

Kerala State Screening Committee on Anti-Profiteering Vs Kajaria Ceramics Ltd- Anti-Profiteering

GST - Anti-profiteering - It is alleged that the respondent had indulged in profiteering in contravention of the provisions of s.171 of the CGST Act, 2017 - reliance is placed on two invoices in this regard, one is dated 27.04.2017 and the other is 25.08.2017 - DGAP, in its report, stated that the rate of tax applicable on the product was CE duty @12.5% of the 60% of the MRP and there was no VAT or CST charged in the invoice whereas after implementation of GST w.e.f 01.07.2017, the tax rate shown in the invoice is @28% - That the effective rate of tax on the product in the pre-GST era was 13.97% and which was increased to 28% - That the provisions of s.171 of the CGST Act, 2017 comes into play in the event there is a reduction in rate of tax or there is an increase in the Input Tax credit (ITC), the latter not being the subject matter of this enquiry - That, consequently, as there was no reduction in the tax rate of the said product, the provisions of s.171 of the Act were not contravened and hence the allegations of profiteering are not established.

Held: The only issue that needs to be dwelt upon is as to whether there was reduction in the rate of tax on the product in question after introduction of GST and whether the provisions of s.171 of the Act are attracted -It is apparent from the DGAP report that there was no reduction of tax rate with the introduction of GST; that the invoices very clearly show that no VAT was levied and CST was also exempted prior to 01.07.2017; that in fact the rate of tax had increased from CE duty @13.97% to GST @28% w.e.f 01.07.2017 and, therefore, the allegation of profiteering is not sustainable in terms of s.171 of the Act as there has been no reduction in the rate of tax - no merit in the application filed and hence is dismissed: NAPA

- Application dismissed : NATIONAL ANTI PROFITEERING AUTHORITY