

Director General of Anti-Profiteering v. Vasavi and GP Infra LLP

Case number: NAPA/28/PB/2025

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

Decision date: 7 May 2026

Construction ITC: input services, documented price reductions, embedded benefit and recipient-specific restitution

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

Bench: Justice (Retd.) Dr. Sanjaya Kumar Mishra, President, and Shri A. Venu Prasad, Member (Technical), Special Bench, Court I; order by Shri A. Venu Prasad

Decision stage: Final reasoned judgment after limited reinvestigation: substantial recomputation and benefit credits accepted, but Rs. 71,37,747 plus Rs. 8,56,530 GST remains repayable with 18% interest; Section 171(3A) penalty is held attracted subject to the quoted proviso, without a rupee assessment.

01 Facts of case and issues

Two complaints concerning Vasavi GP Trends were referred for investigation, the first on 30 May 2022 and the second following the Standing Committee's 12 January 2023 meeting. After DGAP's 24 February 2023 report, CCI directed re-examination of sale documents on 1 December 2023 and further investigation on 7 May 2024 following Reckitt Benckiser. The 9 October 2024 report initially calculated Rs. 6,02,89,656 excluding GST and a balance of Rs. 2,54,20,175 after earlier benefit credits.

Following contested hearings, GSTAT's 13 February 2026 order directed limited reconsideration of six listed questions: the balance liability, actual service-related ITC versus a notional 1.7978% measure, Rs. 46,40,136 claimed passed to thirteen buyers who denied receipt, comparison of post-GST prices, embedded ITC benefit, and GST already paid to the Government. This was not an open de novo investigation.

The March 2026 report revised total benefit to Rs. 1,51,87,625 and remaining benefit to Rs. 71,37,747, both excluding GST. Its reproduced Table A contains twenty-five buyer rows, including two negative balances. The developer accepted the report subject to excluding service ITC, proposing Rs. 51,73,776, and opposed addition of GST as double recovery. The Tribunal therefore still had live substantive issues to decide.

Pinpoint: Complaint and CCI history: paragraphs 1–9, physical pp. 2–4. Limited remand: paragraphs 10–11, pp. 4–6. DGAP's reconsideration and Table A: paragraph 12, pp. 6–12. Remaining objections and issues: paragraphs 14–16, pp. 13–14.

02 Discussion by Hon'ble Tribunal

The Tribunal's own determination begins at paragraph 17. It found additional benefit on the project's pre-/post-GST comparison and approved the revised ITC-to-construction-cost approach. It rejected exclusion of input-service credit, holding that the relevant benefit was not confined to material inputs. It relied on Reckitt Benckiser and reproduced the CBEC construction clarification dated 15 June 2017. These are the reasons applied to this project; the note does not treat all available ITC as automatically identical to incremental benefit, or prescribe a universal developer formula.

02 Discussion by Hon'ble Tribunal

Paragraph 22 accepted Rs. 46,40,136 as already passed to thirteen buyers because DGAP had verified books, customer ledgers and credit notes showing reduced amounts payable. On that evidence, email denials did not displace documented price adjustment, and a separate cash refund was unnecessary. Paragraph 23 also accepted benefit embedded in post-GST prices to the extent supported by contemporaneous internal circulars and meeting minutes. These are fact-specific findings, not an unconditional exemption for post-GST sales or a rule that any accounting entry conclusively proves compliance.

Paragraphs 24–25 accepted the revised total and balance but expressly prohibited offsetting one buyer's excess benefit against another buyer's shortfall. Paragraphs 27–28 required return of the corresponding 12% GST component even if already remitted to the Government: the direction concerns restitution of the entire excess collected from buyers. The order gives no corresponding tax-refund award to the developer.

Material numerical tensions remain in the source. Paragraph 7 prints earlier benefit of Rs. 3,48,69,481, while paragraphs 12.12–12.13 and 24 print Rs. 3,48,69,781. The Rs. 2,54,20,175 historical balance reconciles to the former figure, not the latter. In Table A, the twenty-five displayed gross-benefit entries total Rs. 1,43,90,122.08 rather than the printed Rs. 1,51,87,625. The positive displayed balances total Rs. 64,20,574.01 rather than Rs. 71,37,747; netting the two negative rows gives Rs. 54,69,710.96 and would also contradict the express no-cross-buyer-offset rule. Nine displayed row subtractions differ, including flat 1002's Rs. 3,35,308.56 against displayed factors producing Rs. 3,19,538.56. These are checks of printed figures only. The full report and unrounded workings are absent, so the note retains the ordered liability and does not invent corrected recipient amounts.

The report is generally dated 13 March 2026, but paragraph 15.4 says 12 March. Paragraph 12.1 describes reconsideration of questions 1–5 although paragraph 10 lists six. The report's Rs. 294.84 per-square-foot benefit and paragraph 26's approximately Rs. 138 remaining profiteering per square foot are different stated measures, not silently substituted rates. For interest, paragraphs 29–32 apply Rule 133(3)(b) and compensatory restitution from each excess collection to refund. Paragraph 33 holds penalty attracted because the stated 1 July 2017–30 September 2024 period crosses commencement on 1 January 2020, but does not allocate the amount by period or fix a penalty sum.

