

# GSTN rolls out special procedure for tobacco makers to register machines with tax authorities

PTI ■ NEW DELHI

The GST Network (GSTN) has implemented a special procedure for manufacturers of pan masala, gutkha and similar tobacco products to register their machines with tax authorities, a move intended at checking evasion.

In January, the Central Board of Indirect Taxes and Customs (CBIC) had announced the introduction of a new registration and monthly return filing procedure to improve GST compliance for manufacturers of pan masala and tobacco products effective April 1. The date was later extended till May 15.

GSTN on May 16 informed the taxpayers that the online facility for such manufacturers to submit their machine-related information through form GST SRM-I has been introduced on the GST portal. "To begin with, facility to register the machines has been made available on the GST portal to file the information in Form GST SRM-I. All taxpayers dealing in the items (pan masala, gutkha)... May use the facility to file the information about machines," GSTN said in an information on the website.

Form GST SRM-II (for return filing) will also be made available on the portal shortly, it added.

Moore Singhi Executive Director Rajat Mohan said the move is a significant step towards enhancing regulatory oversight and compliance.

"The introduction of an online utility for GST SRM-I will facilitate better tracking of machinery and production processes, thereby helping to curb tax evasion and ensure



proper tax administration. Taxpayers are advised to promptly utilise the GST portal's new feature for machine registration to comply with the requirements and avoid any potential penalties for non-compliance," Mohan added.

The move to overhaul the registration, record-keeping, and monthly filing of such businesses was aimed at improving GST compliance for manufacturers of pan masala and tobacco products.

The GST law was also amended via Finance Bill 2024, to say that manufacturers of pan masala, gutkha and similar tobacco products will have to pay a penalty of up to Rs 1 lakh, if they fail to register their packing machinery with GST authorities with effect from April 1.

However, this penalty provision is yet to be notified. The procedure was to be applicable for manufacturers of pan-masala, unmanufactured tobacco (without lime tube) with or without brand name, 'Hookah' or 'gudaku' tobacco, smoking mixtures for pipes and cigarettes, chewing tobacco (without lime tube), filter khaini, jarda scented tobacco, snuff and branded or unbranded 'Gutkha', etc.