

Director General of Anti-Profiteering v. Unnathi Associates

Case number: NAPA/129/PB/2025

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

Decision date: 2026-03-19

Raunak Heights: admitted additional-ITC profiteering; buyer-specific collection-to-refund interest; penalty relief and unresolved refund-status wording

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

Bench: Shri A. Venu Prasad, Member (Technical), Single Bench Court No. 4

Decision stage: Final substantive determination on admitted Rs. 6,53,861 profiteering; contested 18% interest upheld from each excess-collection date to refund and Section 171(3A) penalty not imposed. Earlier refund recitals and repeated operative refund direction require reconciliation.

01 Facts of case and issues

A homebuyer, Rahul Kesarwani, complained that Unnathi Associates had not passed additional input-tax-credit benefit through commensurate price reductions for construction services in Raunak Heights, Thane. The Standing Committee referred the matter to DGAP. An initial investigation report dated 31 January 2023 went to the Competition Commission of India. The judgment records a further CCI direction dated 21 March 2024 following the Delhi High Court's 29 January 2024 Reckitt Benckiser judgment, and a fresh DGAP report dated 7 January 2025, received on 10 January 2025.

DGAP compared April 2016–June 2017 with July 2017–December 2019. Table A records pre-GST purchases excluding taxes and duties of Rs. 1,69,98,202 and service-tax credit of Rs. 13,03,738, against post-GST purchases of Rs. 45,02,08,931 and GST credit of Rs. 5,43,96,003. The displayed credit-to-purchase ratios are 7.67% and 12.08%, a 4.41-percentage-point increase. Table B uses that difference to calculate additional-credit savings of Rs. 1,98,54,214, divides by saleable area of 1,04,038 square feet and prints Rs. 190.84 savings per square foot. It applies that rounded figure to 19,661 square feet described as area sold in the pre-GST period, producing printed base profiteering of Rs. 37,52,105.

Paragraph 5 adds printed GST of Rs. 4,50,252 to reach Rs. 42,02,357, deducts benefit already passed of Rs. 35,48,496, and records a residual Rs. 6,53,861 inclusive of GST. These are the admitted source figures, with rounding and printing limitations identified below; they are not an independently audited project calculation.

Unnathi's advocate accepted the DGAP findings without qualification and produced a customer list, cheque copies and other refund documents. The applicant did not appear at the hearings described in paragraph 7. Unnathi sought relief from penalty and interest. It challenged the statutory basis and certainty of interest computation and contended that any interest should run only from completion certification. The remaining dispute was therefore principally interest and penalty, rather than a defended challenge to the quantified principal.

Pinpoint: Complaint and report: paragraph 1, physical p. 2. Procedural history and Table A: paragraphs 2–3, p. 3. Calculation and prior pass-through: paragraph 4 and Table B, pp. 4–5; paragraph 5, p. 5. Acceptance, refund documents and objections: paragraphs 6–7.2, pp. 5–7; paragraph 9, p. 9.

02 Discussion by Hon'ble Tribunal

The Tribunal accepts the DGAP calculation by reference to the unqualified admission, documentary record, auditor-certified financial statements and uncontested computations. It finds that additional ITC represented by the 4.41-percentage-point increase had not initially been passed on to the extent of Rs. 6,53,861. This is a project-specific finding on an accepted evidential record. Paragraph 2's statement that the High Court ordered a new real-estate methodology should not be read as establishing one compulsory formula for every project. A targeted check of Reckitt Benckiser paragraphs 124–126 confirms case-sensitive methodology, subject to fairness and reasonableness.

On interest, paragraph 8.4 relies on Reckitt Benckiser paragraph 153 for Section 171's breadth to support the prescribed interest mechanism. Paragraph 9 applies Rule 133(3)(b): the duty to pass the benefit arises at supply, and excess consideration retained from a buyer attracts 18% annual interest from that buyer's respective collection date until refund. The Tribunal describes this as compensation for the buyer's lost time value. It rejects an interest-free outcome and the proposed completion-certificate start date. The cited objections are not accepted merely because the judgment reproduces them; the source does not separately analyse every cited authority at length.

Penalty receives different treatment. Paragraph 8.3 first speaks of contravention and potential penalty, then records that Section 171(3A) became operative on 1 January 2020 whereas the violation period was 1 July 2017–31 December 2019, with occupation certification in December 2019. It also invokes the provision's 30-day deposit proviso and states that the entire amount had already been refunded. Its ultimate conclusion is that this penalty cannot be imposed. Both grounds as stated must be retained; the note does not manufacture a quantified penalty, general immunity or a new default condition.

The source does not consistently describe payment status. Paragraph 5 sets out the investigation-stage residual; paragraph 8.2 says cheques were tendered; paragraph 8.3 says the entire amount had been refunded; yet the operative directions require refund of the same Rs. 6,53,861 with interest. Cheque tender, bank clearance and recipient receipt are not interchangeable. No annexed buyer ledger or cheque-clearance evidence appears in the ten-page order. Both the refund recital and operative requirement are reported without assuming either an unpaid principal today or an entitlement to duplicate recovery.

