

UPSC Civil Services Examination

Indian Economy

Topic: National Anti-Profiteering Authority (NAA)

What is National Anti-Profiteering Authority (NAA)?

The anti-profiteering clause under the Goods And Services Tax (GST) Act mentions that any reduction in the rate of tax on any goods or services or the benefit of input tax credit must be passed on to the consumer by the way of commensurate reduction in the prices of the respective goods or services. The Central government, for this purpose, can set up a body to ensure that the anti-profiteering clause is being implemented in word and deed. Therefore, a National Anti-profiteering Authority (NAA) would be constituted as per the 'anti-profiteering rules'. The intention is to ensure that all the stakeholders yield equal benefits of [GST](#) and to bolster consumer confidence.

Important for [IAS Exam](#), the topic comes under Indian economy. This article will provide you with relevant facts about the National Anti-Profiteering Authority that will help you with both UPSC Prelims and Mains.

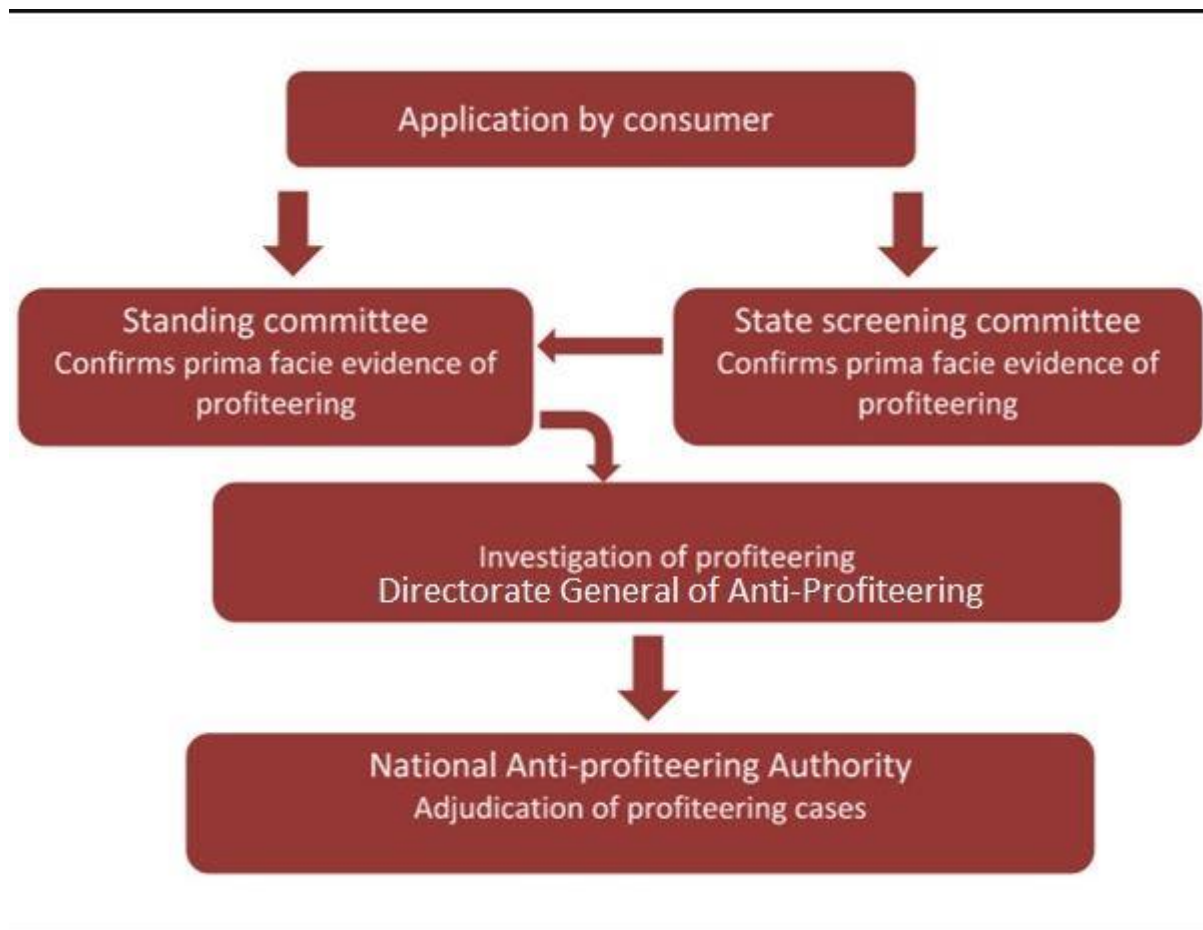
Key Facts about NAA for IAS Exam

The table-below mentions about some key points related to National Anti-Profiteering Authority:

National Anti-Profiteering Authority (NAA)	
Simple Definition of NAA	An authority that takes care of the commensurate reduction of prices for the recipients resulting from the input tax credit availed by any registered person
Under which Law is NAA established?	Section 171 of the Central Goods and Services Tax Act, 2017
Structure of NAA	The NAA institutional framework is as followed: <ul style="list-style-type: none"> • Chairman • Four Technical Members • Secretary
Chairman of NAA	Badri Narain Sharma
Secretary of NAA	A.K. Goel [Additional Director General of Safeguards under the Central Board of Indirect Taxes and Customs (CBEC)]
Principal Seat of NAA	New Delhi
Tenure of NAA	2 years (Can be extended by GST Council)
Helpline Number of NAA	011-2140063

Read about the [Taxation System in India](#) in the linked article.

Methodology of NAA



The Anti-Profiteering rules, 2017 contains provisions for the selection of members of NAA, powers vested with the authority, the committees that would assist NAA in investigating complaints and the procedure to be followed in the investigations. Once the application to invoke Anti-profiteering measures is examined by the standing committee (State level standing committee for the businesses in one state only) and recommendation for consideration is received by NAA, it can:

- Summon the representatives of the business against which the anti-profiteering clause has been invoked. It can also initiate an investigation through the government wings like Directorate General of GST, Directorate of Data Analytics, Directorate General of Safeguards (CBEC)
- Order the business to reduce the prices, so that the benefits accrue to the customers as well.
- Return the undue benefit availed, along with 18% from the date on which a higher sum was collected.
- Order the business to deposit the benefits in the Consumer Welfare Fund, when it is impossible to identify and return such benefits to the consumers.
- Impose a penalty on the profiteer or cancel its registration.

The NAA is empowered to take Suo Motu action apart from acting on the recommendations of the standing committee. The authority is to be headed by a Secretary level officer and assisted by four technical members. Additional Directorate General of Safeguards shall hold the office of secretary to the authority. It has a three-tier structure with a standing committee on Anti-profiteering, State level screening committee and the apex body being the NAA. The standing committee is empowered to refer those cases which require a detailed enquiry, to the Directorate General of Safeguards who gives his recommendations to the NAA, post-investigation. The authority is entitled to give its verdict within 3 months from the date

of receipt of a report from the Directorate General of Safeguards. The authority takes up cases of mass importance only. The orders of the NAA can be appealed against, only in the high court.

Constitution of NAA is also to ensure that there is a check on inflation likely to be caused due to the implementation of GST as a replacement for all the indirect taxes, similar to that experienced by Singapore, Australia and Malaysia soon after the adoption of GST regime.

Articles related to NAA:

[10 Prelims Questions on GST](#)

[Central Board of Direct Taxes \(CBDT\)](#)

[One Year of GST – RSTV: In-Depth](#)

[Two Years of GST](#)

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