

NAA finds Logix Infrastructure guilty of not passing ITC benefit to Flat Buyers

Appeal Number: Case No. 72/2020

Date of Judgement/Order: 13/11/2020

Sh. RajenderMeena Vs Logix Infrastructure Pvt. Ltd (National Anti-Profiteering Authority)

Fact of the Case

- The Applicant, had filed application alleged that the Respondent, M/s Logix Infrastructure had not passed on the benefit of the input tax credit by way of commensurate reduction in price to the Applicant in respect of the purchase of flat in the Respondent project "Logix Blossom County" at Noida Expressway, Uttar Pradesh.
- The DGAP in his report has stated that a notice under Rule 129 of the CGST Rules, 2017 was issued calling upon the Respondent to reply as to whether he admitted that the benefit of ITC had not been passed on to the Applicants by way of commensurate reduction in prices and indicate the same in his reply to the notice along with all supporting documents.
- The NAA noted that Respondent has accepted his liability of passing on the benefit of additional ITC as per the report of the DGAP and has also submitted that he had passed on the benefit of Rs. 13,32,278 to his customers/flat buyers by way of credit notes.

Decision of the Case

- The Authority found that the profiteered amount as per the provisions of Section 171 (1) read with Rule 133 (1) of the above Rules which includes GST at the rate of 12% on the base profiteered amount.
- The Authority observed that the Respondent that he has not passed on interest at the rate of 18% to his recipients/flat buyers on the profiteered amount, which shall be paid by the Respondent to his recipients/flat buyers from the date of receipt of the additional price till the amount is paid to each buyer, as he has used this amount in his business, as per the provisions of Section 171 (1) of the CGST Act, 2017 read with Rule 133 (3) (b) of the CGST Rules, 2017.
- The NAA directed the DGAP to ensure that the interest is paid to the eligible home buyers and submit a report confirming payment of the interest. In case the interest is not paid the same shall be recovered by the concerned CGST/SGST Commissioner and paid to the eligible buyers.

The National Anti-Profiteering Authority (NAA) found M/s Logix Infrastructure guilty of not passing the benefit of Input Tax Credit (ITC) to flat buyers.