Pinpoint: Actual merits reasons: paragraphs 17–28, physical pp. 15–21. Documentary pass-through and embedded prices: paragraphs 22–23, pp. 18–19. Numerical checks: paragraph 7, p. 4; paragraphs 12.12–12.13 and Table A, pp. 9–12; paragraph 24, p. 19. Report/question variants: paragraphs 10, 12.1 and 15.4, pp. 5–6, 14. Interest and penalty: paragraphs 29–33, pp. 21–23.

03 Judicial decision and operative relief

GSTAT directed Vasavi and GP Infra LLP to pass Rs. 71,37,747 excluding GST, plus Rs. 8,56,530 GST, totalling Rs. 79,94,277, to the eligible homebuyers identified in DGAP's report dated 13 March 2026. Interest at 18% per annum runs from the respective dates of collecting the higher amounts until actual refund. Interest is additional and no aggregate interest sum is assessed.

Paragraph 33 holds Section 171(3A) penalty attracted and reproduces the ten-per-cent provision together with the exception where the profiteered amount is deposited within thirty days of the order. It does not quantify a rupee penalty or allocate pre-/post-1 January 2020 liability. The note therefore does not calculate ten per cent of the full multi-year amount as an assessed penalty.

03 Judicial decision and operative relief

Compliance must be reported to the jurisdictional Commissioner within three months from the order date, with a copy to DGAP. The operative paragraph does not set a separate thirty-day refund deadline; the thirty days appears in the penalty proviso. No Consumer Welfare Fund deposit is directed. The matter is disposed of, judgment pronounced, and both visible digital signatures bear 7 May 2026. Actual payment and compliance remain unverified.

Pinpoint: Interest: paragraphs 29–32, physical pp. 21–22. Qualified penalty: paragraph 33, p. 23. Exact principal/GST, recipient identification, interest and report direction: paragraph 34, pp. 23–24 and administrative summary, pp. 1–2. Disposal and signatures: paragraphs 35–37, p. 24.

04 In favour of

Mixed. The developer obtained substantial recomputation and recognition of documented prior/embedded benefits. Eligible homebuyers and the anti-profiteering authority prevailed on the remaining Rs. 79,94,277 repayment, inclusion of service credit and GST, recipient-specific non-offsetting and 18% interest. Penalty remains qualified and unquantified.

Final substantive judgment after limited reconsideration. The Tribunal gives developed reasons on surviving contested issues and grants both material computation relief and enforceable remaining restitution. The earlier remand is historical; this 7 May 2026 order is not merely procedural or a settlement acceptance.

Pinpoint: Paragraphs 14–37, physical pp. 13–24; especially substantive findings at paragraphs 17–33 and final direction at paragraph 34.

05 AKHB REVIEW POINT

AKHB analysis: Reconcile benefit at recipient level and retain the documents demonstrating an actual reduction in consideration. Evidence of earlier or embedded pass-through should be tested against contemporaneous pricing records and buyer ledgers, while excess credit for one buyer should not conceal another buyer's shortfall. Separate incremental goods-and-services credit from aggregate credit availability.

Obtain the complete March report, annexures and a corrected or clarified recipient schedule before using the reproduced Table A for execution. The published row totals and subtractions do not fully explain the adopted aggregate. Preserve the Tribunal's ordered amount pending authoritative clarification rather than substituting an editorial recalculation. Track collection dates for interest, the unallocated post-2020 penalty issue and its thirty-day proviso, and the separate three-month reporting direction.

Pinpoint: AKHB commentary based on Table A and paragraphs 17–34, physical pp. 10–24; recommendations are separate from adjudicated directions.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171 and Section 171(1), construction ITC benefit and recipient-specific pass-through; CGST Act 2017: Section 171(3A), qualified penalty discussion for a period crossing 1 January 2020; CGST Rules 2017: Rule 128, complaint history, and Rules 129(1) and 129(6), investigation history; CGST Rules 2017: Rule 133(3)(b), operative recipient restitution with 18% interest; CBEC clarification dated 15 June 2017, Reduced Liability of Tax on complex, building, flat etc. under GST, reproduced historical construction guidance.

Statutory note

Targeted official statutory and cited-primary checks were completed on 13 October 2026. Official India Code web text marked as on 11 June 2026 was checked for the relevant Act provisions; local retrieval timed out, so no fresh saved-byte or visual certification of that compilation is claimed. Fresh Notifications 18/2024 and 19/2024 establish Principal Bench empowerment and the separate new-request cutoff, without expressly terminating pending cases. These supplementary instruments are not silently added to the judgment's express merits citations. Reckitt was checked only at the declared passages, not through a complete current citator or full appellate-status review. The 2018 Rules already contain 18% recipient interest in Rule 133(3)(b). Section 171(3A) commenced on 1 January 2020 and retains its thirty-day deposit proviso; no post-commencement allocation or rupee penalty is supplied here. The 15 June 2017 CBEC item is a historical press release enclosed with an Office Memorandum, not a new rate rule or exemption. Reckitt does not mandate one universal formula, and its construction scenarios retain their stated conditions. Buyer-specific documentary adjustment and embedded-price findings remain confined to this record.

