**National Anti-Profiteering Authority is not a price regulator : Mr B. N Sharma Chairman, National Anti-Profiteering Authority**

Mr B N Sharma, Chairman, National Anti-Profiteering Authority, assured companies that the National Anti-Profiteering Authority is not a price regulator and neither does it have legislative intent. He was addressing an interactive session with industry organized by the Confederation of Indian Industry (CII) at Mumbai today.

Mr Sharma mentioned that authorities are sensitive to natural business outcomes and appreciate that several factors contribute to pricing decisions such as supply and demand, supplier’s cost and taxes, etc. Hence, it is not justified to lay down uniform parameters across sectors.

The Chairman said that the three-layer mechanism consisting of screening committee at state level or Standing committee where impact is pan-India; Investigatory at Director General Safe Guards and National Anti-Profiteering Authority help identify genuine cases of anti-profiteering where they exist.

The anti-profiteering measures introduced under GST are extremely critical in today’s business, as reduction of GST rates is required to be passed on to the customers on immediate basis.

Clear guidelines on how pricing and profits are to be calculated under GST regime to track any unlawful gains and whether anti-profiteering provisions would apply at entity or a product level were taken up at the session. Industry voiced concerns regarding the mechanism of calculating benefits to be passed on to the end consumers on an impromptu basis along with logistic hassles associated with it. Industry members requested for sector specific guidelines. They also expressed concerns over the mechanism of changing MRP on an instantaneous level.

Mr Sharma further elaborated that it is simple to decide the profiteering by comparing the corresponding invoices of pre-revised rates to post revision which is an accounting procedure and no legality is required. By reduction of rates, Government sacrifices revenue but commensurate reduction should be passed on to the end consumers.

Clarifying the applicability at SKU levels, he reiterated that it is product specific, affecting individual customers and cannot be clubbed. He further clarified that past losses cannot be adjusted against the reduced tax rates. Any business-as-usual activity in the form of business promotion by way of offering discounts or increasing unit quantity cannot offset the commensurate benefit to the end consumers.

Mr Sharma stressed that companies need to set mechanisms to address the requirements of the provisions of anti-profiteering.

**4 October 2018**

**New Delhi**