

Director General of Anti-Profitteering v. Sane Retails Pvt. Ltd.

Case number: NAPA/37/PB/2025

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

Decision date: 2 September 2026

Transaction-linked wallet credits accepted on their facts; Rs. 10,241 residual benefit directed to Central Consumer Welfare Fund

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

Bench: Shri Anil Kumar Gupta, Member (Technical), Single Bench Court No. III

Decision stage: Final reasoned EGV pass-through judgment accepting Rs. 5,48,650 on the recorded wallet terms and directing Rs. 10,241 residual plus 18% interest to the Central Consumer Welfare Fund, without penalty.

01 Facts of case and issues

The complaint concerned the MI LED Television 4A 80 cm and the recorded GST reduction from 28% to 18% effective 1 January 2019. DGAP compared November–December 2018 with calendar year 2019 and initially computed Rs. 7,79,947 in its report dated 30 March 2021. The NAA/CCI transfers preceded GSTAT's adjudication; the report itself was not the final tribunal determination.

GSTAT required more than voucher screenshots: the respondent supplied transaction-wise mapping, invoices, credit notes and an explanation of the electronic gift voucher (EGV) mechanism. DGAP accepted Rs. 2,21,056 credit notes for cancelled or returned transactions involving 174 customers, reducing the investigated amount to Rs. 5,58,891. It continued to dispute whether the separate EGV credits constituted valid pass-through.

The respondent relied on Rs. 5,48,650 in EGV credits across 488 orders: Rs. 3,17,965 was recorded as utilised against 291 orders and Rs. 2,30,685 remained available against 197. The table counts orders, although later narrative calls them customers; no independently audited unique-person count is supplied.

Pinpoint: Complaint and initial investigation: paragraphs 1–6, physical pp. 2–4. Documentary directions and credit notes: paragraphs 7–12, pp. 4–8. EGV table: physical p. 7.

02 Discussion by Hon'ble Tribunal

GSTAT found that these activated wallet credits had no expiry, were not tied to a particular product or category, and could be used for products on the respondent's platform. It treated the credited monetary value as a direct, unconditional transfer linked to the affected customer and invoice. The note does not convert platform spending credit into withdrawable cash or establish usability outside that platform.

DGAP invoked Reckitt's requirement for benefit to reach the recipient through commensurate price reduction. GSTAT distinguished promotional offers, cross-subsidisation and extra goods from the transaction-linked credits proved here. This is GSTAT's own distinction of Reckitt, not a finding that the High Court decided or approved this EGV scheme. It should not be extended to expiring, conditional or inadequately traceable vouchers.

02 Discussion by Hon'ble Tribunal

The Tribunal also rejected reliance on the system description Offers and cashback. The order ID, invoice, date, price and excess-tax mapping mattered more than that label. It accepted the utilised and continuing balances on the record, but found the Rs. 10,241 difference unreconciled and not passed to any identifiable recipient. The respondent's offer to deposit that residual did not eliminate the contested EGV issue that the Tribunal decided.

Pinpoint: EGV characteristics and precedent distinction: paragraphs 15–16.7, physical pp. 8–11. System label and document chain: paragraphs 17.1–18.3, pp. 11–13. Residual reconciliation: paragraphs 19.1–19.7, pp. 13–15.

03 Judicial decision and operative relief

GSTAT accepted the EGV method on the recorded facts and found substantial compliance to the extent of Rs. 5,48,650, but a Section 171 contravention for the remaining Rs. 10,241. Paragraph 23 directs deposit of that residual in the Central Consumer Welfare Fund within thirty days from the order. There is no State Fund split in this decision: paragraphs 19.4–19.6 refer to the absence of identifiable customer/invoice and state-wise data.

Paragraph 24 orders 18% interest under Rule 133(3)(c) from collection of the higher amount until deposit in the Fund. That literal direction is preserved; no new commencement cutoff or quantified interest is invented. Paragraph 25 excludes Section 171(3A) penalty because the contravention period preceded the penal provision. Actual residual deposit, later redemption of outstanding credits and subsequent compliance are unverified.

Paragraph 21 describes Rs. 5,48,650 as passed through a combination of credit notes and EGVs, while paragraphs 19.2–19.3 separately exclude the Rs. 2,21,056 cancelled/returned credit notes and identify Rs. 5,48,650 EGVs. The wording tension is retained without double counting. Paragraph 12.2 expressly identifies the earlier report's 31 March 2019 endpoint as a typographical error; the actual period recorded and applied here ends on 31 December 2019.

Pinpoint: Detailed reconciliation: paragraphs 19.2–19.7, physical pp. 14–15. Operative findings/directions: paragraphs 20–28, pp. 15–16. Report-period clarification: paragraph 12.2, pp. 7–8.

04 In favour of

Mixed: Sane Retails on acceptance of the documented Rs. 5,48,650 EGV pass-through and exclusion of penalty; the consumer-protection claim on Rs. 10,241 residual liability and 18% interest payable to the Central Consumer Welfare Fund. This does not endorse every voucher or cashback arrangement.

Final substantive determination after a contested legal and evidentiary examination of the EGV mechanism. Liability survives only for the identified unreconciled residual under this order, with the stated interest; substantial compliance is not complete exoneration or proof of later deposit.

Pinpoint: Paragraphs 16–28, physical pp. 9–16.

05 AKHB REVIEW POINT

AKHB analysis: Preserve the actual wallet terms, activation history, expiry settings and transaction-level mapping before relying on this judgment. A screenshot or cashback label alone does not prove that the statutory benefit reached the affected recipient. Distinguish a freely available recorded credit from a promotional offer conditional on spending, and verify whether the facts really match the Tribunal's findings.

