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DGGI recovers Rs 74.86 crore from tobacco manufacturer for GST evasion

Nagpur, May 4 (PTI) In a crackdown against large-scale tax evasion, the Directorate General of GST Intelligence (DGGI) has recovered Rs 74.86 crore from a prominent tobacco manufacturer based in Maharashtra's Ahmednagar district, an official said on Tuesday. Based on specific information, searches were conducted at various business premises of the Sangamner-based manufacturer and supplier in April, a release issued by the DGGI stated. Unmanufactured tobacco attracts the highest rate of the Goods and Services Tax (GST), which is almost equivalent to the value of the goods and there is scope for large-scale evasion in the sector, it was stated. The GST on unmanufactured tobacco is 28 per cent plus 71 per cent compensation Cess. Several incriminating documents and computerised records were seized and an analysis revealed that the company had cleared large quantities of unmanufactured tobacco without paying the GST, the release said. Further probe also revealed that there was heavy evasion of GST payable by the company (5 per cent GST) on reverse charge basis on tobacco leaves procured directly from farmers, it stated. The brand is popular across the country and its products are consumed in large quantities not only in Maharashtra, but many other states, it said. The company has managed to pay Rs 74.86 crore in cash in April, towards its liabilities, along with part payment of interest, the release stated. PTI

Source: <https://www.outlookindia.com/newsscroll/dggi-recovers-rs-7486-crore-from-tobacco-manufacturer-for-gst-evasion/2076415>