

Director General of Anti-Profiteering v. Maata Rani Builders and Developers

Case number: NAPA/54/PB/2025

Citation: No neutral or reporter citation printed for this judgment in the identified official PDF.

Decision date: 29 July 2026

Real-estate ITC: two-buyer balance after verified benefits, rejected free-work substitute, GST ambiguity and conditional penalty

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

Bench: Shri A. Venu Prasad, Member (Technical), Single Bench, Court IV

Decision stage: Final reasoned mixed-result judgment accepting benefit for four of six buyers but directing the remaining Rs. 99,435 together with applicable GST and 18% collection-to-payment interest; source table already appears GST-inclusive, and penalty liability remains subject to the stated thirty-day exception.

01 Facts of case and issues

Two flat purchasers complained that Maata Rani Builders and Developers had not passed on additional ITC in Anamika Apartment, Dhanbad. DGAP's initial report was dated 18 March 2021. After CCI's 7 May 2024 reinvestigation direction, DGAP submitted a fresh report dated 8 August 2025 for 1 July 2017–31 October 2020. The report records that the developer retained the historical 12%-with-ITC option rather than opting into 5% without ITC from 1 April 2019. That investigative/rate-option history is distinct from the selected 2026 final.

Tables A and B show pre-GST purchase value Rs. 36,12,591 with nil availed credit, post-GST purchase value Rs. 52,17,956 and net ITC Rs. 7,79,761. The displayed ITC/purchase ratio is 14.94%; total project area is 12,655 sq. ft. and the sold area before OC is 7,593 sq. ft. Using the displayed Rs. 61.61 per sq. ft., the report adopts Rs. 4,67,805, plus Rs. 56,137 GST, totalling Rs. 5,23,942 for six buyers. Full purchase, credit and OC records are not annexed.

The developer claimed it had absorbed the purchasers' contractual GST by discounts/reduced taxable values and collected only their agreed base considerations. It submitted agreements, invoices, deeds, ledgers, bank records, CA workings and affidavits, and asserted about Rs. 12.83 lakh of aggregate benefit. The initial claim was disputed by DGAP and a complainant, including allegations about subsequently produced invoices. These remain attributed contentions; the final does not make an independent fraud or fabrication finding.

01 Facts of case and issues

Following further verification, the supplementary report dated 22 May 2026 accepted that four buyers had received the required benefit. The surviving dispute concerned Sangita Prasad, Flat 202, and Nisha Ambastha, Flat 201, with an adopted balance of Rs. 99,435. The developer then relied on free upgraded flooring, structural changes, wall finishing and aluminium windows, claiming approximately Rs. 1,08,000 of extra work for these two flats and buyer acknowledgements. It argued that the economic benefit exceeded the remaining liability and that the High Court's free-goods discussion was confined to FMCG supplies.

Pinpoint: Complaint and report history: paragraphs 1–10, physical pp. 2–8. Tables A/B: pp. 5–8. Discount claims and tables: paragraph 11, pp. 8–12. Complainant/DGAP objections and two-buyer balance: paragraphs 12–14, pp. 12–15. Works defence: paragraphs 15–16, pp. 15–18. Supplementary report: paragraphs 20–23, pp. 20–22.

02 Discussion by Hon'ble Tribunal

The Tribunal frames four issues and gives its own reasons from paragraphs 18–38. It holds that the Section 171(1) benefit must actually reach each eligible recipient through commensurate price reduction. Paragraphs 20–23 accept the supplementary report after considering the additional evidence and the revised buyer-wise findings. The surviving computation is not the original Rs. 5,23,942 demand for all six buyers; neither the claimed aggregate Rs. 12.83 lakh nor one buyer's excess is mechanically netted against another's deficit.

Paragraphs 24–30 decide the contested legal mode of compliance. Applying Reckitt Benckiser paragraphs 119 and 131–135, GSTAT rejects the proposed FMCG-only distinction and holds that additional free construction work is not a substitute for price reduction. Paragraph 29 expressly recognises that the evidence and acknowledgements may establish real improvements without separate consideration, but that does not answer the statutory-mode question. The decision does not depend on a finding that the works were fictional, worthless or never received. The quoted per-SKU/Legal Metrology material belongs to the supporting retail passage, not a newly imposed apartment-specific pricing rule.