Treatment note

On 13 October 2026 the independent reviewer freshly retrieved the official original and matched its selected hash, checked the official detail page and bounded final/interim listings, and searched exact case/party terms on relevant official court domains. No later order altering this final was identified in those limited materials; this does not certify that no appeal, stay, review or correction exists. The Supreme Court's 31 July 2024 connected order concerns pleadings and listing; a 13 May 2026 cause list records Reckitt SLP(C) 12705/2024. Neither is a final merits affirmation or proof of present pendency. A Delhi High Court batch order dated 29 January 2026 includes Vasavi's older W.P.(C) 12797/2022 and records that the constitutional-validity SLP was under consideration while individual issues required pleadings. It predates the selected 7 May 2026 final and does not adjudicate it. Notice on another party's stay application is not a stay grant. Complete DGAP reports, annexures, pricing circulars, buyer ledgers, subsequent payments and compliance were not independently audited.

Scope of source review

One Principal Bench anti-profiteering judgment concerning the Vasavi GP Trends project. The final Tribunal determines input-service inclusion, documentary proof of pass-through, post-GST pricing, buyer-specific shortfalls, GST restitution, interest and penalty after its earlier limited remand. DGAP's report and CCI history are kept distinct from the Tribunal's own findings. The financial table is not fully reconcilable from the published record. No complete GSTAT or ordinary appellate coverage is claimed.

Identity note

NAPA/28/PB/2025; reference ZA070010526000021H; Special Bench, Court I, Justice (Retd.) Dr. Sanjaya Kumar Mishra and A. Venu Prasad; order and both visible signature dates 7 May 2026. Body and summary retain Rs. 79,94,277 with 18% interest. Historical prior-benefit figures differ by Rs. 300; Table A totals and nine row subtractions are unreconciled; two negative rows cannot be cross-netted against other buyers. Report date varies between 12 and 13 March 2026. Thirty-day penalty exception and three-month reporting obligation are distinct; no separately quantified penalty or verified compliance is supplied.

Primary source

Source description: Complete 24-page official original, including administrative summary and substantive order; all pages read and individually viewed, with fresh official hash matched. Exact case-specific qualifications are preserved.

Official source: [Open source document](#)

Source pages: 24

Outcome type: mixed

Additional source

CGST Act 2017, official compilation marked as on 11 June 2026

Source document: [Open source document](#)

Pinpoint: Targeted official web text: Sections 109/171 at physical pp. 87–88 and 122–123; Section 17 and Schedules II/III at pp. 31–32 and 126–128 where relevant. Local PDF retrieval timed out; no fresh saved-byte or visual certification of this compilation.

Central Tax Notification 18/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Complete p. 1: Principal Bench anti-profiteering empowerment from 1 October 2024.

Central Tax Notification 19/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Complete p. 1: new-request cutoff from 1 April 2025; no express termination of pending adjudication.

Historical CGST Rules compilation as at 13 September 2018

Source document: [Open source document](#)

Pinpoint: Targeted Rule 133(3)(b)/(c), physical pp. 106–107: existing recipient interest and separate Fund route. Not a complete current-rules certification.

Central Tax Notification 01/2020 dated 1 January 2020

Source document: [Open source document](#)

Pinpoint: Complete p. 1, read with the Act footnote: Finance (No. 2) Act 2019 Section 112 inserting Section 171(3A) commenced on 1 January 2020.

Reckitt Benckiser India Private Limited v. Union of India, Delhi High Court, 29 January 2024

Source document: [Open source document](#)

Pinpoint: Targeted paragraphs 117–119, 124–131, 153–157 and 163, physical pp. 120–127, 137–139 and 141–142: rebuttable offsets, methodology, construction conditions, recipient-specific benefit and statutory remedies. No full 142-page or final appellate-status certification.

CBEC clarification on reduced construction-tax liability, 15 June 2017

Source document: [Open source document](#)

Pinpoint: Complete two-page Office Memorandum and enclosed seven-paragraph press release. Historical construction-credit/pass-through explanation; not a permanent rate notification or exemption.

Delhi High Court connected anti-profiteering procedural order, 29 January 2026

Source document: [Open source document](#)

Pinpoint: Targeted pp. 12, 16 and 26–27: Vasavi W.P.(C) 12797/2022, Reckitt and directions on individual issues. Predates the selected Vasavi final; notice on a different party's stay request is not a stay grant.

Supreme Court connected anti-profiteering order, 31 July 2024

Source document: [Open source document](#)

Pinpoint: Five-page procedural order, including Reckitt SLP(C) 12705/2024 at p. 2 and scheduling/pleadings at p. 5. No merits affirmation or blanket stay is granted by this order.

Supreme Court daily cause list, 13 May 2026

Source document: [Open source document](#)

Pinpoint: Targeted p. 37, connected item 48.20: Reckitt SLP(C) 12705/2024. Listing only, not hearing outcome or present pendency.

Disclosures and source rights

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Source checked: 13 October 2026