

‘Ensure GST cuts reach users’

Plaints on COVID-essentials’ prices must be prioritised: NAA

SPECIAL CORRESPONDENT
NEW DELHI

The National Anti-Profitteering Authority (NAA) has directed GST officials across the country to ensure that the tax rate cuts notified on some COVID-19-related essentials are passed on to consumers.

Complaints from end users about lack of price reductions commensurate with the tax cuts, are to be treated on a priority basis and forwarded to the State-level Screening Committees and Standing Committees on Anti-Profitteering, the NAA Secretary A.K. Goel said in a memo posted on its website on Thursday.

At its last meeting on June 12, the GST Council had waived the indirect tax le-



Suppliers are required to commensurately reduce prices

ved on two critical drugs, Tocilizumab and Amphotericin B, and reset the tax rate to 5% on 14 COVID-19 essentials. On June 14, the Finance Ministry had notified the revised rates, which are applicable till September 30.

“The suppliers are required to commensurately reduce the prices of each of the supplies of Goods and Services made by them so that the benefit of the reduction in tax rates and/or of input tax credits is passed on to the recipients/consumers,” the NAA emphasised.

Tax experts said that producers of items ranging from

ambulances to pulse oximeters and oxygen concentrators would need to ensure retail price reductions were effected soon and paperwork filed to justify the extent of reductions, in order to avoid action under the anti-profitteering framework.

“Businesses dealing with medical supplies that have undergone a GST rate reduction need to ensure that they have adequate documentation to demonstrate that the rate cuts have been passed on to the consumers,” said M.S. Mani, senior director at Deloitte India.

Suppliers or firms who had not got the benefit of input tax credits on account of cuts in the GST rate could also file complaints, with the anti-profitteering apparatus.