Paragraphs 31–36 independently apply Rule 133(3)(b) for 18% recipient interest from collection of the higher amount until actual payment. This is recipient restitution, not a Central/State Consumer Welfare Fund case, and the final supplies no quantified interest schedule or assumed common collection date.

Paragraphs 37–38 find Section 171(3A) applicable because the contravention continues beyond 1 January 2020 through 31 October 2020. They reproduce the 10% provision and expressly state that no penalty is leviable if the profiteered amount is deposited within thirty days from the order. Operative paragraph 41 declares penalty liability without repeating that exception. The reasoning's express exception is retained, but no completed deposit, automatic present exemption, rupee penalty or post-2020 allocation is invented.

A material GST tension must remain visible. In the p. 15 buyer table, Sangita Prasad's total benefit due is Rs. 86,668 including GST, against Rs. 32,763 already passed on; Nisha Ambastha's is Rs. 87,979 including GST, against Rs. 42,449. The differences Rs. 53,905 and Rs. 45,530 total exactly Rs. 99,435. Yet paragraph 40 orders that amount together with applicable GST. The note reproduces the direction while flagging the apparent additional-GST ambiguity; it neither deletes the words nor calculates a replacement all-in award.

02 Discussion by Hon'ble Tribunal

Other limited arithmetic checks do not validate the complete computation. The displayed Rs. 61.61 multiplied by 7,593 gives Rs. 4,67,804.73, rounding to Rs. 4,67,805. Using the full Rs. 7,79,761 over 12,655 sq. ft. instead gives Rs. 4,67,856.60 for the sold area, so the intermediate truncated unit amount matters. The displayed percentage is also rounded. In the six-buyer table, GST rows sum to Rs. 56,136 and total-benefit rows to Rs. 5,23,941, one rupee below the stated aggregate figures; aggregate 12% GST on Rs. 4,67,805 rounds to Rs. 56,137. The respondent's earlier tables separately contain changed amounts, name variants and mismatched agreed-price/total entries for Manju Sinha and Nisha. Those claimed tables are not substituted for the supplementary report or certified as reconciled.

Pinpoint: Own duty/supplementary-report findings: paragraphs 18–23, physical pp. 19–22. Legal works defence: paragraphs 24–30, pp. 22–27. Interest: paragraphs 31–36, pp. 27–29. Penalty: paragraphs 37–38, pp. 29–30. GST/rounding: Tables A/B, pp. 5–8; paragraph 14 table, p. 15; operative paragraph 40, p. 31. Respondent-table inconsistencies: paragraphs 11.4–11.6, pp. 10–11.

03 Judicial decision and operative relief

GSTAT holds that the developer failed to pass on the complete additional-ITC benefit to the extent determined in the supplementary report of 22 May 2026. It rejects free additional works as the statutory substitute. Paragraph 40 directs the remaining Rs. 99,435, together with GST applicable thereon, to the concerned eligible homebuyers, plus 18% annual interest from collection of the higher amount until actual payment. The two remaining buyers are identified in the reasons; the earlier six-buyer aggregate is not ordered again.

The additional-GST wording is preserved even though the printed table derives Rs. 99,435 from GST-inclusive entitlements. No new all-in principal, rupee interest or interest-allocation schedule is computed. The order requires payment to recipients, not Fund deposits.

Paragraph 41 declares liability under Section 171(3A) because the contravention extends beyond 1 January 2020. Read with paragraphs 37–38, the ten-per-cent provision and thirty-day deposit exception remain relevant; the final does not quantify penalty or separate pre- and post-commencement amounts. The note does not declare either an unconditional penalty sum or present exemption.

Paragraph 42 requires compliance to be reported to the Tribunal within three months, without expressly stating a date-of-order or receipt-based trigger or identifying a different fixed payment deadline. The thirty-day penalty exception is kept distinct from that reporting direction. Copies go to the parties and jurisdictional CGST/SGST Commissioner for monitoring and necessary action. The matter is disposed of and pronounced in open court. Typed and visible digital-signature dates are 29 July 2026; no cryptographic signature validation or actual final compliance is certified.

