

**IF PACKING MACHINES NOT REGISTERED WITH GST AUTHORITIES BEFORE APRIL 1 ...**

# Penalty of ₹1 L Looms Over Tobacco Product Makers

**New Delhi:** Manufacturers of pan masala, gutka and similar tobacco products will have to pay a penalty of up to ₹1 lakh, if they fail to register their packing machinery with the GST authorities with effect from April 1.

The move is intended to curb revenue leakage in the tobacco manufacturing sector. The Finance Bill, 2024, introduced amendments to the Central GST Act, where a penalty of ₹1 lakh would be levied for every machine not registered.

Further, such non-compliant machinery would face the risk of seizure and con-



fiscation in certain cases.

Based on the recommendation of the GST Council, the tax authorities had last year notified a special procedure for registration of machines by tobacco ma-

nufacturers.

The details of existing packing machines, newly-installed machines, along with the packing capacity of these machines, have to be furnished in Form GST SRM-I. However, there was no penalty notified for the same.

Revenue Secretary Sanjay Malhotra said the GST Council in an earlier meeting decided that for pan masala, gutka and similar products, there should be a registration of their machines so that we can keep a watch over their production capacity. —PTI