

## **About Anti Profiteering**

The Directorate General of Safeguards is the investigating agency that would support the National Anti-profiteering Authority (NAA) to apply anti-profiteering measures in case the benefit of any reduction in the rate of tax or the benefit of input tax credit in the course of supply of goods or services or both, is not passed on to the recipient of such goods or services by way of commensurate reduction in prices. These measures have been envisaged to ensure that the benefit of reduction in the rate of tax or input tax credit under GST regime is passed on to the recipient and the supplier is not allowed to increase his profit margin.

2. Section 171 of the CGST Act, 2017 read with CGST Rules, 2017 specify the institutional framework for anti-profiteering under GST. As per Rules 122 and 124 of the said Rules, a National Anti-profiteering Authority (NAA) has to be constituted with a Chairman and four Members. A Standing Committee constituted by the GST Council shall examine the accuracy and adequacy of the evidence provided in an application of the complainant in regard to profiteering and if satisfied that there is a prime-facie evidence to show that the supplier has not passed on the benefit of reduction in the rate of tax or the benefit of input tax credit to the recipient by way of commensurate reduction in prices, it shall refer the matter to the Directorate General of Safeguards for a detailed investigation. The Director General of Safeguards, upon completion of the investigation, within a period of three months or extended period of total six months, shall furnish a report to the NAA, who shall then pass the suitable order against the person indulging in profiteering. Such order may include directing the reduction in prices, refund of benefit availed to consumers etc.