The main subtraction reconciles exactly: Rs. 42,02,357 less Rs. 35,48,496 is Rs. 6,53,861. Paragraph 5's parenthetical drops the final digit from the latter figure, but paragraph 8.1 supplies the complete subtraction. Intermediate figures reflect rounded stages: the stated purchases times 4.41% give Rs. 1,98,54,213.8571; dividing the printed savings by the saleable area gives approximately Rs. 190.836175 per square foot; the displayed Rs. 190.84 times 19,661 gives Rs. 37,52,105.24. Twelve per cent of the printed base Rs. 37,52,105 is Rs. 4,50,252.60, while the source prints Rs. 4,50,252 without explaining the rounding. The two printed components nevertheless sum to the stated gross amount. None of these observations silently revises the admitted or ordered principal.

Pinpoint: Acceptance and benefit finding: paragraphs 8–8.2, physical p. 7. Penalty and refund recitals: paragraph 8.3, pp. 7–8. Interest: paragraph 8.4, p. 8, and paragraph 9, p. 9. Payment-status tension: paragraphs 5, 7, 8.2–8.3 and directions, pp. 5–9. Arithmetic: Tables A–B and paragraph 5, pp. 3–5; paragraph 8.1, p. 7. Targeted Reckitt check: paragraphs 124–126, physical pp. 123–124, and paragraphs 153–156, pp. 137–138.

03 Judicial decision and operative relief

The operative directions require Unnathi Associates to refund Rs. 6,53,861, with interest at 18% per annum, to the eligible homebuyers listed in Annexure 13 to the DGAP report within one month from the order date. Paragraph 9 specifies interest separately for each eligible buyer, running from the respective collection of excess consideration to refund. The order does not supply a consolidated interest amount or individual calculations.

Compliance must be reported to the jurisdictional CGST/SGST Commissioner, with intimation to DGAP, within the same one-month period, evidencing completed payment to all eligible buyers. The matter is disposed of. Copies are directed to the respondent, applicants, DGAP and jurisdictional Commissioners, and the judgment records open-court pronouncement on 19 March 2026. Section 171(3A) penalty is not imposed under the reasoning in paragraph 8.3.

The operative refund wording is retained alongside the earlier statement that the amount had been refunded and the record of tendered cheques. This order alone does not certify present outstanding principal, clearance of every cheque, actual buyer receipt or interest satisfaction. Existing payments require buyer-wise reconciliation; no additional recovery of an already discharged principal is inferred by this note. Annexure 13 is referenced but is not attached to the identified ten-page PDF.

This is direct recipient relief. The order does not substitute a Consumer Welfare Fund deposit or impose a separate Fund-interest commencement date. The one-month payment and reporting period runs from the order, not from receipt; no conclusion of present default is drawn from elapsed time alone.

Pinpoint: Operative directions following paragraph 9, physical pp. 9–10; communication and pronouncement, paragraphs 10–11, p. 10. Interest period: paragraph 9, p. 9. Penalty and earlier refund recitals: paragraphs 8.2–8.3, pp. 7–8. Administrative summary: p. 2.

04 In favour of

Homebuyers/DGAP on the admitted principal determination and contested collection-to-refund interest; Unnathi Associates on the non-imposition of Section 171(3A) penalty. The refund-status tension prevents treating the operative principal as a verified new or presently unpaid amount.

Final project-specific determination on admitted additional-ITC profiteering with interest upheld and penalty relief. The prior refund recital is not an interest waiver, and the repeated refund direction is not a verified finding that all principal remained outstanding. No merits remand or general real-estate formula is ordered.

Pinpoint: Paragraphs 8–9 and operative directions, physical pp. 7–10.

05 AKHB REVIEW POINT

AKHB analysis: Separate acceptance of the principal calculation from interest exposure. Repaying the tax benefit does not, on this reasoning, remove compensation for the period the buyer was deprived of it. Build a recipient-wise schedule of each excess collection, the actual effective refund, prior credit or payment and remaining interest, supported by banking and buyer records.

Reconcile the source's tendered-cheque and completed-refund statements with its operative direction. Obtain Annexure 13, cheque-clearance evidence and the compliance filing before advising that principal is fully discharged or still due. Preserve payment credit and avoid treating the judgment as authorising duplicate recovery. The source leaves the exact interest computation and the reconciliation of already passed benefit to the underlying record.

Preserve the purchase, credit and area data behind an admitted calculation. Do not transplant a rounded credit-to-purchase or area formula into another project without testing the relevant facts. The gross benefit, prior pass-through and residual figures serve different roles; the printed intermediate rounding and truncated subtraction should be disclosed rather than silently corrected.

Assess penalty timing separately from interest and from the one-month operative compliance period. This judgment relies both on the pre-2020 period and the refund recital; it does not make late principal repayment universally penalty-free. Obtain the current docket and case-specific advice before relying on the order for enforcement or appellate strategy.

