

A fine balance — On the National Anti-profiteering((adjective) – relating to a clause which acts against a person who makes excessive profit illegally) Authority

The GST's anti-profiteering body must not become a tool of harassment((noun) – persecution, aggressive intimidation, persistent annoyance परेशानी, उत्पीड़न)

Over four months into the troubled implementation of the goods and services tax, the Centre has operationalised(कार्य) a provision(प्रबंध, प्रावधान) in the GST law that has been

worrying industry. The National Anti-profiteering Authority, whose constitution was approved by the Cabinet last Thursday, is empowered((verb) – authorize, allow, entitle समर्थ बनाना, अधिकार देना) to crack down((phrasal verb) – get tough on, take severe action against, eliminate/eradicate/abolish हटा देना) on firms that fail to pass

on the 'benefits' of the tax regime to consumers. The authority can order businesses to reduce product prices or refund to consumers 'undue benefits'((noun) – the benefit of reduced tax incidence on goods or services or both passed on to the final consumers.); in extreme cases it can impose a penalty on errant((adjective) – offending, lawbreaking, erring गुमराह)

firms and cancel their registration as taxpayers. Where the consumers are difficult to trace individually, the amount construed((verb) – interpret, understand, analyse अनुमानित होना) by the authority to be the extent of undue benefit will be deposited in a consumer welfare fund. The authority will have its own bureaucracy((noun) – red tape, rules and regulations, protocol) — including a screening committee in each State that consumers can complain to; a standing committee in which profiteering allegations (इलजाम) with an 'all-India' impact can be taken up; and an investigation wing that will vet((verb) – screen, assess, evaluate/examine भली प्रकार जाँच करना) complaints 'with prima facie'((adverb/adjective) – something (first impression) considered as right until proved प्रथम दृष्टि में.) merit and report its findings to the NAA. More clarity is needed on how the government will ascertain((verb) – confirm, verify, discover/find out जाँच कर पता लगाना) the difference between undue profit and fair play — or the discretionary((adjective) – optional, non-compulsory/non-mandatory, voluntary. ऐच्छिक) space available to the NAA could enable rent-seeking((noun) – a behaviour which does not create economic gains for society,

instead it helps a company/organisation/individual using their resources to get economic gain).

The trigger for setting up the authority is clearly the recent large-scale reduction in tax rates on more than 300 items, of which about 200 rate changes were to come into effect from November 15. The government is keen on ensuring that consumers have a better perception of the GST's ground-level impact. Union Finance Secretary Hasmukh Adhia has urged companies (especially those in the fast-moving consumer goods segment) to ensure that new maximum retail prices are inscribed((verb) – write, carve, mark अंकित करना) on products from November 15, even on existing inventory((noun) – unsold stock; an unsold supply of a product that are stored in a place सामान.) in the market. While wholesalers can still implement this, reaching every last retailer is a challenge. But firms have been warned that the entire retail chain must reflect revised prices in order to avoid anti-profiteering action; and the expectation is that there will be some exemplary(adjective) – flawless/faultless, impeccable/consummate अनुकरणीय, आदर्श) action soon to make industry fall in line(phrase) – conform (tally with) with others अनुरूप होना). Restaurant chains are also likely to face the heat((noun) – intensive and unwelcome pressure or criticism आलोचना) for retaining price hikes; even though their tax rate has dropped, they no longer get any credits for taxes paid on inputs. Protecting consumer interest is important, but the prospect of the government monitoring prices and asking businesses to justify pricing decisions instead of letting market forces play out((phrasal verb) – turn out, work out, conclude/end निश्चित करना) is unnerving((verb) – discourage, dishearten, frighten दहला देने वाला.). The NAA could take a cue((noun) – hint, indication, sign/signal संकेत) from, if not partner, the Competition Commission of India in this, and focus on firms raising prices indiscriminately((adverb) – aimlessly, unsystematically; carelessly अंधाधुंध) in markets where they enjoy a dominant position, or forming pricing cartels((noun) – a group of manufacturers/businesses fixing a high price to avoid competition and to make more money).

The government must ensure that the authority's powers are used transparently(adverb) – in a honest manner; openly, directly/visibly) and only where there is genuine consumer/public interest at stake((phrase) – at risk/issue or in question जोखिम में पड़ना). Else, it runs the risk((phrase) – subject/expose oneself to the chances of something bad happening.) of making profit itself a bad word.