RTI REQUEST DETAILS

Registration No. :	CSLTD/R/E/26/00005	**Date of Receipt :**	12/01/2026
Type of Receipt :	Online Receipt	**Language of Request :**	English
Name :		**Gender :**	
Address :			
State :		**Country :**	
Phone No. :		**Mobile No. :**	
Email :			
Status(Rural/Urban) :		**Education Status :**	
Is Requester Below Poverty Line ? :		**Citizenship Status**	
Amount Paid :	10)	**Mode of Payment**	Payment Gateway
Does it concern the life or Liberty of a Person ? :	No(Normal)	**Request Pertains to :**	
Information Sought :	SPECIFIC DETAILS REQUIRED- (i) COMPLIANCE OF ANTIPROFITEERING PROVISON UNDER GST (ii) INFORMATION SOUGHT ON DEMAND DRAFT ISSUED, CASHED AND REMAIN UNENCASHED WITH BANKS		

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(i) COMPLIANCE OF ANTIPROFITEERING PROVISON UNDER GST

Background on information sought

Meaning of Anti-Profiteering

Anti-profiteering provisions under GST ensure that **any benefit arising due to reduction in GST rates or availability of Input Tax Credit (ITC)** is **passed on to consumers** by way of **reduction in prices**. Businesses are not allowed to increase profit margins by retaining GST benefits.

Legal Provision

- Anti-profiteering is governed by **Section 171 of the CGST Act, 2017**
- Detailed procedures are covered under **Rules 122 to 137 of the CGST Rules**

Objective of Section 171

- To ensure **fair pricing**
- To prevent **unjust enrichment**
- To pass GST benefits to the **final consumer**
- To maintain **transparency in pricing**

Key Requirements under Section 171

A registered person must:

- Pass on **reduction in GST rate**, and
- Pass on **benefit of ITC**
- Through **commensurate reduction in prices**

Anti-Profiteering Authority Structure

The anti-profiteering mechanism works through a **three-tier structure**:

1. **State Screening Committee**
2. **Standing Committee**
3. **Director General of Anti-Profiteering (DGAP)**
4. **National Anti-Profiteering Authority (NAA)**

Statutory laws of anti-profiteering: Section 171 of the CGST Act, 2017 and Rules 123 to 137 of the CGST Rules deals with the provision of anti-profiteering authority under GST law and the said authority is headed by National Anti-profiteering Authority.

Protection for Consumer's interest: Any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit to consumers by way of commensurate reduction in prices of the said goods or services, if this is not done, the consumer's interest is protected by the National Anti-profiteering Authority which may order: (a) reduction in prices; Advertisement (b) return of the amount not passed on which interest @ 18% to the recipient; (c) imposition of penalty; and (c) cancellation of registration of the supplier.

Relevant Extract of Section 171 of CGST Act, 2017 Section 171 of the CGST Act, 2017 prescribes Anti-profiteering measure. The relevant portion of Goods and Services Tax Act, 2017 is reproduced as under:

"171. Anti-profiteering Measure: –

(1) Any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of commensurate reduction in prices.

(2) The Central Government may, on recommendation of the Council, by notification, constitute an Authority, or empower an existing Authority constituted under any law for the time being in force, to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the said goods or services or both supplied by him.

(3) The Authority referred to in sub-section (2) shall exercise such powers and discharge such functions as may be prescribed." (3A) Where the Authority referred to in sub-section 2, after holding examination as required under the said sub-section comes to the conclusion that any registered person has profiteered under sub-section (1), such person shall be liable to pay penalty equivalent to 10% of the amount so profiteered. Provided that no penalty shall be leviable if the profiteered amount is deposited within thirty days of the date of passing of the order by the Authority.

Constitution of the Anti-Profiteering Authority:- Rule 122 of the CGST Rules prescribes the authority shall consist of,- (a) a Chairman who holds or has held a post equivalent in rank to a Secretary to the Government of India; and (b) four Technical Members who are or have been Commissioners of State tax or central tax for at least one year or have held an equivalent post under the existing law, to be nominated by the Council.

