

# Finmin to list possible prices of 2,500 goods in GST regime

## Will Compare With Current Prices To Check Profiteering

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**New Delhi:** As part of its efforts to keep prices under check after the introduction of the goods and services tax (GST), the finance ministry is working out the possible price of 2,000-2,500 commonly used goods and services after the launch of the new regime and comparing them with current prices. Sources told **TOI** that the data is expected to be released later this month and will cover major cities. "We cannot go down to the level of small towns and rural areas, but the price chart will be indicative," a senior officer told **TOI**.

The effort is part of the outreach to ensure that businesses don't take advantage of the new regime to raise prices, citing higher incidence. A spike in prices of major commodities would be tough to handle politically too, prompting the government to undertake a detailed analysis.

Already, GST rates have be-

### THE AUSTRALIAN EXPERIENCE



➤ Australian Competition & Consumer Commission issued guidelines, wherein \$1 reduction in taxes and costs necessitated a price cut of at least \$1

➤ If, after taking into account rise in taxes, the costs of a business rose by \$1, then prices were allowed to rise by no more than \$1

➤ Australia released estimates of price movement for 185 common goods and services in the first six months of launch

➤ The price guide was delivered to every household before the tax was introduced

➤ Considered over 51,000 complaints, investigated 7,000 matters

➤ Obtained refunds of around \$21 million on behalf of nearly two million consumers

➤ Instituted court proceedings in 11 matters, accepted 55 court enforceable undertakings

en fixed in a way that prices do not jump for major commodities and services. As a result, food products have been protected, while soaps and other consumer goods have actually seen a lower levy. Within product categories too, a distinction has been made, which some

economists have criticised.

But that has not stopped the GST Council — comprising the Union finance minister and state FMs — to opt for multiple slabs for hotels and restaurants. Similarly, when the apex decision making agency meets on Saturday, it is expected to ha-

ve separate rates for cheaper biscuits and footwear as opposed to the more expensive ones.

The fear over price rise emanates from the experience in Malaysia, prompting the government to provide for an anti-profiteering clause in the GST law. Already, the government has threatened to invoke the provisions in case businesses do not pass on the gains.

The government is borrowing from the Australian example, which published possible price movements for 185 commonly used products and services for three years.

In India, the government is yet to identify or appoint an anti-profiteering agency. Even rules are not in place at the moment but the government is hoping to do that over the next four weeks. Officials themselves admit that it may not be easy to track all price movements and act against the large volume of complaints that pour in. Those at the Centre suggested that the states need to play a crucial role in it.