

Standard procedure for GST profiteering complaints soon

Faced with increasing number of complaints under the anti-profiteering rules, the Finance Ministry will soon come out with a standard operating procedure (SOP) for handling grievances relating to over- charging after GST roll out.

As many as 170 complaints have been filed before the standing committee and screening committee by consumers against businesses for not passing on benefits of tax rate reduction since the roll out of Goods and Services Tax (GST) from July 1.

Of this, 50 have been referred to the Directorate General of Safeguards (DGS) for further investigation on profiteering complaint. The probe in five cases has already begun.

According to sources, it may not be feasible for DGS to scrutinise such large number of complaints and give its report to the National Anti-Profiteering Authority within the stipulated three months. It can also seek an extension of another three months for finalising the report.

The Standard Operating Procedure (SOP) being worked out by the Ministry will lay down guidelines for the Standing Committee and the screening committee for handling of consumer complaints.

As per the structure of the anti-profiteering mechanism in the GST regime, complaints of local nature will be first sent to the state-level 'screening committee' while those of national level will be marked for the 'Standing Committee'.

If the complaints have merit, the respective committees would refer the cases for further investigation to the DGS.

"An SoP is being worked out to enable expeditious resolution of consumer complaints. The effort would be to ensure that only complaints which have merit are passed on to the DGS," the source told PTI.

Once the complaints are referred to the DGS, the directorate is required to study balance sheet, profit and loss account, GST returns and details of invoice wise outward taxable supplies made by the company.

It also has to scrutinise the price list prior to and post GST roll out before giving its report to the Anti- Profiteering Authority for further action.

"Scrutinising large number of complaints in a short period of three months is not feasible. Hence the Finance Ministry is contemplating to come out with an SoP so that majority of the complaints are taken care of at the standing or screening committee level," the source added.

The SOP would also lay down the procedure for disposing of the complaints and issuing of warning to businesses or dealers in case it is warranted.

Once DGS submits report, it would be scrutinised by the Anti-Profiteering Authority for further action, which may include fine and extreme penalty like cancellation of registration.

(Times of India)