

Companies may pass on GST benefits to consumers by increasing grammage

To evaluate cases of GST benefits, the NAA has decided to look into three yardsticks - proportionate grammage increase (volume) in products, timeline of the passing on the benefit, and additional benefits offered by a firm.

The National Anti-Profiteering Authority (NAA) Friday said companies are free to offer volume benefit or price reduction to consumers, in the wake of rationalisation of GST rates.

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NAA (GST) Chairman B N Sharma said this on the sidelines of a session by the Merchants' Chamber of Commerce and Industry here.

Citing an example, he said, passing on price benefits to consumers for goods sold in small sachets might not be feasible and practical.

Sharma, however, did not explain whether the same can be replicated in products of higher volume-packs or in sectors other than FMCG.

He declined to take media queries.

"Allowing volume benefit will have a dual advantage to companies. This will help achieve higher turnover and profits," said Dipankar Chatterji, partner of chartered accountancy firm L B Jha.

Sharma also said companies have to pass on GST benefits in all the SKUs.

Meanwhile, in case of realty sector, the NAA was waiting for the March 19 GST Council meeting which is expected to come out with greater clarity about implementing the GST benefits it announced earlier.

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