Duties of the Anti-Profiteering Authority (APA)

The Anti-Profiteering Authority shall perform the following duties:

- **To determine** whether any reduction in the rate of tax on supply of goods or services or the benefit of Input Tax Credit has been passed on to the recipient by way of commensurate reduction in prices.
- **To identify** the registered person who has not passed on the benefit of:
  - Reduction in GST rate, or
  - Input Tax Credit (ITC),

  to the recipient.
- **To order corrective actions**, including:
  - Reduction in prices of goods or services
  - Return of the profiteered amount to the recipient along with interest @ 18%
  - Deposit of the unclaimed amount in the Consumer Welfare Fund
  - Imposition of penalty as prescribed under the Act
  - Cancellation of GST registration, where warranted
- **To ensure compliance** with the provisions of Section 171 of the CGST Act, 2017.
- **To monitor implementation** of its orders through Central Tax, State Tax, or Union Territory Tax authorities.
- **To furnish performance reports** to the GST Council at the end of each quarter.

Examination of Application

- **Receipt of Application**-An application alleging profiteering may be received from an interested party, a consumer, or any other person, in the prescribed form.

- **Examination by Standing Committee**-The **Standing Committee on Anti-Profiteering** shall examine the application to verify the **accuracy and adequacy of evidence** provided, in order to determine whether there exists **prima facie evidence** that the benefit of:
  - reduction in the rate of tax, or
  - input tax credit

  has not been passed on to the recipient by way of commensurate reduction in prices.
- **Time Limit for Examination**-The examination shall be completed within **two months** from the date of receipt of the application.
  This period may be extended by a further **one month** for reasons to be recorded in writing.
- **Examination of Local-Level Applications**-Applications relating to matters of **local nature** shall first be examined by the **State-level Screening Committee**.
- **Forwarding of Application**-Where the Screening Committee is satisfied that there is prima facie evidence of contravention of Section 171, it shall forward the application along with its recommendations to the Standing Committee for further action.
- **Rejection of Application**-If no prima facie evidence of profiteering is found, the application may be rejected and the applicant informed accordingly.

Initiation and Conduct of Proceedings

- **Reference for Investigation**-Where the Standing Committee is satisfied that there exists **prima facie evidence** that a registered person has not passed on the benefit of reduction in tax rate or Input Tax Credit (ITC) to the recipient by way of commensurate reduction in prices, it shall **refer the matter to the Director General of Anti-Profiteering (DGAP)** for detailed investigation.
- **Conduct of Investigation by DGAP**-The DGAP shall conduct a detailed investigation to determine whether the benefit of:
  - reduction in GST rate, or
  - availability of Input Tax Credit

  has been passed on to the recipient.
- **Issue of Notice**-Prior to initiation of investigation, the DGAP shall issue a **notice** to the interested parties containing:
  - Description of goods or services involved
  - Summary of allegations and facts
  - Time limit for submission of replies and information
- **Collection of Evidence**-The DGAP may call for records, documents, invoices, cost data, and GST returns, and may issue notices to any other persons considered necessary for a fair inquiry.
- **Opportunity to Parties**-All evidence submitted by one party shall be made available to the other interested parties, ensuring **principles of natural justice**.
- **Time Limit for Investigation**-The DGAP shall complete the investigation within **six months** from the date of receipt of reference, which may be extended by a further **three months** for reasons recorded in writing.
- **Submission of Report**-Upon completion of the investigation, the DGAP shall submit a **report of findings** along with relevant records to the Anti-Profiteering Authority for determination.

Confidentiality of information:- Rule 130 of the CGST Rules prescribes the provision of confidentiality of information,- (1) Notwithstanding anything contained in sub-rules (3) and (5) of rule 129 and sub-rule (2) of rule 133, the provisions of section 11 of the Right to Information Act, 2005 (22 of 2005), shall apply mutatis mutandis to the disclosure of any information which is provided on a confidential basis. (2) The Director General of Anti-profiteering may require the parties providing information on confidential basis to furnish non-confidential summary thereof and if, in the opinion of the party providing such information, the said information cannot be summarized, such party may submit to the Director General of Anti-profiteering a statement of reasons as to why summarization is not possible.

Co-operation with other agencies or statutory authorities: Rule 131 of the CGST Rules prescribes where the Director General of Anti-profiteering deems fit, he may seek opinion of any other agency or statutory authorities in the discharge of his duties.