Pinpoint: AKHB commentary based on Tables A–B, paragraphs 5, 7–9 and operative directions, physical pp. 3–10. Recommendations are distinct from the Tribunal’s holding.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171(1), additional-ITC benefit pass-through; Section 171(3A) and its proviso, penalty timing and prior-refund reasoning; CGST Rules 2017: Rule 129, investigation and reinvestigation history; Rule 133(3)(b), recipient return with 18% collection-to-return interest; Notification 11/2017-Central Tax (Rate), dated 28 June 2017, historical construction-service rate and one-third land abatement as recorded by GSTAT; not current-rate advice; CGST Rules 2017: Rules 113(1) and 115, administrative Form GST APL-04A heading only; Rule 126 and CGST Act Section 164, limited background in the separately targeted Reckitt Benckiser passages, not additional operative provisions adjudicated in this case

Statutory note

The governing interest provision applied here is recipient-return Rule 133(3)(b). The official CBIC rules compilation updated 23 April 2019 was targeted at physical p. 122 (printed p. 119), where that clause already expressly provides 18% collection-to-return interest; the adjacent Fund clause is distinct. The later express amendment concerning Fund interest is not imported into this recipient case as a new start date. Section 171(3A) and its thirty-day proviso are considered together in the source; the official India Code Act text and commencement footnote at physical pp. 122–123 corroborate the provision’s 1 January 2020 commencement. The one-month operative payment/reporting period remains separate from that proviso. Targeted Reckitt Benckiser paragraphs 124–126 and 153–156 confirm case-sensitive methodology and the interest rule’s statutory basis, not this project’s exact financial inputs or current Supreme Court treatment. Other cited authorities and the full historical rate notification remain source-attributed. No exhaustive present-law or appellate-remedy certification is claimed.

Treatment note

Checked 17 October 2026. The official final listing and complete linked PDF identify the 19 March 2026 order. The official public NAA/GSTAT interim category returned 77 linked entries, with no caption matching Unnathi Associates or NAPA/129/PB/2025. Bounded exact-party/case indexed searches, including official NAA, GSTAT CIS, Delhi High Court and Bombay High Court domains, did not establish a later matching recall, stay, reversal or modification. CIS retrieval failed: the direct endpoint returned 502 with a certificate-verification error, and no security check was bypassed. A complete case-status registry or appellate docket was not obtained. Absence from a public index or search result does not establish absence of appeal or stay; no current unconditional enforceability or compliance certification is given. The separately cited Reckitt passages were checked as background authority, without certifying final Supreme Court approval.

Scope of source review

One final GSTAT Principal Bench anti-profiteering determination for Raunak Heights on an admitted DGAP computation, with contested interest and penalty issues. All ten original text pages read; eight identified pages visually checked. Auditor records, project annexures, Annexure 13, cheque clearance, actual payments and

complete later dockets were not independently audited. This is not ordinary GST appellate coverage or a general judgment approving one formula for every development.

Identity note

Unnathi Associates, NAPA/129/PB/2025; order reference ZA070010326000064H; A. Venu Prasad, Member (Technical), Single Bench Court No. 4. Judgment date and visible digital-signature display both 19 March 2026; listing posted 20 March. Visual signature observation only, not cryptographic validation. The administrative reference date 10 January 2025 is not the decision date. Paragraph 8.3 calls the benefit tax reduction although the complaint, tables and substantive finding concern additional ITC. Paragraph 5 truncates Rs. 35,48,496 within its parenthetical; paragraph 8.1 supplies the complete reconciled subtraction.

Primary source

Complete 10-page official PDF including Form GST APL-04A and final reasons. All extracted text pages read; physical pages 1, 3 and 5–10 visually checked. Original bytes preserved and hash verified.

[Open original judgment](#)

Source pages: 10

Outcome type: mixed

Official GSTAT final-order detail, posted 20 March 2026

[Open cited source](#)

Pinpoint: Identifies Unnathi Associates final dated 19 March 2026; linked PDF supplies reasons and directions.

CGST Rules, official CBIC compilation updated 23 April 2019

[Open cited source](#)

Pinpoint: Physical p. 122, printed p. 119: Rule 133(3)(b), recipient-return interest. Targeted historical provision check only.

CGST Act, official India Code compilation

[Open cited source](#)

Pinpoint: Section 171, physical pp. 122–123, especially Section 171(3A), its proviso and commencement footnote; targeted check.

Reckitt Benckiser India Pvt. Ltd. v. Union of India, Delhi High Court, 29 January 2024

[Open cited source](#)

Pinpoint: Paragraphs 124–126, physical pp. 123–124, and paragraphs 153–156, pp. 137–138; limited independent check, not complete 142-page review or appellate-status certification.

Official GSTAT Anti-Profiteering interim-order index

[Open cited source](#)

Pinpoint: 17 October 2026: 77 linked entries checked for Unnathi Associates and NAPA/129/PB/2025, with no matching caption; public index only, not a full docket.

Disclosures and source rights

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

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