

NAA finds P&G and Gillette India guilty for not passing GST Reduction to Customers to tune of Rs. 243 cr

Appeal Number: 76/2020

Date of Judgement/Order: 23/11/2020

Director General of Anti-Profiteering Vs Procter & Gamble Home Products (PGHP) Private Limited (NAA)

Fact of the Case

- The Applicant alleged that the Respondents, M/s Procter & Gamble (P&G), and Gillette India had not passed on the benefit of reduction in the rate of GST from 28% to 18% w.e.f. 15.11.2017 to the recipients by way of commensurate reduction in the prices of the products being sold by them in terms of Section 171 of the CGST Act, 2017.
- The DGAP had also stated that the base prices of 1383 goods had been increased by the Respondents after the rate of tax was reduced on P&G and Gillette India them and hence,
- The DGAP had further reported that the Respondents had profiteered an amount of Rs. 2,43,93,90,580 by denying the benefit of tax reduction to their customers.

Decision of the Case

- The NAA stated that the confirmed amount of tax benefit that the companies P&G Home Products, P&G Hygiene and Health Care, and Gillette India not passed on to consumers was Rs.181.51 crore, Rs.2 crore and Rs.57.99 crore, respectively.
- The NAA ordered the companies to reduce the price of the products and deposit half of the profiteered amount to the central consumer welfare fund and rest to the state, along with an interest. The profiteered amount has to be deposited **within three months** from the date of passing of the order.

The National Anti-profiteering Authority (NAA) has found that M/s Procter & Gamble (P&G) and Gillette India allegedly profiteered over Rs. 243 crores by not passing the GST reduction benefits to customers.