 54–59, pp. 50–53. Period: paragraphs 60–69, pp. 53–56. Residual ₹2: paragraph 70, pp. 56–57.

03 Judicial decision and operative relief

GSTAT accepted the 29 March 2023 DGAP report and determined profiteering of ₹3,67,88,027 for 15 November 2017–30 September 2019, including ₹21,200 attributable to the identifiable complainant. It directed that ₹21,200 be passed on with 18% interest under rule 133(3)(b), running from collection of the higher amount from the complainant until actual passing-on of the corresponding benefit.

The remaining amount, attributable to unidentified recipients, must be deposited with 18% interest in the respective Consumer Welfare Funds under rule 133(3)(c). The resulting principal balance is ₹3,67,66,827 by subtraction; the operative paragraph does not separately print that balance. The complainant's ₹21,200 must be excluded from the Central/State Consumer Welfare Fund deposits for Karnataka to avoid double counting. The CWF sentence does not separately express its interest start/end dates, so the complainant's explicit time-base should not be silently attributed to that sentence.

No penalty under section 171(3A) was imposable because the entire determined period preceded 1 January 2020, when that provision came into force. Copies were directed to DGAP, Praxis and the jurisdictional Commissioners. The operative directions state no new payment deadline or quantified interest total and do not remand the matter.

Pinpoint: Contravention and accepted quantum: paragraphs 70–71, physical pp. 56–57; penalty: paragraph 72, p. 57; report accepted: paragraph 73, p. 57; payment/deposit and interest: paragraph 74, pp. 57–58; consequential directions: paragraphs 75–76, p. 58.

04 In favour of

DGAP on contravention and quantum, with recipient payment and Consumer Welfare Fund deposits ordered; Praxis avoids section 171(3A) penalty solely because the determined period predates that provision.

Final fact-specific anti-profiteering determination of ₹3,67,88,027 with 18% interest directions; ₹21,200 goes to the complainant and the balance to the respective Consumer Welfare Funds. No section 171(3A) penalty for the pre-2020 period. The full liability must not be described as a penalty or as entirely payable to the funds.

Pinpoint: Paragraphs 70–74, physical pp. 56–58.

05 AKHB REVIEW POINT

AKHB analysis: For a demerged or transferred business, preserve a transaction-level bridge between the predecessor's pricing data and the successor's supplies. A later registration and an accounting deeming clause are each relevant but neither replaces the invoices and contractual evidence. For customised goods, document differences in specifications, quantities, negotiated scope and contemporaneous costs rather than rely on a general statement that every contract is unique.

Keep credit notes, damaged/defective goods and rate categories separately verifiable, and reconcile invoice aggregates with State allocations. This order's express treatment of ₹2 as insignificant is a case-specific conclusion, not a general licence for unreconciled computations. Separate the identifiable-recipient amount and its interest from the fund allocations; do not double count the ₹21,200 or assume all interest starts on the judgment date.

Before relying on the order, resolve its inconsistent invoice dates from the underlying documents and check the latest judicial docket. Do not convert consideration of an appeal, a pending challenge to a cited authority, or absence of a located later order into proof of a stay or of unconditional final enforceability.

Pinpoint: AKHB commentary based on paragraphs 14, 20–26, 38–50, 55–58 and 70–74, physical pp. 28–36, 42–53 and 56–58. These practical recommendations are distinct from the Tribunal's holdings.

Sources and limitations

Relevant provisions

CGST Act 2017: section 171(1), statutory tax-benefit pass-through obligation; section 171(3A), penalty provision held inapplicable to this pre-1 January 2020 period.; CGST Rules 2017: rule 126, methodology; rule

129(2), investigation scope; rule 133(4), earlier re-investigation; rules 133(3)(b) and 133(3)(c), recipient payment and Consumer Welfare Fund deposit.; Notification 41/2017-Central Tax (Rate), dated 14 November 2017: relevant rate reductions effective 15 November 2017, as applied in the order.

Statutory note

This note reports the section 171 and rules 126, 129 and 133 analysis in the identified judgment. No complete current-law audit is claimed. The penalty conclusion is confined to section 171(3A) and the pre-1 January 2020 period. An independently checked statutory source exposes a rule-number error: Notification 31/2019-Central Tax, amendment 17(e), physical p. 5, inserted rule 133(5), whereas judgment paragraphs 10.10 and 31 refer to rule 129(5). Preserve the judgment wording as a source error rather than repeat it as the correct rule.

Amendment 17(c) on that same official page added interest under rule 133(3)(c) from collection of the higher amount to deposit. This is separately verified statutory context; paragraph 74 of the judgment itself expressly states the time-base only for the complainant and does not independently discuss the temporal application of that amendment. No interest total or individual collection/deposit dates have been verified.

Treatment note

Checked 17 October 2026. Narrow official-domain searches for the case number and Praxis name/date located the final listing and earlier cause lists, but no later case-specific stay, reversal or correction. This is a bounded search only three days after pronouncement, not certification that no appeal was filed or no unindexed order exists. A 15 October company-disclosure lead in exchange-announcement mirrors states that legal options, including an appeal, are being evaluated; its official exchange attachment has not yet been independently retrieved, so it is not treated as proof of a filed appeal or judicial protection. The treatment of the cited authorities was not comprehensively reverified.

Scope of source review

Complete 58-page official PDF read through text extraction; the image-based Annexure A and computation tables at physical pp. 42 and 46–47 and the operative pp. 57–58 were also visually inspected. The retained official listing verifies case number and date and links the PDF. The full underlying invoice dataset, separate DGAP reports, NCLT order and cited authorities were not independently audited in this review. The stated invoice dates conflict: 20 November 2017 in the introductory narrative, 30 November in paragraph 10.5, and 30 November/7 December in paragraph 39. Registration is stated effective 21 November. The printed State rows sum to ₹3,50,38,029, or ₹3,67,88,029 after the Gujarat correction, while the accepted amount is ₹3,67,88,027. Paragraph 8.1 says serial 69694 but its table shows 69964. References to pre-GST/post-GST in parts of the reasons should be read cautiously against the expressly adopted November 2017 pre/post-rate-reduction benchmark. These differences are preserved, not editorially repaired.

Identity note

NAPA/20/PB/2025; order reference ZA070011026000108H. Reserved 15 September 2026 and pronounced 14 October 2026. The administrative form's confirmation label is read with the signed reasons accepting the re-investigation report; this is not a remand or an ordinary GST appeal.

Primary source

Official GSTAT Principal Bench final PDF linked from the Anti-Profitteering Division listing; 58 physical pages, including Form GST APL-04A, reasons, image-based tables and signed operative order.

[Open original judgment](#)

Source pages: 58

Outcome type: final

Official final-order listing: Praxis Home Retail, 14 October 2026

[Open cited source](#)

Pinpoint: Listing identifies NAPA/20/PB/2025, date 14 October 2026, and links the retained full PDF.

Notification 31/2019-Central Tax, 28 June 2019[Open cited source](#)

Pinpoint: Amendment 17(c) and 17(e), physical p. 5: fund-interest collection-to-deposit wording and insertion of rule 133(5), respectively. This independently checked statutory context is distinguished from the wording and limits of the judgment.

Disclosures and source rights

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