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Newsflash: GST - Anti-profiteering measure by Government of India

Government of India had introduced Anti-Profiteering measure by introduction of section 171 under Central Goods and Services Tax Act, 2017. The said provision had mandated that any supplier is required to pass on the benefit arising due to reduction in rate of tax or due to enhanced input credit under GST. Such benefit shall be passed on to the receiver by way of reduction in prices. Further, the said section read with Rules 122 to 137 of Central Goods and Services Tax Rules, 2017 had also stated about constitution of Anti-Profiteering Authority.

In a bid to toughen its stance on Anti-Profiteering, Government of India has established a National Anti-Profiteering Authority. The following is the mechanism how the complaints shall be addressed:

- Affected consumers shall file complaints in the prescribed form (introduced recently). [Click here to access the said form \(Anti-Profiteering Application Form \(APAF - 1\)\)](#). The said application may be also be filed by commissioner or any other person.
- The application shall be made as follows:
 - If the profiteering has an all India characteristic – to be filed with standing committee
 - If the profiteering is of local nature – to be filed with state screening committee
- The respective committee shall check the prima facie evidence provided by the complainant. All local level applications shall be screened by state screening committee and shall be forwarded to standing committee upon satisfaction that provisions of Anti-Profiteering have been contravened.
- Standing committee shall check the evidence and then forward the application to Director General of Safeguards, CBEC which shall conduct a detailed investigation.
- The findings of Director General of Safeguards, CBEC shall be forwarded to National Anti-Profiteering Authority.
- National Anti-Profiteering Authority shall determine profiteering and pass appropriate order to ensure consumers get the benefit of reduced prices. The following types of orders may be issued by National Anti-Profiteering Authority:
 - Order for reduction in prices;
 - Order to return the amount not passed on with interest @ 18%, to the recipient;
 - Order to impose of penalty; and
 - Order for cancellation of registration of the supplier

Contact details of Standing Committee on Anti-Profiteering is as follows:

Standing Committee on Anti-Profiteering
Second Floor, Bhai Vir Singh Sahitya Sadan,
Bhai Vir Singh Marg, Gole Market,
New Delhi – 110001
Tel: 011-23741537, Fax: 011-23741542
Email: anti-profiteering@gov.in



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This newsflash is general in nature. In this newsflash, we have summarized anti-profiteering measure by introduction of section 171 under Central Goods and Services Tax Act, 2017. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

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