

## **Kerala State Level Screening Committee On Anti-Profiteering Vs PEPS Industries Pvt Ltd- Anti-Profiteering**

GST - Anti Profiteering - Information was received that the Informant company had allegedly profited from supply of Peps Spring Koil Bornell Normal Maroon 75x60x6" Mattress (HSN Code 94042910), by not passing on the benefit of GST rate reduction - It was also alleged that the respondent had contravened the provisions of Section 171 of the CGST Act. The Standing Committee examined the matter and referred it to the DGAP - Upon investigation, the DGAP observed that the applicable GST rate of 28% had been reduced to 18% vide Notfn No 41/2017-CT(R) dated 14.11.2017 - Upon scrutiny of invoices, it was observed that the base price of the product, excluding GST, had been reduced after offering a discount - Hence the DGAP concluded that the provisions of Section 171 had not been contravened.

Held - It is clear from a perusal of facts that there was a decrease in the rate of tax of the product in question - But it is also clear that the base price of the product (excluding GST) had been reduced, upon offering a discount - It is also seen that the discount offered exceeds the commensurate rate reduction - In such circumstances, the allegation of profiteering is unsustainable: NAA

- Application disposed of: NAA