Keep cancelled/returned transactions, EGV credits, redeemed balances and residual amounts in separate reconciliations. Do not add Rs. 2,21,056 cancellation credits into the Rs. 5,48,650 EGV total again. The accepted documentary chain and continued availability of the balance are central to this result; later redemption and present system terms require fresh evidence.

The Court's cash-in-hand language and GSTAT's distinction need careful, case-specific analysis rather than a universal voucher safe harbour. Preserve the exact residual-deposit and interest directions, and obtain current primary treatment before taking a compliance or litigation position. The absence of state-wise data explains this order's Central-only destination; it is not authority to choose that destination in every case.

Pinpoint: AKHB commentary based on paragraphs 7–28, physical pp. 4–16; recommendations are distinct from the Tribunal's holding.

Sources and limitations

Relevant provisions

CGST Act 2017: Sections 171, 171(1), 171(3A) and 57, with the pass-through, pre-commencement penalty and Fund functions distinguished; CGST Rules 2017: Rules 129 and 133(3)(c); Central Tax (Rate) Notification 24/2018 dated 31 December 2018, historical television-rate amendment, cited in paragraph 1 without the Rate suffix; Central Tax Notification 18/2024, Principal Bench empowerment history; CGST Act 2017: Sections 109 and 171(2), institutional/current-law context; Central Tax Notification 19/2024, new-request-cutoff context.

Statutory note

Checked 13 October 2026. Section 171(1) requires the benefit of a tax-rate reduction or ITC to be passed to recipients through commensurate price reduction. Notification 18/2024-Central Tax, issued under Section 171(2) read with Section 109(1) and the second proviso to Section 109(5), empowers the Principal Bench constituted under Section 109(3) from 1 October 2024. Notification 19/2024-Central Tax fixes 1 April 2025 as the date from which the authority shall not accept new examination requests. Its text does not repeal Section 171 or direct automatic termination of pending matters. This anti-profiteering jurisdiction must be distinguished from ordinary GST appellate jurisdiction; earlier NAA/CCI investigations are historical steps. The historical rate instrument is Notification 24/2018-Central Tax (Rate), whose official heading includes Rate although paragraph 1 omits it. Its television-entry changes and 1 January 2019 commencement were checked; this is not a statement of the present television rate. Rule 133(3)(c) interest is reported exactly as ordered, without silently resolving temporal application questions.

Treatment note

Checked 13 October 2026. The freshly retrieved official original is byte-identical to the collected PDF. Exact official detail pages and bounded party/case and official-court searches located no later matching stay, recall, reversal or modification. Some live final-index requests timed out and readable indexed pages supplemented the checks; this is not an exhaustive live-index or appellate-docket audit or confirmation that no appeal exists. The official Supreme Court cause list of 13 May 2026 lists Reckitt SLP(C) 12705/2024 but establishes historical listing only, not a stay, merits affirmation, final outcome or present pendency. Actual fund deposit, continued wallet availability and later redemption have not been independently verified. The Delhi High Court's Reckitt paragraphs 131–132 reject benefit substitutes including free goods and festival offers; GSTAT makes its own distinction for the recorded unconditional EGV credits. This note does not describe the High Court as approving that specific mechanism.

Scope of source review

One final order of the GSTAT Principal Bench exercising anti-profiteering jurisdiction. DGAP reports and earlier NAA/CCI or High Court steps are history as recorded in this order unless a separate source is expressly identified. The administrative form is read with the signed reasons. Ordinary GST appeals, all State Benches and corpus-wide completeness are not covered.

Identity note

NAPA/37/PB/2025; order reference ZA070010926000012H; pronounced and digitally signed 2 September 2026. MI LED Television 4A 80 cm, calendar year 2019. Detailed EGV/cancellation reconciliation is retained despite paragraph 21's combination wording. The table's 488 orders are not independently certified as 488 unique customers. Paragraph 1 omits Rate from the notification label; the linked primary instrument includes it.

Primary source

Source description: Complete 16-page official PDF, including Form GST APL-04A and the signed final reasoned order. Every original page text-read and individually visually inspected by the AI author; original bytes preserved.

Official source: [Open source document](#)

Source pages: 16

Outcome type: mixed

Additional source

Central Tax Notification 18/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Paragraphs 1–2, physical p. 1: statutory power and commencement on 1 October 2024.

Central Tax Notification 19/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Operative paragraph, physical p. 1: 1 April 2025 cutoff for accepting examination requests.

CGST Act 2017, India Code compilation marked as at 11 June 2026

Source document: [Open source document](#)

Pinpoint: Sections 109 and 171; relevant statutory passages reviewed, not a complete legislative-update audit.

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

Source document: [Open source document](#)

Pinpoint: Targeted primary check of paragraphs 131–133, physical pp. 127–128: commensurate price reduction and impermissible substitutes. GSTAT makes its own EGV distinction; no High Court or final Supreme Court approval of that mechanism is asserted.

Supreme Court cause list for 13 May 2026

Source document: [Open source document](#)

Pinpoint: Physical p. 37, Reckitt SLP(C) 12705/2024. Listing evidence only, not a merits judgment or stay order.

Central Tax (Rate) Notification 24/2018 dated 31 December 2018

Source document: [Open source document](#)

Pinpoint: Official heading, physical p. 1; amendments (d)(vi)–(vii), p. 3, and (e)(v) with paragraph 2 commencement, p. 4. Historical instrument; not current-rate advice.

Disclosures and source rights

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

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Source checked: 13 October 2026