Pinpoint: Final liability, recipient payment, interest, penalty, report and disposal: paragraphs 39–45, physical pp. 30–31; administrative summary p. 2. Thirty-day penalty exception: paragraphs 37–38, pp. 29–30. Two-buyer identification: paragraphs 20–24, pp. 20–22.

04 In favour of

Mixed, with the authority and the two remaining homebuyers prevailing on the rejected works defence, balance payment, interest and qualified penalty liability. The developer receives recognition of verified benefit for four buyers, narrowing the surviving dispute; its claim that free works or an aggregate excess extinguished all liability fails. No confirmed final payment or unconditional penalty exemption is inferred.

Final substantive mixed result: partial verified pass-through is accepted, but developed legal reasoning rejects the in-kind defence and determines the remaining recipient liability and ancillary consequences. The additional-GST ambiguity and unquantified conditional penalty remain express. Final does not establish appellate exhaustion, no stay or present enforceability.

Pinpoint: Paragraphs 18–45, physical pp. 19–31.

05 AKHB REVIEW POINT

AKHB analysis: Maintain a recipient-by-recipient trail connecting the agreed price, taxable value, actual collection, credit note or discount, GST and resulting ITC benefit. Proving extra works and buyer acknowledgement may establish a real commercial benefit but, on this reasoning, does not establish the prescribed price reduction. Keep successful verification for one buyer separate from another's remaining deficit.

Before execution, obtain the complete supplementary report and seek authoritative clarification of why a balance derived from GST-inclusive entitlements is directed together with further applicable GST. Preserve both the table and operative words rather than making an editorial correction. Retain the effects of intermediate rounding and the source's one-rupee aggregate differences.

Distinguish collection-to-payment interest, the thirty-day penalty exception and the three-month reporting requirement. Establish the post-1 January 2020 amounts and actual payment evidence before quantifying penalty or claiming exemption. Verify current judicial treatment and any clarification before acting.

Pinpoint: AKHB commentary based on paragraphs 11–16 and 18–45, physical pp. 8–18 and 19–31.

Sources and limitations

Relevant provisions

CGST Act 2017: Section 171 and Section 171(1), additional-ITC price-reduction duty and surviving recipient liability; CGST Act 2017: Section 171(3A), penalty liability with the stated thirty-day deposit exception, no quantified penalty or post-2020 apportionment; CGST Act 2017: Section 171(2), within the reproduced penalty provision; CGST Act 2017: Section 109(3), Principal Bench constitution context; CGST Rules 2017: Rule 128, complaint history; CGST Rules 2017: Rule 129 and Rules 129(1) and 129(6), investigation and report history; CGST Rules 2017: Rule 133(3)(b), recipient return and 18% collection-to-payment interest; CGST Rules 2017: Rules 113(1) and 115, administrative form heading only; Finance (No. 2) Act 2019, source record of Section 171(3A) insertion and 1 January 2020 commencement; Central Tax (Rate) Notification 3/2019 dated 29 March 2019, source construction-rate-option history from 1 April 2019; Central Tax (Rate) Notification 11/2017 dated 28 June 2017, source construction/land-abatement context; Central Tax Notification 18/2024 dated 30 September 2024, Principal Bench empowerment; Legal Metrology (Packaged Commodities) Rules 2011: former Rule 2(m) and Rule 6(1)(e), only within the quoted Reckitt retail discussion, not independently applied to apartment pricing.

Statutory note

Targeted India Code and commencement instruments verify Section 171(1), Section 171(3A) and its 1 January 2020 effect. Historical official rules already provided 18% recipient-return interest under Rule 133(3)(b), distinct from the later Fund-interest amendment. The source quotes the 10% penalty provision and its thirty-day deposit exception, but does not quantify a penalty or apportion post-1 January 2020 liability; the three-month report direction has no express commencement trigger. Reckitt's original paragraphs 131–135 support price reduction rather than substitute amenities, with commercial-evidence qualifications in paragraphs 117–119. Its Legal Metrology wording remains quoted retail context, not an apartment-pricing rule. The reproduced paragraph 153 is incomplete compared with the primary; its accurate ancillary-power proposition is paraphrased rather than the defective quotation endorsed. The official 1 April 2019 consolidation of Notification 11/2017 supplies targeted historical construction/land-abatement context. The specific option exercised is source-reported, and Notification 3/2019 was not independently re-audited in full. None of these checks resolves the GST-inclusive Rs. 99,435 versus the operative additional-GST wording.

