

## ANTI-PROFITEERING MEASURE IN GST

Provision relating to anti-profiteering measure is given in section 171 of the Central Goods and Services Tax Act, 2017 which is reproduced as below:

*(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 recommendations 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 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.*

The above provisions ensure that business should pass on the benefit of GST input tax credit available or reduction in the rates to the purchasers and do not take advantage of GST.