Syllabus subtopic: Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Prelims and Mains focus: about the malpractices in passing on GST rate cuts to the customers and the role played by NAA in curbing it; NAA: mission and functions

News: A wave of orders is expected from the National Anti-profiteering Authority (NAA) in the next three months, with the Centre stepping up a goods and services tax (GST) compliance drive.

Background

• This comes amid concern among policy makers that businesses have pocketed part of the Rs.1 trillion worth of GST rate cuts that was to benefit end users and thus help stimulate demand in the economy.

• In the past, about 60% of the cases investigated by the Directorate General of Anti-Profiteering (DGAP) have confirmed profiteering behavior by businesses.

Complaints against firms

• About 40 orders are expected to be issued shortly on complaints against firms in the real estate, consumer goods, and cinema industries.
• The firms facing investigations include some the leading suppliers of ayurvedic products, electronics and television makers, luggage and travel accessories makers, two leading multiplex chains, and hygiene and home products firms.

Role played by NAA

• The NAA has issued orders on more than 100 cases since it came into force in November 2017. Its orders have led to businesses depositing about ₹600 crore in profiteered amount to a consumer welfare fund managed by the consumer affairs ministry.
• Authorities intend to take more measures to reach out to consumers and
sensitise them about their rights and remedies. Towards this, the government has decided to **direct erring companies to deposit the profiteered amounts in a separate fund to be used for GST-related purposes.**

**About National Anti-profiteering Authority (NAA)**

- The National Anti-Profiteering Authority (NAA) was constituted under Section 171 of the Central Goods and Services Tax Act, 2017.

- It is to ensure the reduction in rate of tax or the benefit of input tax credit is passed on to the recipient by way of commensurate reduction in prices.

**NAA has taken the following steps for customers get the full benefit of tax cuts:**

- Holding regular meetings with the Zonal Screening Committees and the Chief Commissioners of Central Tax to stress upon consumer awareness programs.
- Launching a helpline to resolve the queries of citizens regarding registration of complaints against profiteering.
- Receiving complaints through email and **NAA portal.**
- Working with consumer welfare organizations to facilitate outreach activities.

**Vision and Mission of NAA –**

- The National Anti-profiteering Authority (NAA) is the institutional mechanism under GST law to check the unfair profit-making activities by the trading community.

- The Authority’s core function is to ensure that the benefits of the reduction is GST rates on goods and services made by GST Council and proportional change in the Input tax credit passed on to the ultimate consumers and recipient respectively by way of reduction in the prices by the suppliers.

**Institutional Mechanism:**

This institutional framework comprises the NAA, a Standing Committee, Screening Committees in every State and the Directorate General of Safeguards
in the Central Board of Indirect taxes & Customs (CBIC).