Treatment note

A fresh normal-TLS official download exactly matches the collected original. Bounded official-domain/name/docket searches on 13 October 2026, including Jharkhand High Court variants, identified no authenticated later order modifying, staying, reviewing or reversing this precise judgment. Search absence is not a no-appeal/no-stay or enforceability certificate; no complete docket or compliance record was audited. The connected Supreme Court order of 31 July 2024 is procedural only. Delhi High Court's 9 September 2026 record of pending constitutional appeals and no Supreme Court interim order as of that date is historical, not specific clearance of this judgment. The four-buyer acceptance remains a reported DGAP finding, not independent bank or annexure verification.

Scope of source review

One Principal Bench anti-profiteering judgment for Anamika Apartment, Dhanbad. Its developed reasons decide whether free additional works can replace statutory price reduction, accept verified benefit for four of six homebuyers, and determine the surviving two-buyer balance, interest and penalty. This is not mere adoption of a compliance report or settlement closure. The reproduced calculation and additional-GST ambiguity remain explicit; no complete GSTAT coverage or universal project formula is claimed.

Identity note

NAPA/54/PB/2025; reference ZA070010726000146H; A. Venu Prasad, Court IV; typed and visible signature date 29 July 2026. Anamika Apartment, Dhanbad. Administrative reference date 9 January 2025 differs from the 8 August 2025 fresh-report receipt; no unified institution date invented. Six eligible buyers, four benefits accepted, two surviving deficits; initial complainants are not identical to the two remaining award recipients. Rs. 99,435 derives from printed GST-inclusive differences but operative paragraph 40 adds applicable GST. Rounded/truncated inputs, one-rupee table totals and respondent-table discrepancies remain qualified. Penalty is unquantified and subject to the stated exception; three-month report trigger is unspecified.

Primary source

Source description: Complete 31-page official PDF, including administrative summary and final reasoned judgment; all original pages read and individually viewed by the AI author.

Official source: [Open source document](#)

Source pages: 31

Outcome type: mixed

Additional source

CGST Act 2017, official India Code consolidation

Source document: [Open source document](#)

Pinpoint: Targeted Sections 109 and 171, physical pp. 87–88 and 122–123: Principal Bench jurisdiction, pass-through duty and Section 171(3A) insertion/commencement; not a complete current-law or appellate-remedy certification.

Official CGST Rules consolidation, September 2018

Source document: [Open source document](#)

Pinpoint: Targeted physical pp. 106–107: Rule 133(3)(b) recipient-return interest and historical footnote; consolidation rather than original Gazette.

Central Tax Notification 01/2020, 1 January 2020

Source document: [Open source document](#)

Pinpoint: Complete one-page instrument: Finance (No. 2) Act 2019 Section 112 commences on 1 January 2020.

Central Tax Notification 18/2024, 30 September 2024

Source document: [Open source document](#)

Pinpoint: Complete one-page instrument: Principal Bench competence from 1 October 2024.

Reckitt Benckiser, Delhi High Court, 29 January 2024

Source document: [Open source document](#)

Pinpoint: Targeted paragraphs 117–119, 126–135, 153–158 and 163: commercial evidence, construction scenarios, prescribed price reduction, ancillary powers, GST and reporting time; no full 142-page reread.

Connected Supreme Court procedural order, 31 July 2024

Source document: [Open source document](#)

Pinpoint: All five pages checked; listing and pleadings directions, including the Reckitt docket, not merits affirmation or present-day status certification.

Delhi High Court connected procedural order, 9 September 2026

Source document: [Open source document](#)

Pinpoint: Targeted physical pp. 45–46: constitutional appeals pending and no Supreme Court interim order recorded as of 9 September 2026 only; not case-specific or current no-stay certification.

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