

# REINA [ ] LEGAL

## Tax Trends

Top Tax News This  
Week

## Nearly 4,000 GST complaints filed in first week of reforms, says govt

Since the rollout of GST reforms on September 22, the National Consumer Helpline (NCH) has received over 3,981 GST-related calls, with 69% being consumer grievances primarily concerning the pricing of milk products and electronic goods. Many consumers alleged that companies failed to reduce prices in line with the revised GST rates. The Central Consumer Protection Authority (CCPA) clarified that while fresh milk was already GST-exempt, the exemption now includes UHT milk as well. Complaints about electronics, especially laptops, refrigerators, and washing machines, revealed confusion around tax rates though items like TVs and ACs saw a GST cut from 28% to 18%, others were already taxed at 18%. The Ministry of Consumer Affairs is actively reviewing these cases and escalating them for quick resolution, with potential class action under consideration.





## Full GST benefit to these insurance customers as the insurers pass ITC burden to distribution partners

Following the GST Council's decision to exempt individual health and life insurance policies from GST effective September 22, insurers are adjusting to the loss of input tax credit (ITC) by revising commission structures. With ITC no longer available on key expenses like rent, technology, contractual manpower, and distributor commissions, insurers like Tata AIG and Aditya Birla Health Insurance (ABHI) have notified that starting October 1, 2025, commissions and rewards to distribution partners will be inclusive of GST. This effectively shifts the GST burden onto agents and intermediaries. Tata AIG stated the move would impact insurers' profitability and expense margins, while ABHI highlighted that the change makes GST a direct cost to insurers, necessitating adjustments to maintain financial viability. Updated commission grids reflecting this change are expected to be rolled out soon.

## Government may invoke Legal Metrology Act to check profiteering on GST rate cuts

The government is considering action under the Legal Metrology Act, 2009, to address cases where businesses may be inflating base prices to offset recent GST rate cuts, thereby denying consumers the intended benefits. While the Central Board of Indirect Taxes and Customs (CBIC) ensures correct GST rates are applied, it lacks authority over product pricing. A government source clarified that adjusting base prices to negate tax cuts is not a GST violation but falls under the Legal Metrology Act, which governs pricing of pre-packaged goods. This Act empowers authorities to penalize companies manipulating prices to avoid passing on GST benefits, with enforcement measures likely to follow in such cases.



Money Control



## Govt puts e-comm platforms on radar for GST rate cut benefit compliance

The government has intensified its scrutiny of e-commerce platforms to ensure that recent GST rate cuts on daily-use FMCG items from shampoo to pulses are being passed on to consumers. With GST now streamlined to a two-tier structure of 5% and 18% from September 22, authorities are closely tracking pricing practices, especially following complaints of inadequate price reductions. Some platforms have cited 'technical glitches' when questioned about discrepancies, prompting informal warnings from officials. The Finance Ministry has directed GST field officers to submit monthly reports tracking MRP changes across 54 essential items, reinforcing its commitment to consumer benefit and pricing transparency.

# Contact Information



**Gurugram Office:**

1st Floor, AIHP Palms

242 & 243, Udyog Vihar IV, Gurugram-122015



+91-124-4309062



[info@reinalegal.com](mailto:info@reinalegal.com)



[www.reinalegal.com](http://www.reinalegal.com)