Proceedings of the Director General of Anti-Profiteering (DGAP)

- **Power to Summon**-The Director General of Anti-Profiteering, or any officer authorised by him, shall have the power to **summon any person** whose attendance is considered necessary to:
  - Give evidence, or
  - Produce documents or records

  Such power is exercised under **Section 70 of the CGST Act, 2017**.

- **Powers Equivalent to Civil Court**-The DGAP shall exercise powers in the same manner as a **civil court** under the **Code of Civil Procedure, 1908**, in respect of summoning, enforcing attendance, and examining persons on oath.
- **Judicial Proceedings**-Every inquiry conducted by the DGAP shall be deemed to be a **judicial proceeding** within the meaning of:
  - Section 193 of the Indian Penal Code (false evidence), and
  - Section 228 of the Indian Penal Code (intentional insult or interruption)
- **Collection and Examination of Evidence**-The DGAP may call for books of accounts, invoices, cost data, GST returns, and any other relevant documents necessary for determining profiteering.
- **Fair and Transparent Inquiry**-The proceedings shall be conducted in a fair manner, ensuring adherence to the **principles of natural justice**.

Order of the Anti-Profiteering Authority

- **Time Limit for Passing Order**-The Anti-Profiteering Authority shall, within a period of **six months** from the date of receipt of the investigation report from the Director General of Anti-Profiteering (DGAP), determine whether a registered person has passed on the benefit of:
  - reduction in the rate of tax, or
  - input tax credit

    to the recipient by way of commensurate reduction in prices.
- **Opportunity of Hearing**-An opportunity of being heard shall be provided to the interested parties, wherever a written request is made.
- **Clarification from DGAP**-The Authority may seek clarification from the DGAP on the investigation report during the process of determination.
- **Orders in Case of Profiteering**-Where the Authority determines that profiteering has occurred, it may order one or more of the following:
  - Reduction in prices
  - Return of the profiteered amount to the recipient along with interest @ **18%**
  - Deposit of the amount (where the recipient is unidentifiable or does not claim refund) into the **Consumer Welfare Fund** of the Centre and the concerned State in equal proportion
  - Imposition of penalty as prescribed under the Act
  - Cancellation of GST registration
- **Direction for Further Investigation**-If the Authority is of the opinion that further inquiry is required, it may direct the DGAP to conduct **additional investigation**.
- **Scope of Order**-The Authority may also order investigation into other goods or services not covered in the original report, if evidence of profiteering is found.

Decision to be taken by the majority.- Rule 134 of the CGST Rules prescribes that;- (1) A minimum of three members of the Authority shall constitute quorum at its meetings. (2) If the Members of the Authority differ in their opinion on any point, the point shall be decided according to the opinion of the majority of the members present and voting, and in the event of equality of votes, the Chairman shall have the second or casting vote

Compliance by the registered person: Rule 135 of the CGST Rules prescribes that;- Any order passed by the Authority under these rules shall be immediately complied with by the registered person failing which action shall be initiated to recover the amount in accordance with the provisions of the Integrated Goods and Services Tax Act or the

Central Goods and Services Tax Act or the Union territory Goods and Services Tax Act or the State Goods and Services Tax Act of the respective States, as the case may be.

Monitoring of the order: Rule 136 of the CGST Rules prescribes that;- The Authority may require any authority of central tax, State tax or Union territory tax to monitor the implementation of the order passed by it

National Anti-profiteering Authority: The National Anti-profiteering Authority (NAA) has been constituted as the institutional mechanism under GST law to check the unfair profit-making activities by the trading community. The Authority's main function is to ensure that traders are not realizing unfair profit by charging high price from consumers in the name of GST. The responsibility of NAA is to examine and check such profiteering activities and recommend punitive actions including cancellation of registration. The chairman, NAA along with 4 Technical members and with help of the Standing Committee, Screening Committee in every State and the Directorate General of Anti-profiteering in the Central Board of Indirect Taxes & Customs (C.B.I & C), work together on the anti-profiteering front.

Compensation to recipient: Once the profiteering is established, National Anti-profiteering Authority can compel the defaulter to return to the recipient, an amount of equivalent to the amount not passed on by way of commensurate reduction in prices along with interest at the rate of 18% from the date of collection of higher amount till the date of return of such amount.

