

Allaying industry’s apprehensions, all three orders passed by the National Anti-Profiteering Authority under the goods and services [tax](#) (GST) regime have so far gone in favour of companies.

In its latest order, the five member [NAA](#) has dismissed complaint against elevator manufacturer Schindler India for charges of profiteering filed by a Delhi business. The complaint pertained to charging of service [tax](#) on the payment made to Schindler India before [GST](#) implementation on July 1, 2017 and [GST](#) for the payment installments made in July when the installation took place.

However, since elevators were delivered to the firm before July 1, the [tax](#) had been charged without excluding the pre-[GST](#) regime [excise duty](#). Hence, the applicant was charged twice — once on the pre-GST [excise duty](#) and subsequently on the full value of the material used in the lift.

But even before the [NAA](#) order, the complainant had requested for withdrawal of application, citing inadequate understanding of GST provision at the time of filing the complaint in September last year. But the authority considered the investigative report of the Directorate General of Safeguard (DGS) before dismissing the petition.

“In respect of the two invoices date July 27, 2017, as the installation of the second lift had been completed after coming into force of the CGST Act, 2017, he was liable to be charged GST at the rate prevalent on July 27, 2017,” the [NAA](#) order delivered by three members of the authority, including chairman BN Sharma, said.

FOCUS ON PROFIT

50 No. of complaints that the NAA is currently examining. It will issue the orders in the coming weeks

RECENT CASES

- In its latest order, the five member NAA dismissed a complaint against elevator manufacturer Schindler India for charges of profiteering
- The authority also dismissed charges against Basmati rice-exporting firm KRBL for not passing on price reduction benefits under GST
- It had earlier dismissed the complaint against Vrandavaneshwaree Automotive

The anti-profiteering mechanism is a three-stage process: A state-level screening committee for local complaints and a standing committee for national-level complaints; investigation by the Directorate General of Safeguards, and a probe by the NAA.

“The NAA is trying to understand the business. Pricing doesn’t depend only on rates. They have been selective and methodical in approach,” said Pratik Jain, national leader, indirect tax, PwC India.

The NAA is currently looking into 50 complaints and will issue the orders in the coming weeks.

The authority also dismissed charges against [Basmati](#) rice-exporting firm KRBL for not passing on price reduction benefits under GST. Before that, it had dismissed the complaint against Vrandavaneshwaree Automotive, a Bareilly-based Honda car dealer, by concluding

that it did not contravene the anti-profiteering provisions of the CGST Act.

Rajat Mohan, partner, AMRG & Associates, said the journey has so far been smooth for the industry. “After more than 300 days of implementation, the NAA has passed only two orders, both of which were in favour of industry,” he said.

The NAA is chaired by BN Sharma and is assisted by four senior officials of the rank of joint secretary and above.