Tenure of the Anti-Profiteering Authority: Rule 137 of the CGST Rules prescribes that the Authority shall cease to exist after the expiry of four years from the date on which the Chairman enters upon his office unless the Council recommends otherwise.

Important Decisions of the National Anti-Profiteering Authority (NAA)

1. DGAP v. Nestlé India Ltd. (2019)

[2019] 112 taxmann.com 202 (NAA)

Issue:
Whether the benefit of GST rate reduction was correctly passed on to consumers.

Facts:

- GST rate on several products was reduced from **28% to 18%** and later from **18% to 12%**.
- The respondent increased base prices of around **300 SKUs**.
- Benefit was passed on at an **aggregate/product level**, not at **individual SKU level**.

Decision:

- Passing benefit at aggregate level is **not acceptable**.
- Benefit of tax reduction must be passed on **SKU-wise**, so that each buyer gets the benefit.
- Incorrect methodology amounts to **profiteering**.

Order:

- Directed reduction in prices
- Ordered deposit of profiteered amount in **Consumer Welfare Fund**
- Established that **methodology matters** under Section 171

Key Principle Laid Down:

Benefit of GST rate reduction must be passed on at the **individual product/SKU level**.

Sunset clause effective 1st April 2025

•The government has notified 1st April 2025 as the sunset date for the anti-profiteering provisions under GST. Hence, the authority will not accept any new complaints or investigations regarding anti-profiteering.

•Existing complaints filed before 1st April, 2025, will continue to be adjudicated by the Principal Bench of the GST Appellate Tribunal (GSTAT), which has taken over jurisdiction from the Competition Commission of India (CCI) since 1st October 2024.

•This move reflects the GST Council's intent to simplify compliance and allow market forces to determine pricing post this transitional phase.

Section 171(1) of the CGST Act mandates that any reduction in GST rates or benefit of input tax credit must be passed on to the recipient by way of a proportionate decrease in prices. The law covers two main aspects:

1Reduction in Tax Rate: If.

2Benefit of Input Tax Credit (ITC): If businesses gain additional ITC under GST, this benefit should be reflected in reduced prices for consumers.

Anti-profiteering authority structure

•Until September 2024: The NAA and the Competition Commission of India (CCI) handled cases.

•From 1st October 2024: All pending and new cases are handled by the Principal Bench of the GST Appellate Tribunal (GSTAT).

How to Complain about Anti-Profiteering

- Consumers or any interested parties may file complaints alleging profiteering with the **State-level Screening Committee** (for local issues) or the **Standing Committee on Anti-Profiteering** (for issues having all-India implications).
- Complaints must be supported by **documentary evidence** showing that the benefit of reduction in GST rate or Input Tax Credit has not been passed on.
- With effect from **1 October 2024**, the **GST Appellate Tribunal (GSTAT)** has assumed jurisdiction over anti-profiteering matters.
- Complaints may be submitted **online through the official GST portal** or through the **designated authorities** as prescribed.

Methodology to Identify Profiteering

- The Authority examines and compares **pre-GST and post-GST prices**, profit margins, and cost structures to assess whether GST benefits have been passed on to consumers.
- The investigation may include scrutiny of:
  - Tax invoices
  - Cost sheets
  - Input Tax Credit (ITC) claims

- GST returns and related records
- Where profiteering is established, the Authority may order:
    - Reduction in prices
    - Refund of excess amount collected along with interest and penalty
    - Cancellation of GST registration, where warranted

Section 74 of the CGST Act, 2017

Section 74 of the CGST Act deals with cases where **tax has not been paid, short-paid, or erroneously refunded**, or where **Input Tax Credit has been wrongly availed or utilised** due to:

- Fraud
- Willful misstatement
- Suppression of facts

Although Section 74 is distinct from anti-profiteering provisions, it may be invoked by the department where profiteering involves **fraudulent intent or deliberate tax evasion**.

INFORMATION SOUGHT(NO 1)

In view of the above provisions the following information's in the table are requested:

SN	PROJECTS IN RUNNING AND TENDERING STAGE AS ON 01.07.2017	TOTAL CONTRACT PRICE	TOTAL VALUE OF WORK DONE UPTO 30.06.2017	TOTAL BALANCE WORK AS ON 30.06.2017	REVISED COST OF TOTAL BALANCE WORK AS ON 30.6.2017	DOCUMENTS PROVIDED BY CONTRACTORS IN SUPPORT OF REVISED PRICE	IF DATA RE CHECKED ON ACTUAL RETURN FILED BY CONTRACTORS OR METHODOLGY ADOPTED BY NAA	COMPLAINTS MADE TO NAA/GSTAT	REMARKS

(ii) INFORMATION SOUGHT ON DEMAND DRAFT ISSUED, CASHED AND REMAIN UNENCASHED WITH BANKS

Demand Drafts

Various demand drafts issued remains unpaid due to various reasons causing loss to companies and gains to banks.

- A demand draft is a negotiable instrument to transfer funds from one bank to another. Individuals need to request his/her bank to issue a demand draft in the recipient's name to transfer the amount.
- Demand Draft is a pre-paid fund transfer instrument, where the payment is already collected when issuing a demand draft; therefore a demand draft does not 'bounce' due to insufficient funds.

Issue of Demand Drafts

Banks are required to follow specific safeguards to reduce fraud and improve efficiency in the issuance and payment of demand drafts. The following measures are prescribed:

- Demand drafts of **₹20,000 and above** shall be issued with **Account Payee crossing**.
- Validity of a demand draft shall be **three months**, with a simplified procedure for revalidation.
- All validity-related superscriptions must be clearly mentioned on the draft.
- Drafts of small denominations may be issued **against cash**, even to non-account holders.
- Bank staff shall not refuse small denomination notes for issuance of drafts.

Encashment of drafts

The banks should ensure that drafts drawn on their branches are paid immediately. Payment of draft should not be refused for the only reason that relative advice has not been received. Various demand drafts remains unpaid with banks.

Issue of Duplicate Demand Draft

- Duplicate demand drafts (up to **₹5,000**) may be issued in lieu of lost drafts based on an **indemnity**, without insisting on non-payment advice.
- Banks must issue duplicate drafts **within 15 days** from the date of request.
- For any delay beyond the stipulated period, **interest at the applicable fixed deposit rate** shall be paid to the customer.
- The above applies only where the request is made by the **purchaser or beneficiary**, and not in cases of third-party endorsement.

- Non encashment of DEMAND DRAFT and funds remain with bank.

<u>Information's sought (NO 2)</u>

In the view of above details of the demand draft issued and remains unpaid by banks are required in format

SN	BANK NAME	DATE OF ISSUE BETWEEN 1.4.2015 TO 31.12.2025	AMOUNT IN RS/OTHER CURRENCY	DATE OF VALIDITY	DATE OF ENCASHMENT BY BANK OR UNPAID DEMAND DRAFT	PURPOSE	BANK CHARGES PAID ON MAKING OF DEMAND DRAFT	DD number	REMARKS IF ANY
1									

GHRITI ARYA

ADD-38 SUBHASH KHAND

GIRI NAGAR KALKA JI,ND-19

PHN-9711840265

AADHAR- 947757101192

CSL/SEC/CS/CORRESP/RTI/2025/2 **February 10, 2026**

Sub: <u>Information Under Right to Information Act</u>

Dear Madam,

1. Please refer your RTI request no. CSLTD/R/E/26/00005 dated January 12, 2026. The reply to the information sought under the said request is given below ad seriatim:

(i) Cochin Shipyard Limited (CSL) does not maintain the information in the form and manner in which the same is sought in your RTI Request and is also not required by any law to maintain the same in such form and manner. Accordingly, it does not fall under the definition of “information” under the Right to Information (RTI) Act, 2005 and therefore outside the purview of the RTI Act.

(ii) As per CSL records there are no unpaid demand drafts during the said period.

2. If you are not satisfied with the above reply, you may prefer an appeal within 30 days from the date of receipt of this letter to Shri Jose V J, Director (Finance) & CMD (Addl. Charge) & Appellate Authority, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi – 682015.

Thanking You,

Yours faithfully,

Digitally signed by SYAMKAMAL
Date: 2026.02.10 17:18:22 +05'30'

Syamkamal N
Company Secretary & CPIO